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PERRIS UNION HIGH SCHOOL DISTRICT

AUDIT REPORT

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

Governing Board
Perris Union High School District
Perris, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, fiduciary activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District adopted GASB Statement No. 101, Compensated Absences which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section as listed 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents, which includes the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2025 on our consideration of the 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
December 14, 2025

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This section of Perris Union High School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025, with comparative information for the year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statements in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental and fiduciary.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.
- The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The primary unit of the government is the Perris Union High School District.

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

Governmental Activities - The District reports all of its services in this category. This includes the education of seventh through twelfth grade students, adult education students, the operation of a charter school, and the on-going effort to expand, improve, and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statement.

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

THE DISTRICT AS A TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others. The District's fiduciary activities are reported in the Statement of Net Position – Fiduciary Fund and Statement of Changes in Net Position – Fiduciary Fund. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Local Control Accountability Goals

With the Local Control Funding Formula or LCFF, the District is granted the flexibility to make funding decisions that have the greatest impact and benefit to our students. At Perris Union High School District (PUHSD), we have embraced this opportunity for local control and are committed to offering a wide range of innovative programs and opportunities that cater to the diverse needs of our students.

- Goal #1: All students will attain proficiency in English Language Arts and mathematics.
- Goal #2: All students will graduate from high school prepared for postsecondary and career options or obtain a certificate of high school completion.
- Goal #3: All departments and sites will provide a safe and positive learning environment for all students and staff.
- Goal #4: Secure and strengthen home-school-community connections and communications.
- Goal #5: Targeted intervention and services to improve student performance and promote academic success for students with disabilities and students experiencing homelessness.

These goals form the foundation of our District's approach to developing and implementing new programs and opportunities for students. Every decision about funding and resource allocation is guided by these goals, ensuring that our efforts are focused on supporting student achievement and creating an environment where all students can thrive.

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS

Net Position

The District's net position as of June 30, 2025, was \$349,870,108. Of this amount, \$116,475,737 represents an unrestricted net position deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities		
	2025	2024	Net Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 214,214,871	\$ 205,708,607	\$ 8,506,264
Non-current assets	645,902,101	628,344,982	17,557,119
Deferred outflows of resources	65,448,751	64,208,457	1,240,294
Total Assets and Deferred Outflows of Resources	925,565,723	898,262,046	27,303,677
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	49,772,131	22,235,159	27,536,972
Non-current liabilities	513,905,501	530,697,948	(16,792,447)
Deferred inflows of resources	12,017,983	8,203,980	3,814,003
Total Liabilities and Deferred Inflows of Resources	575,695,615	561,137,087	14,558,528
NET POSITION			
Net investment in capital assets	336,912,564	319,764,118	17,148,446
Restricted	129,433,281	94,660,296	34,772,985
Unrestricted	(116,475,737)	(77,299,455)	(39,176,282)
Total Net Position	\$ 349,870,108	\$ 337,124,959	\$ 12,745,149

The (\$116,475,737) unrestricted net position deficit in governmental activities represents the accumulated results of all prior years' operations.

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS, continued

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 16. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities		
	2025	2024	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 4,214,771	\$ 2,449,821	\$ 1,764,950
Operating grants and contributions	65,868,629	53,429,585	12,439,044
General revenues			
Property taxes	78,928,799	118,113,065	(39,184,266)
Federal and state aid not restricted for specific purposes	121,264,834	78,355,286	42,909,548
Other	11,472,588	20,916,595	(9,444,007)
Total Revenues	281,749,621	273,264,352	8,485,269
EXPENSES			
Instruction	123,860,107	122,731,902	1,128,205
Instruction-related services	25,139,870	28,656,883	(3,517,013)
Pupil services	33,338,935	30,657,528	2,681,407
General administration	18,199,078	13,957,646	4,241,432
Plant services	22,487,366	23,844,548	(1,357,182)
Ancillary services	8,134,922	8,237,203	(102,281)
Community services	82,477	46,277	36,200
Interest on long-term debt	12,099,135	12,272,312	(173,177)
Other outgo	929,388	885,141	44,247
Depreciation (unallocated)	16,302,143	12,035,469	4,266,674
Amortization (unallocated)	1,186,359	910,731	275,628
Total Expenses	261,759,780	254,235,640	7,524,140
CHANGES IN NET POSITION	19,989,841	19,028,712	961,129
NET POSITION - BEGINNING	337,124,959	318,096,247	19,028,712
PRIOR PERIOD ADJUSTMENT (NOTE 17)	(7,244,692)	-	(7,244,692)
NET POSITION - ENDING	\$ 349,870,108	\$ 337,124,959	\$ 12,745,149

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS, continued

Governmental Activities

As reported in the Statement of Activities on page 16, the cost of all of our governmental activities this year was \$261,759,780. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$78,928,799, because the cost was paid by those who benefited from the programs \$4,214,771, or by other governments and organizations who subsidized certain programs with grants and contributions \$65,868,629. We paid for the remaining "public benefit" portion of our governmental activities with \$121,264,834 in Federal and State funds, and with \$11,472,588 in other revenues, like interest and general entitlements. In Table 3, we have presented the cost of each of the District's largest functions. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Governmental Activities	
	Net Cost of Services	
	2025	2024
Instruction	\$ 95,764,227	\$ 99,515,710
Instruction-related services	21,013,248	23,114,535
Pupil services	13,677,410	18,258,520
General administration	14,862,765	12,312,240
Plant services	22,430,883	23,371,425
Ancillary services	4,716,035	5,138,457
Community services	13,441	625
Interest on long-term debt	12,099,135	12,272,312
Other outgo	(10,389,266)	(8,573,790)
Depreciation (unallocated)	16,302,143	12,035,469
Amortization (unallocated)	1,186,359	910,731
Total	\$ 191,676,380	\$ 198,356,234

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$182,221,549 which is a decrease of \$4,197,107 from last year (Table 4).

Table 4

GOVERNMENTAL FUNDS	Revenues and Other Financing Sources		Expenditures and Other Financing Uses	
	July 01, 2024			June 30, 2025
General Fund	\$ 63,024,854	\$ 208,963,587	\$ 203,867,751	\$ 68,120,690
Student Activity Special Revenue Fund	1,255,262	3,244,118	3,044,457	1,454,923
Charter School Fund	9,320,278	17,561,141	18,449,570	8,431,849
Adult Education Fund	48,066	481,926	527,518	2,474
Cafeteria Special Revenue Fund	8,100,812	9,834,233	7,841,308	10,093,737
Building Fund	37,184,368	1,883,448	19,708,725	19,359,091
Capital Facilities Fund	8,324,554	7,756,009	7,614,158	8,466,405
County School Facilities Fund	(2)	2	-	-
Special Reserve for Capital Outlay Projects Fund	811,477	2,253,303	427,653	2,637,127
Capital Project for Blended Component Units Fund	12,203,926	5,959,715	5,344,267	12,819,374
Bond Interest and Redemption Fund	46,140,692	24,907,431	20,239,721	50,808,402
Debt Service for Blended Component Units Fund	4	1,964,796	1,964,800	-
Debt Service Fund	4,365	1,987,908	1,964,796	27,477
Total Governmental Funds	\$ 186,418,656	\$ 286,797,617	\$ 290,994,724	\$ 182,221,549

The primary reasons for the changes to the District's fund balances are:

1. The General Fund is the District's principal operating fund. The fund balance in the General Fund increased by \$5,095,836 is primarily attributable to higher revenues from Local Control Funding Formula (LCFF) sources and the receipt of one-time state grant funding. This increase was partially offset by reductions in full-time equivalent (FTE) positions, as well as expenditures that were not realized. In addition, the expiration of one-time COVID-19 funding recognized in the prior year resulted in lower expenditures in the current year, contributing to year-over-year changes.
2. The Cafeteria Special Revenue Fund increased by \$1,992,925 from the previous year due to higher meal program revenues, driven by increased student participation and higher state and federal reimbursement rates.
3. The Building Fund decreased by \$17,825,277 from the previous year due to multi-year construction projects.
4. The Special Reserve for Capital Outlay Projects Fund increased by \$1,825,650 from the previous year due to the completion of prior year construction projects.
5. The Bond Interest and Redemption Fund increased by \$4,667,710 as property values increased during the year making the tax base higher for collections and the development of new properties within the District boundaries.

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to manage unexpected changes in revenues and expenditures. Changes are also made to the budget due to having the actual fund balances from previous year are made in September, when the Unaudited Actuals Report is submitted to the Board.

First and Second Interim Financial Reports provide the Board with a comprehensive review of the District budgets and is used to make appropriation adjustments as needed. In addition, the Board approves Resolutions to Budget for Grants and Awards throughout the fiscal year to account for new and/or revised allocations. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our audit report on page 64

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets and Right-to-Use Assets

At June 30, 2025, the District reported \$645,100,472 in capital assets and right-to-use assets (net of depreciation and amortization), including land and construction in progress, buildings and improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This reflects a net increase of \$16,336,468, or 2.6%, from the prior year, inclusive of additions, retirements, depreciation, and amortization (Table 5).

Table 5

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS AND RIGHT-TO-USE ASSETS			
Land	\$ 11,545,012	\$ 11,545,012	\$ -
Construction in progress	133,230,918	115,764,260	17,466,658
Land improvements	76,326,177	73,621,597	2,704,580
Buildings and improvements	582,939,837	572,805,736	10,134,101
Furniture and equipment	21,359,398	18,864,211	2,495,187
Accumulated depreciation	(181,639,331)	(165,337,188)	(16,302,143)
Right-to-use assets*	3,369,956	2,904,470	465,486
Accumulated amortization*	(2,031,495)	(1,404,094)	(627,401)
Total Capital Assets and Right-to-Use Assets	\$ 645,100,472	\$ 628,764,004	\$ 16,336,468

*2024 amount as restated, see Note 17.

This year's increase is primarily a result of facilities improvement projects, including new construction and modernization projects. We present more detailed information about our capital assets in Note 4 to the financial statements.

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

CAPITAL ASSETS AND LONG-TERM LIABILITIES, continued

Long-Term Liabilities

At the end of this year, the District had \$527,812,707 in long-term liabilities outstanding versus \$538,361,662 last year, an increase of \$10,548,955 or 1.96%. These long-term liabilities consisted of:

Table 6

	Governmental Activities		
	2025	2024*	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 300,004,132	\$ 308,428,106	\$ (8,423,974)
Certificates of participation (COP)	39,260,000	39,535,000	(275,000)
Qualified zone academy bond (QZAB)	460,566	589,345	(128,779)
Unamortized debt premiums/(discounts)	26,211,774	27,811,366	(1,599,592)
Lease liability	91,549	236,247	(144,698)
Subscription-based IT arrangements*	1,190,998	982,161	208,837
Supplemental early retirement program	1,691,432	-	1,691,432
Compensated absences*	9,962,325	8,430,474	1,531,851
Net pension liability	148,461,590	151,835,603	(3,374,013)
Net OPEB liability	478,341	513,360	(35,019)
Total Long-Term Liabilities	527,812,707	538,361,662	(10,548,955)
Less: Long-Term Liabilities, Current Portion	(13,907,206)	(9,955,905)	(3,951,301)
Long-term Liabilities, Non-Current Portion	\$ 513,905,501	\$ 528,405,757	\$ (14,500,256)

*2024 amount as restated, see Note 17.

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2024-25

The 2025 Local Control and Accountability Plan (LCAP) for the Perris Union High School District (PUHSD) highlights notable growth in academic achievement, student wellness, and college- and career-readiness, alongside major facility and programmatic investments that continue to expand opportunities for all learners.

Academic and Student Outcome Gains (Based on 2024 California School Dashboard Data)

PUHSD achieved record-high graduation outcomes in 2024–25, with a 94.2 percent graduation rate, a 2.6 percent increase from the prior year, earning a Green indicator status.

- African American students improved by +10.6 percent (Blue).
- Homeless students improved by +12.8 percent, and
- Students with Disabilities improved by +6.1 percent.

The Suspension Rate declined by 3 percent to 3.4 percent, moving the district from Yellow to Blue, supported by the continued expansion of Alternatives to Suspension (ATS) and restorative practices across all schools. Foster Youth (–6 percent), African American students (–4.8 percent), and Students with Disabilities (–3.7 percent) showed the greatest gains.

Academic performance also strengthened:

- English Language Arts scores rose by +5.6 points, and
- Mathematics scores increased by +12 points on the state assessment scale.

In addition, the College and Career Indicator (CCI) increased by 2 percent to 34.4 percent prepared, with Filipino students improving +14.5 percent (Blue) and African American students +12 percent (Green). These results reflect the District's ongoing focus on instructional coherence, early college opportunities, and equitable access to rigorous coursework.

Student Wellness and Systems of Support

PUHSD maintained fully staffed Wellness Centers at all comprehensive high schools, offering coordinated services through social workers, wellness counselors, and ERMHS behavioral and substance-abuse therapists. This work, aligned to the district's MTSS framework, continues to strengthen student well-being, reduce disciplinary incidents, and promote safe, supportive learning environments.

Facility Modernization and Pathway Expansion

Significant facility upgrades advanced both student learning and career-technical education:

- Paloma Valley High School celebrated the completion of its Auto Technology and Culinary Arts facilities, now open and welcoming students into their pathways, providing state-of-the-art, industry-aligned spaces that connect academics with hands-on technical learning.
- Construction continues on Paloma Valley's new administrative entry complex, which will enhance campus safety, student services, and family access.

**PERRIS UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2024-25, continued

Community Schools Partnership Program

The Community Schools Partnership Program (CCSPP) continued to expand across PUHSD in 2024–25, deepening collaboration among students, families, and community partners to address academic, social, and wellness needs holistically. Each participating site convened a Community Schools Parent Advisory Committee and developed shared goals aligned with LCAP Goals 3 and 4. Schools implemented monthly collaboration days led by Community Liaisons and site teams, integrating attendance improvement, family workshops, and student wellness initiatives into schoolwide events. Through these partnerships, PUHSD strengthened connections with local agencies, health providers, and higher-education institutions—delivering wraparound supports that improve attendance, engagement, and access to services for our highest-need students and families. The District's CCSPP model has become a cornerstone of its equity-driven approach to supporting the "whole child".

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2025-26 year, the governing board and management used the following criteria at adoption:

1. District enrollment of 10,651 and the Charter School's enrollment of 1,031 were projected to be 11,682 in total. This represented a total decrease of 1.40%. Overall District Average Daily Attendance (ADA) including charters was projected to be 10,593.23. This represents a decrease of 135.42 ADA.
2. Lottery funding for 2025-26 was projected to be \$273 per prior-year annual ADA. This per pupil rate reflects \$191 per pupil for unrestricted lottery revenues and \$82 per pupil for lottery funding restricted to the purchase of instructional materials.
3. LCFF was calculated at \$16,275 per ADA for grades 9-12 and \$13,687 for grades 7-8. This included a statutory Cost of Living Adjustment (COLA) of 2.30% and an unduplicated pupil count (UPP) of 74.63%.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Dr. Marguerite Williams, Assistant Superintendent, Business Services, at Perris Union High School District, 155 E. 4th Street, Perris, California 92570, or marguerite.williams@puhsd.org.

FINANCIAL SECTION

PERRIS UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 195,685,085
Accounts receivable	18,411,275
Inventory	91,632
Lease receivables, current portion	26,879
Total Current Assets	<u>214,214,871</u>
Non-Current Assets	
Lease receivables, non-current portion	801,629
Capital assets, net	643,762,011
Right-to-use assets, net	1,338,461
Total Non-Current Assets	<u>645,902,101</u>
TOTAL ASSETS	<u>860,116,972</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	2,649,430
Deferred outflows related to pensions	62,799,321
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>65,448,751</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 925,565,723</u>
LIABILITIES	
Current Liabilities	
Accrued liabilities	\$ 30,698,017
Interest payable	3,750,008
Unearned revenue	1,416,900
Long-term debt, current portion	13,907,206
Total Current Liabilities	<u>49,772,131</u>
Non-Current Liabilities	
Net pension liability	148,461,590
Net OPEB liability	478,341
Long-term debt, non-current portion	364,965,570
Total Non-Current Liabilities	<u>513,905,501</u>
TOTAL LIABILITIES	<u>563,677,632</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to lease receivables	680,034
Deferred inflows related to pensions	11,337,949
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>12,017,983</u>
NET POSITION	
Net investment in capital assets	336,912,564
Restricted	
Educational programs	18,293,360
Capital projects	43,974,378
Child nutrition	10,070,308
Student activity funds	1,380,867
Other restrictions	4,878,489
Unrestricted	(116,475,737)
TOTAL NET POSITION	<u>349,870,108</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 925,565,723</u>

The notes to financial statements are an integral part of this statement.

PERRIS UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues		Net (Expense)/ Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				Governmental Activities
Instruction	\$ 123,860,107	\$ 4,047	\$ 28,091,833	\$ (95,764,227)
Instruction-related services				
Instructional supervision and administration	7,202,090	7,851	2,104,003	(5,090,236)
Instructional library, media, and technology	1,673,765	-	101,583	(1,572,182)
School site administration	16,264,015	387	1,912,798	(14,350,830)
Pupil services				
Home-to-school transportation	6,231,713	-	607,411	(5,624,302)
Food services	7,912,650	252,893	8,686,303	1,026,546
All other pupil services	19,194,572	91,910	10,023,008	(9,079,654)
General administration				
Centralized data processing	5,638,373	-	1,227,127	(4,411,246)
All other general administration	12,560,705	81,473	2,027,713	(10,451,519)
Plant services	22,487,366	466	56,017	(22,430,883)
Ancillary services	8,134,922	-	3,418,887	(4,716,035)
Community services	82,477	1,141	67,895	(13,441)
Interest on long-term debt	12,099,135	-	-	(12,099,135)
Other outgo	929,388	3,774,603	7,544,051	10,389,266
Depreciation (unallocated)	16,302,143	-	-	(16,302,143)
Amortization (unallocated)	1,186,359	-	-	(1,186,359)
Total	\$ 261,759,780	\$ 4,214,771	\$ 65,868,629	(191,676,380)
General Revenues				
Taxes and subventions				
Property taxes, levied for general purposes				54,248,701
Property taxes, levied for debt service				22,488,543
Property taxes, levied for other specific purposes				2,191,555
Federal and state aid not restricted for specific purposes				121,264,834
Interest and investment earnings				5,362,677
Interagency revenues				120,419
Miscellaneous				5,989,492
Total General Revenues				211,666,221
CHANGES IN NET POSITION				19,989,841
NET POSITION - BEGINNING				337,124,959
PRIOR PERIOD ADJUSTMENT (NOTE 17)				(7,244,692)
NET POSITION - ENDING				\$ 349,870,108

PERRIS UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General Fund	Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 77,135,285	\$ 11,191,056	\$ 22,323,859	\$ 50,808,402	\$ 34,226,483	\$ 195,685,085
Accounts receivable	14,145,991	1,221,997	240,096	-	2,803,191	18,411,275
Due from other funds	2,138,266	763,459	-	-	3,180,680	6,082,405
Inventory	-	-	-	-	91,632	91,632
Lease receivables	828,508	-	-	-	-	828,508
Total Assets	\$ 94,248,050	\$ 13,176,512	\$ 22,563,955	\$ 50,808,402	\$ 40,301,986	\$ 221,098,905
LIABILITIES						
Accrued liabilities	\$ 23,240,121	\$ 2,798,914	\$ 3,204,864	\$ -	\$ 1,454,118	\$ 30,698,017
Due to other funds	803,544	1,945,749	-	-	3,333,112	6,082,405
Unearned revenue	1,403,661	-	-	-	13,239	1,416,900
Total Liabilities	25,447,326	4,744,663	3,204,864	-	4,800,469	38,197,322
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to lease receivables	680,034	-	-	-	-	680,034
Total Deferred Inflows of Resources	680,034	-	-	-	-	680,034
FUND BALANCES						
Nonspendable	25,000	-	-	-	96,102	121,102
Restricted	22,339,747	1,578,990	19,359,091	50,808,402	35,347,051	129,433,281
Assigned	33,585,356	6,852,859	-	-	58,364	40,496,579
Unassigned	12,170,587	-	-	-	-	12,170,587
Total Fund Balances	68,120,690	8,431,849	19,359,091	50,808,402	35,501,517	182,221,549
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 94,248,050	\$ 13,176,512	\$ 22,563,955	\$ 50,808,402	\$ 40,301,986	\$ 221,098,905

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

Total Fund Balances - Governmental Funds \$ 182,221,549

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

Capital assets and right-to-use assets:

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

Capital assets	\$	825,401,342	
Accumulated depreciation		(181,639,331)	
Right-to-use assets		3,369,956	
Accumulated amortization		<u>(2,031,495)</u>	645,100,472

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatrued interest owing at the end of the period was: (3,750,008)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the government-wide statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds	\$	300,004,132	
Certificates of participation (COP)		39,260,000	
Qualified zone academy bond (QZAB)		460,566	
Unamortized debt premiums/(discounts)		26,211,774	
Lease liability		91,549	
Subscription-based IT arrangements		1,190,998	
Supplemental early retirement program		1,691,432	
Compensated absences		9,962,325	
Net pension liability		148,461,590	
Net OPEB liability		<u>478,341</u>	(527,812,707)

Deferred gain or loss on debt refunding:

In the government-wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was: 2,649,430

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In government-wide the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows related to pensions	\$	62,799,321	
Deferred inflows related to pensions		<u>(11,337,949)</u>	51,461,372

Total Net Position - Governmental Activities \$ 349,870,108

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

	Formerly Non-Major Fund					
	General Fund	Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	\$ 154,889,587	\$ 15,331,249	\$ -	\$ -	\$ -	\$ 170,220,836
Federal sources	8,530,554	-	-	-	5,871,142	14,401,696
Other state sources	27,904,511	1,575,620	-	121,588	3,556,169	33,157,888
Other local sources	16,614,302	654,272	1,883,448	24,785,843	16,571,722	60,509,587
Total Revenues	207,938,954	17,561,141	1,883,448	24,907,431	25,999,033	278,290,007
EXPENDITURES						
Current						
Instruction	114,047,237	9,296,958	-	-	75,068	123,419,263
Instruction-related services						
Instructional supervision and administration	5,158,262	1,634,136	-	-	294,665	7,087,063
Instructional library, media, and technology	1,365,390	271,198	-	-	-	1,636,588
School site administration	13,355,477	2,456,818	-	-	117,881	15,930,176
Pupil services						
Home-to-school transportation	5,737,791	493,922	-	-	-	6,231,713
Food services	138,580	-	-	-	7,619,608	7,758,188
All other pupil services	18,058,563	785,084	-	-	-	18,843,647
General administration						
Centralized data processing	3,827,023	130,074	-	-	-	3,957,097
All other general administration	8,803,447	1,133,565	-	-	668,223	10,605,235
Plant services	23,634,305	1,532,589	-	-	37,566	25,204,460
Facilities acquisition and maintenance	2,955,801	43,185	19,708,725	-	7,619,279	30,326,990
Ancillary services	4,562,964	512,223	-	-	3,044,457	8,119,644
Community services	82,477	-	-	-	-	82,477
Transfers to other agencies	913,013	-	-	-	-	913,013
Other outgo	-	-	-	-	16,375	16,375
Debt service						
Principal	960,305	128,779	-	-	275,000	1,364,084
Interest and other	54,985	31,039	-	10,109,721	1,689,800	11,885,545
Redemptions	-	-	-	10,130,000	-	10,130,000
Total Expenditures	203,655,620	18,449,570	19,708,725	20,239,721	21,457,922	283,511,558
Excess/(Deficiency) of Revenues						
Over Expenditures	4,283,334	(888,429)	(17,825,277)	4,667,710	4,541,111	(5,221,551)
OTHER FINANCING SOURCES/(USES)						
Transfers in	189	-	-	-	7,482,977	7,483,166
Other sources	1,024,444	-	-	-	-	1,024,444
Transfers out	(212,131)	-	-	-	(7,271,035)	(7,483,166)
Other Financing Sources/(Uses), Net	812,502	-	-	-	211,942	1,024,444
NET CHANGE IN FUND BALANCES	5,095,836	(888,429)	(17,825,277)	4,667,710	4,753,053	(4,197,107)
FUND BALANCES - BEGINNING	63,024,854	-	37,184,368	46,140,692	40,068,742	186,418,656
Change with financial reporting entity (non-major to major fund)	-	9,320,278	-	-	(9,320,278)	-
FUND BALANCES - BEGINNING, AS RESTATED	63,024,854	9,320,278	37,184,368	46,140,692	30,748,464	186,418,656
FUND BALANCES - ENDING	\$ 68,120,690	\$ 8,431,849	\$ 19,359,091	\$ 50,808,402	\$ 35,501,517	\$ 182,221,549

The notes to financial statements are an integral part of this statement.

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

Net Change in Fund Balances - Governmental Funds \$ (4,197,107)

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

Capital outlay:

In governmental funds, the costs of capital assets, lease assets and subscription-based IT arrangements are reported as expenditures in the period when the assets are acquired. In the government-wide statement of activities, costs of capital assets, lease assets and subscription-based IT arrangements are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:

Expenditures for capital outlay	\$ 33,824,970	
Depreciation expense	(16,302,143)	
Amortization expense	(1,186,359)	16,336,468

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

11,494,084

Debt proceeds:

In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(1,024,444)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

48,693

Accreted interest on long-term debt:

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

(1,706,026)

Compensated absences:

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

(1,531,851)

Pensions:

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

782,694

Postemployment benefits other than pensions (OPEB):

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

35,019

Other liabilities not normally liquidated with current financial resources:

In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were:

(1,691,432)

Amortization of deferred gain or loss from debt refunding:

In the government-wide statements, any deferred gain or loss from debt refunding is amortized as interest over the life of the debt. Amortization of deferred gain or loss from debt refunding for the period is:

(155,849)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an 'other financing source' or an 'other financing use' in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:

1,599,592

Change in Net Position of Governmental Activities

\$ 19,989,841

PERRIS UNION HIGH SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

	Custodial Fund
ASSETS	
Cash and cash equivalents	\$ 6,105,906
TOTAL ASSETS	6,105,906
NET POSITION	
Held in trust	6,105,906
TOTAL NET POSITION	\$ 6,105,906

**PERRIS UNION HIGH SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	Custodial Fund
ADDITIONS	
Contributions	
Special tax revenues	\$ 7,062,841
Investment earnings	
Interest	129
Total Additions	<u>7,062,970</u>
DEDUCTIONS	
Payments to bondholders	3,167,125
Administrative expenses	28,098
Contributions to other governments	<u>3,473,412</u>
Total Deductions	<u>6,668,635</u>
CHANGE IN NET POSITION	394,335
NET POSITION - BEGINNING	<u>5,711,571</u>
NET POSITION - ENDING	<u>\$ 6,105,906</u>

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Perris Union High School District (the "District") was incorporated on August 23, 1897, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades 7 - 12 as mandated by the State and/or Federal agencies. The District operates a middle school, four high schools, a continuation school, an independent study school, one charter school, and an adult education school.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Perris Union High School District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units* and thus are included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Perris Valley Schools Capital Facilities Corporation's (the "Corporation") financial activity is presented in the financial statements in the Capital Projects for Blended Component Units Fund and the Debt Service for Blended Component Units Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements. Individually-prepared financial statements are not prepared for the Corporation.

Other Related Entities

Charter School - The District has an approved Charter for California Military Institute pursuant to *Education Code* Section 47605. The California Military Institute is operated by the District, and its financial activity is presented in the Charter School Special Revenue Fund.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund - The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

One fund currently defined as a special revenue fund in the *California State Accounting Manual (CSAM)* does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 14, Deferred Maintenance Fund, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, the fund functions effectively as extension of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of \$199.

Charter School Fund - The Charter School Fund may be used by authorizing districts to account separately for the operating activities of district-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

Building Fund - The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Bond Interest and Redemption Fund - The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a district (*Education Code* Sections 15125-15262).

**PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting, continued

Non-Major Governmental Funds

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Special Revenue Fund** - The Student Activity Special Revenue Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Adult Education Fund** - The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Cafeteria Special Revenue Fund** - The Cafeteria Special Revenue Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

- **Capital Facilities Fund** - The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** - The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51), authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).
- **Special Reserve for Capital Outlay Projects Fund** - The Special Reserve for Capital Outlay Projects Fund exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

**PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting, continued

Non-Major Governmental Funds, continued

Capital Project Funds, continued

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

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term liabilities.

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties outside the District's reporting entity. The District's custodial funds account for the accumulation of resources for the payment of the principal and interest on the Special Tax Bonds.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, of the District and for each governmental function and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities, except for depreciation of capital assets and amortization of leased assets and subscription IT assets. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net position use.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major governmental funds are aggregated and presented in a single column.

- **Governmental Funds** - All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Fiduciary Funds** - Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus, continued

Revenues – Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue - Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which have not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and equivalents also include cash in county treasury for purposes of the statement of cash flows. Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable include amounts due from the Local Control Fund Formula (LCFF), Federal, State and/or local governments, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of charges for other services. The District does not provide for an allowance for uncollectible accounts as an estimation of amounts that may not be received. Accounts receivable at June 30, 2025 are deemed fully collectible.

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental type funds when consumed rather than when purchased.

Capital Assets and Right-to-Use Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide Statement of Net Position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 7 to 30 years; furniture and equipment, 5 to 20 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets and Right-to-Use Assets, continued

The District records the value of intangible right-to-use leased assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

Interfund Balances

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

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absences liability is reported on the government-wide statement of net position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

GASB Statement No. 101 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. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Flow Assumption: When determining the amounts due within one year for sick leave, accumulated sick leave as of June 30, 2025 is assumed to be used before future sick leave accruals (i.e. First In, First Out). The amount due within one year for vacation leave is based on the expected accumulated vacation leave to be cashed out upon the end of employment in the following year.

Under applicable California law, credit for unused sick leave is available at retirement. Classified employees retiring after January 1, 1999, receive 0.004 year of CalPERS service credit for each day of unused sick leave. Certificated employees receive CalSTRS service credit for unused sick leave, calculated by dividing unused sick days by the number of base service days required to complete the last school year, if employed full-time. This conversion to service credit is administered by the pension systems and does not create a direct financial liability of the District.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accrued Liabilities and Long-Term Liabilities

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

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, certificates of participation, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums, and Discounts

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred loss on debt refunding and for pension related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred inflows of resources related to leases and for pension related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and OPEB expense, information about the fiduciary net position of the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the MPP's fiduciary net position have been determined on the same basis as they are reported by the MPP. For this purpose, the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The net OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Leases

The District recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Subscriptions

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over shorter of the subscription term or useful life of the underlying asset. The amortization period varies from 2 to 5 years.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances - Governmental Funds

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District did not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes 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, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$78,597,402 of net position restricted by enabling legislation.

Interfund Activity

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

Estimates

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

Property Tax

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

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Standards

The following Governmental Accounting Standards Board (GASB) Pronouncements were adopted by the District during the year ended June 30, 2025:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The financial impact of this Statement is reflected in Notes 8 and 17.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a 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. Management has determined that the adoption of this Statement did not have any material impact on the District's financial statements.

Upcoming GASB Pronouncements

The GASB has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for periods beginning after June 15, 2025.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH AND CASH EQUIVALENTS

Summary of Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2025 are classified in the financial statements and consist of the following:

	Governmental Activities	Fiduciary Fund
Cash in county treasury	\$ 177,492,594	\$ -
Cash on hand and in banks	1,430,940	-
Cash with fiscal agent	15,960,168	6,105,906
Cash in revolving fund	29,470	-
Cash awaiting deposit	328,183	-
Fair market value adjustment	443,730	-
Total	<u>\$ 195,685,085</u>	<u>\$ 6,105,906</u>

Policies and Practices

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

Cash in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Riverside County Investment Pool. The District maintains an investment of \$177,492,594 with the Riverside County Investment Pool that has an average weighted maturity of 456 days.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Riverside County Treasury Investment Pool has been rated Aaa-bf by Moody's Investor Service.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of \$1,837,468 was exposed to custodial risk because it was uninsured and uncollateralized.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government					
Categorical aid	\$ 3,455,256	\$ -	\$ -	\$ 1,980,137	\$ 5,435,393
State Government					
Categorical aid	7,772,726	31,535	-	51,392	7,855,653
Lottery	746,572	75,938	-	-	822,510
Local Government					
Interest	673,738	108,135	59,886	337,610	1,179,369
Other local sources	1,497,699	1,006,389	180,210	434,052	3,118,350
Total	<u>\$ 14,145,991</u>	<u>\$ 1,221,997</u>	<u>\$ 240,096</u>	<u>\$ 2,803,191</u>	<u>\$ 18,411,275</u>

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 – CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

Capital assets and right-to-use assets activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 01, 2024	Adjustments	Adjusted Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 11,545,012	\$ -	\$ 11,545,012	\$ -	\$ -	\$ 11,545,012
Construction in progress	115,764,260	-	115,764,260	23,455,585	5,988,927	133,230,918
Total Capital Assets not Being Depreciated	127,309,272	-	127,309,272	23,455,585	5,988,927	144,775,930
Capital assets being depreciated						
Land improvements	73,621,597	-	73,621,597	2,704,580	-	76,326,177
Buildings and improvements	572,805,736	-	572,805,736	10,134,101	-	582,939,837
Furniture and equipment	18,864,211	-	18,864,211	2,495,187	-	21,359,398
Total Capital Assets Being Depreciated	665,291,544	-	665,291,544	15,333,868	-	680,625,412
Total Capital Assets	792,600,816	-	792,600,816	38,789,453	5,988,927	825,401,342
Less: Accumulated depreciation						
Land improvements	21,739,550	-	21,739,550	2,126,823	-	23,866,373
Buildings and improvements	129,266,700	-	129,266,700	12,993,368	-	142,260,068
Furniture and equipment	14,330,938	-	14,330,938	1,181,952	-	15,512,890
Total Accumulated Depreciation	165,337,188	-	165,337,188	16,302,143	-	181,639,331
Capital Assets, Net	627,263,628	-	627,263,628	22,487,310	5,988,927	643,762,011
Right-to-use assets						
Leased assets - furniture and equipment	453,490	-	453,490	-	-	453,490
Subscription-based IT arrangements	1,908,521	542,459	2,450,980	1,024,444	558,958	2,916,466
Total Right-to-Use Assets	2,362,011	542,459	2,904,470	1,024,444	558,958	3,369,956
Less: Accumulated amortization						
Leased assets - furniture and equipment	229,733	-	229,733	140,060	-	369,793
Subscription-based IT arrangements	1,050,924	123,437	1,174,361	1,046,299	558,958	1,661,702
Total Accumulated Amortization	1,280,657	123,437	1,404,094	1,186,359	558,958	2,031,495
Right-to-Use Assets, Net	1,081,354	419,022	1,500,376	(161,915)	-	1,338,461
Capital Assets and Right-to-Use Assets, Net	\$ 628,344,982	\$ 419,022	\$ 628,764,004	\$ 22,325,395	\$ 5,988,927	\$ 645,100,472

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – LEASE RECEIVABLES

The District has entered into lease agreements with various lessees. The lease receivables are summarized below:

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Verizon Cell Tower Lease	\$ 593,920	\$ -	\$ 6,105	\$ 587,815	\$ 7,239
AT&T Cell Tower Lease	259,573	-	18,880	240,693	19,640
Total	\$ 853,493	\$ -	\$ 24,985	\$ 828,508	\$ 26,879

Verizon Cellular Tower Antenna Sites

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are non-cancelable for a period of five years, with five renewal period of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3% annual increases to the license payments. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized \$6,105 in lease revenues and \$23,342 in interest revenues related to the agreement. As of June 30, 2025, the District reported lease receivables totaling \$587,815 and related deferred inflows of resources of \$456,351 arising from these lease arrangements. The District used an interest rate of 3.94% based on the rates available to finance real estate or machinery and equipment over the same time periods.

AT&T Cellular Tower Antenna Sites

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are non-cancelable for a period of five years, with five renewal period of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow annual increases based on the Consumer Price Index (CPI). At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized \$18,880 in lease revenue and \$9,889 in interest revenues related to the agreement. As of June 30, 2025, the District reported lease receivables totaling \$240,693 and related deferred inflows of resources of \$223,683 arising from these lease arrangements. The District used an interest rate of 3.94% based on the rates available to finance real estate or machinery and equipment over the same time periods.

The annual lease receivable payments as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 26,879	\$ 32,221	\$ 59,100
2027	28,873	31,136	60,009
2028	30,975	29,971	60,946
2029	33,190	28,723	61,913
2030	35,521	27,385	62,906
2031-2035	217,107	113,415	330,522
2036-2040	143,658	77,539	221,197
2041-2045	206,405	44,464	250,869
2046-2047	105,900	5,301	111,201
Total	\$ 828,508	\$ 390,155	\$ 1,218,663

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – INTERFUND TRANSACTIONS

Due From/Due To Other Funds

Individual interfund receivable and payable (due to/from other funds) balances at June 30, 2025 were as follows:

Payable Fund	Receivable Fund			
	General Fund	Charter School Fund	Non-Major Governmental Funds	Total
General Fund	\$ 199	\$ 763,459	\$ 39,886	\$ 803,544
Charter School Fund	1,945,749	-	-	1,945,749
Non-Major Governmental Funds	192,318	-	3,140,794	3,333,112
Total	\$ 2,138,266	\$ 763,459	\$ 3,180,680	\$ 6,082,405

Due from General Fund to General Fund for deferred maintenance.	\$ 199
Due from General Fund to Charter School Fund for in-lieu property taxes.	763,459
Due from General Fund to Adult Education Fund for an interfund transfer out to support the program.	17,942
Due from General Fund to Cafeteria Special Revenue Fund for adjustments of indirect costs previously charged to the Cafeteria Special Revenue Fund.	21,944
Due from Charter School Fund to General Fund for indirect costs, proportionate share of special education encroachment, charter administration fees, postage, and printing.	1,945,749
Due from Adult Education Fund to General Fund for postage and indirect costs.	158,762
Due from Cafeteria Special Revenue Fund to General Fund for indirect costs, postage, and paper chargebacks.	33,548
Due from County School Facilities Fund to General Fund for the transfer of interest revenue to zero out the fund.	8
Due from Capital Project for Blended Component Unit Fund to Capital Facilities Fund for reimbursement of construction costs.	3,140,794
Total	\$ 6,082,405

All remaining balance resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transactions

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

Interfund Transfer Out	Interfund Transfer In		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ 189	\$ 211,942	\$ 212,131
Non-Major Governmental Funds	-	7,271,035	7,271,035
Total	\$ 189	\$ 7,482,977	\$ 7,483,166

Transfer from General Fund to the General Fund is for deferred maintenance.	\$ 189
Transfer from General Fund to the Adult Education Fund is for operational expenditures.	211,942
Transfer from Capital Project for Blended Component Units Fund to the Capital Facilities Fund is for reimbursement of construction costs.	3,341,439
Transfer from Capital Project for Blended Component Units Fund to the Debt Service Fund is for certificates of participation debt service payment.	1,964,800
Transfer from Debt Service Fund to the Debt Service for Blended Component Units Fund is for certificates of participation debt service payments.	1,964,796
Total	\$ 7,483,166

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – ACCRUED LIABILITIES

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

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Payroll and related	\$ 612,419	\$ 5,253	\$ -	\$ 29,682	\$ 647,354
Vendors payable	22,627,702	2,793,661	3,204,864	1,424,436	30,050,663
Total	\$ 23,240,121	\$ 2,798,914	\$ 3,204,864	\$ 1,454,118	\$ 30,698,017

NOTE 8 – UNEARNED REVENUE

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government			
Categorical aid	\$ 312,877	\$ 13,239	\$ 326,116
State Government			
Other state sources	1,090,784	-	1,090,784
Total	\$ 1,403,661	\$ 13,239	\$ 1,416,900

NOTE 9 – LONG-TERM LIABILITIES

Summary

A schedule of changes in long-term liabilities for the year ended June 30, 2025, is shown below.

	Balance July 01, 2024	Adjustments (Note 17)	Adjusted Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Governmental Activities							
General obligation bonds	\$ 308,428,106	\$ -	\$ 308,428,106	\$ 1,706,026	\$ 10,130,000	\$ 300,004,132	\$ 8,180,000
Certificates of participation (COP)	39,535,000	-	39,535,000	-	275,000	39,260,000	330,000
Qualified zone academy bond (QZAB)	589,345	-	589,345	-	128,779	460,566	130,019
Unamortized debt premiums/(discounts)	27,811,366	-	27,811,366	-	1,599,592	26,211,774	1,482,691
Lease liability	236,247	-	236,247	-	144,698	91,549	91,549
Subscription-based IT arrangements	560,288	421,873	982,161	1,024,444	815,607	1,190,998	745,992
Supplemental early retirement program	-	-	-	2,114,290	422,858	1,691,432	422,858
Compensated absences	1,188,633	7,241,841	8,430,474	1,531,851	-	9,962,325	2,524,097
Net pension liability	151,835,603	-	151,835,603	-	3,374,013	148,461,590	-
Net OPEB liability	513,360	-	513,360	-	35,019	478,341	-
Total	\$ 530,697,948	\$ 7,663,714	\$ 538,361,662	\$ 6,376,611	\$ 16,925,566	\$ 527,812,707	\$ 13,907,206

Payments on the general obligation bonds are made from the Bond Interest and Redemption Fund. Payments on the certificates of participation are made from the Debt Service for Blended Component Units Fund. Payments for the qualified school construction bonds are made from the Charter School Fund. Payments on the leases are made from the General Fund. Payments on the subscription-based IT arrangements are made from the General Fund and Cafeteria Fund. The compensated absences will be paid by the General Fund, Charter School Fund, Adult Education Fund, and Cafeteria Fund. Additions and deductions for compensated absences are reported net to its cumulative change in the current year.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – LONG-TERM LIABILITIES, continued

General Obligation Bonds

The outstanding general obligation bonds are comprised of the following:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
1999 Election, Series A	5/1/2000	3/1/2025	6.05% - 6.40%	\$ 8,313,075	\$ 2,048,675	\$ 111,325	\$ 2,160,000	\$ -	\$ -
1999 Election, Series B	11/1/2002	9/1/2027	4.60% - 5.51%	7,686,807	5,767,325	392,236	870,000	5,289,561	1,130,000
2004 Election, Series A	2/25/2005	3/1/2030	3.00% - 5.27%	38,764,558	14,220,990	936,395	-	15,157,385	-
2014 Refunding	11/6/2014	9/1/2024	2.00% - 4.00%	26,510,000	10,585,000	-	3,150,000	7,435,000	3,520,000
2012 Election, Series B	10/20/2015	9/1/2045	3.00% - 5.00%	40,413,023	36,066,116	266,070	160,000	36,172,186	245,000
2018 Election, Series A	7/25/2019	9/1/2048	3.00% - 5.00%	148,000,000	134,815,000	-	-	134,815,000	365,000
2012 Election, Series C	11/18/2021	9/1/2045	2.13% - 4.00%	78,005,000	73,365,000	-	2,900,000	70,465,000	1,975,000
2021 Refunding	11/19/2021	9/1/2042	0.22% - 2.70%	33,355,000	31,560,000	-	890,000	30,670,000	945,000
				<u>\$ 381,047,463</u>	<u>\$ 308,428,106</u>	<u>\$ 1,706,026</u>	<u>\$ 10,130,000</u>	<u>\$ 300,004,132</u>	<u>\$ 8,180,000</u>

Debt Service Requirements to Maturity

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2026	\$ 7,367,519	\$ 9,815,998	\$ 812,481	\$ 17,995,998
2027	7,516,247	9,545,252	1,643,753	18,705,252
2028	5,736,957	9,359,478	5,063,043	20,159,478
2029	5,801,904	9,219,527	3,578,096	18,599,527
2030	7,241,671	9,050,272	5,838,329	22,130,272
2031-2035	34,912,888	41,817,747	1,982,112	78,712,747
2036-2040	57,745,135	34,083,741	3,719,865	95,548,741
2041-2045	95,495,000	20,858,039	-	116,353,039
2046-2049	62,450,000	4,079,475	-	66,529,475
Accreted Interest	15,736,811	-	(15,736,811)	-
Total	\$ 300,004,132	\$ 147,829,529	\$ 6,900,868	\$ 454,734,529

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – LONG-TERM LIABILITIES, continued

Certificate of Participation

In April 2019, the Corporation issued certificates of participation in the amount of \$41,160,000 with interest rates ranging from 3.00 to 5.00%. As of June 30, 2025, the principal balance outstanding was \$39,260,000.

The certificates mature through 2051 as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 330,000	\$ 1,676,050	\$ 2,006,050
2027	380,000	1,658,300	2,038,300
2028	445,000	1,637,675	2,082,675
2029	505,000	1,613,925	2,118,925
2030	575,000	1,586,925	2,161,925
2031-2035	3,175,000	7,476,125	10,651,125
2036-2040	5,970,000	6,590,300	12,560,300
2041-2045	12,660,000	4,765,200	17,425,200
2046-2050	12,780,000	1,723,375	14,503,375
2051	2,440,000	38,125	2,478,125
Total	\$ 39,260,000	\$ 28,766,000	\$ 68,026,000

Qualified School Construction Bonds

In September 2011, the Corporation issued qualified school construction bonds in the amount of \$2,100,000 with interest rate of 5.57%. As of June 30, 2025, the principal balance outstanding was \$460,566.

The bonds mature through 2029 as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 130,019	\$ 23,847	\$ 153,866
2027	131,270	16,588	147,858
2028	132,533	9,259	141,792
2029	66,744	1,859	68,603
Total	\$ 460,566	\$ 51,553	\$ 512,119

Leases

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – LONG-TERM LIABILITIES, continued

Leases, continued

The District has entered into agreements to lease various equipment. The District's liability on lease agreements is summarized below:

Leases	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Postage Equipment	\$ 30,642	\$ -	\$ 17,118	\$ 13,524
Copiers	205,605	-	127,580	78,025
Total	\$ 236,247	\$ -	\$ 144,698	\$ 91,549

Postage Equipment

The District entered an agreement for postage equipment for five years, beginning March 1, 2021. Under the terms of the lease, the District pays quarterly payments of \$4,644, which amounted to total principal and interest costs of \$18,576. The annual interest rate charged on the lease is 1.50%. At June 30, 2025, the District has recognized a right-to-use asset of \$10,675 and a lease liability of \$13,524 related to this agreement. During the fiscal year, the District recorded \$15,902 in amortization expense and \$1,458 in interest expense for the right-to-use of the postage equipment.

Copiers

The District entered an agreement for copiers for three years, beginning February 1, 2023. Under the terms of the lease, the District pays monthly payments of \$11,370, which amounted to total principal and interest costs of \$56,852. The annual interest rate charged on the lease is 6.00%. At June 30, 2025, the District has recognized a right-to-use asset of \$73,022 and a lease liability of \$78,025 related to this agreement. During the fiscal year, the District recorded \$124,158 in amortization expense and \$8,866 in interest expense for the right-to-use of the copiers.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 91,549	\$ 1,976	\$ 93,525
Total	\$ 91,549	\$ 1,976	\$ 93,525

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District entered into SBITA agreements for various software related to digital licensing for student curriculum and school management. At June 30, 2025, the District has recognized a right-to-use subscriptions IT asset of \$1,254,764 and a SBITA liability of \$1,190,998 related to these agreements. During the fiscal year, the District recorded \$1,046,299 in amortization expense. The District is required to make annual principal and interest payments through June 2026. The subscription liabilities were valued using discount rates ranging from 4.27% to 6.50% based on the rates from the State and Local Government Securities table, plus 150 basis points, for the nearest maturity to the noncancelable term of the agreements.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – LONG-TERM LIABILITIES, continued

Subscriptions-Based Information Technology Arrangements (SBITAs), continued

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 745,992	\$ 44,073	\$ 790,065
2027	347,808	13,070	360,878
2028	97,198	2,556	99,754
Total	<u>\$ 1,190,998</u>	<u>\$ 59,699</u>	<u>\$ 1,250,697</u>

Early Retirement Incentive

To be eligible for the SERP, Certificated employees must be at least fifty-three (53) years of age and have completed at least five (5) years of service with the District by June 30, 2024. Classified and Management employees must be at least fifty-three (53) years of age and have completed at least five (5) years of service with the District by June 30, 2024. Only those employees holding an active employment status with the District on March 1, 2024 will be eligible for the SERP. Employees who have been issued dismissal charges will not be eligible unless participation in the SERP is included as part of a settlement agreement. The Superintendent or designee may make exceptions to this eligibility requirement only when it is in the best fiscal interest of the District. Section 5. Eligible Certificated employees shall be offered two (2) plan options: A District contribution to fund the SERP equal to 70% of base salary, or 50% of base salary including a Health Reimbursement Account (HRA). Eligible Classified and Management employees shall be offered two (2) plan options: A District contribution to fund the SERP equal to 50% of base salary, or 30% of base salary including a HRA. Employees who elect the option including the HRA will receive \$5,000 per year, for five (5) years or until age 65, whichever comes first. The outstanding liability for this plan was \$1,691,432 as of June 30, 2025.

The required District payments are as follows:

Year Ending June 30,	Amount
2026	\$ 422,858
2027	422,858
2028	422,858
2029	422,858
Total	<u>\$ 1,691,432</u>

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unused vacation and sick leave that is expected to be used in future periods or paid upon termination, in accordance with employee collective bargaining agreements and District policy.

At June 30, 2025, the liability recorded for compensated absences was \$9,962,325.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2025, the District reported net OPEB liability and OPEB expense for the following:

OPEB Plan	Net OPEB Liability/(Asset)	OPEB Expense/(Benefit)
Medicare Premium Payment (MPP) Program	\$ 478,341	\$ (35,019)

The details of the plan are as follows:

Medicare Premium Payment (MPP) Program

Plan Description

The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program, through the Teachers' Health Benefit Fund. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the Defined Benefit Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services on a monthly basis.

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
<http://www.calstrs.com/member-publications>.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California Education Code Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP) Program, continued

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of \$478,341 for its proportionate share of the net OPEB liability/(asset) for the MPP Program. The net OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability/(asset) was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.179 percent, and 0.169 percent, resulting in a net increase in the proportionate share of 0.010 percent.

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of (\$35,019).

Actuarial Methods and Assumptions

The June 30, 2025 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.93%
Medicare Part A Premium	
Cost Trend Rate*	5.00%
Medicare Part B Premium	
Cost Trend Rate*	6.50%
Mortality Rate Table*	Derived Using CalSTRS' Membership Data

*The assumed increases in the Medicare Part A and Part B cost trend rates vary by year; however, the increases are approximately equivalent to a 5.0% and 6.5% increase each year for Medicare Part A and Part B premiums, respectively.

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP– 2021 Ultimate Projection Scale.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP) Program, continued

Actuarial Methods and Assumptions, continued

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members’ ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population of 132,333.

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2024, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2024, is 3.93%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.93%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, was applied to all periods of projected benefit payments to measure the net OPEB liability.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District’s net OPEB liability/(asset) 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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability/(Asset)	\$ 516,119	\$ 478,341	\$ 445,124

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP) Program, continued

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Medicare Cost Trend Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using medicare cost trend rates that are one percentage-point lower or one percentage-point higher than the current medicare cost trend rates:

	1% Decrease (4.00% Part A and 5.50% Part B)	Medicare Cost Trend Rate (5.00% Part A and 6.50% Part B)	1% Increase (6.00% Part A and 7.50% Part B)
Net OPEB Liability/(Asset)	\$ 443,132	\$ 478,341	\$ 517,652

NOTE 11 – NON-OBLIGATORY DEBT

Non-obligatory debt relates to debt issuances by the Community Facility Districts and the Perris Union High School District Financing Authority, as authorized by the Mello-Roos Community Facilities Act of 1982 as amended, and the Mark-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bondholders, and may initiate foreclosure proceedings. Special assessment debt of \$37,615,000 as of June 30, 2025, does not represent debt of the District and, as such, does not appear in the accompanying basic financial statements.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable						
Revolving cash	\$ 25,000	\$ -	\$ -	\$ -	\$ 4,470	\$ 29,470
Stores inventory	-	-	-	-	91,632	91,632
Total non-spendable	25,000	-	-	-	96,102	121,102
Restricted						
Educational programs	16,724,326	1,566,560	-	-	2,474	18,293,360
Debt service	-	-	-	50,808,402	27,477	50,835,879
Capital projects	730,770	-	19,359,091	-	23,884,517	43,974,378
Child nutrition	18,592	-	-	-	10,051,716	10,070,308
Student activity funds	-	-	-	-	1,380,867	1,380,867
Other restrictions	4,866,059	12,430	-	-	-	4,878,489
Total restricted	22,339,747	1,578,990	19,359,091	50,808,402	35,347,051	129,433,281
Assigned						
Child nutrition	-	-	-	-	19,975	19,975
Developer fees	-	-	-	-	14,570	14,570
Capital projects	-	-	-	-	23,819	23,819
Other assignments	33,585,356	6,852,859	-	-	-	40,438,215
Total assigned	33,585,356	6,852,859	-	-	58,364	40,496,579
Unassigned						
Reserve for economic uncertainties	12,170,587	-	-	-	-	12,170,587
Total unassigned	12,170,587	-	-	-	-	12,170,587
Total Fund Balance	\$ 68,120,690	\$ 8,431,849	\$ 19,359,091	\$ 50,808,402	\$ 35,501,517	\$ 182,221,549

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions, injuries to employees, life, and health of employees and natural disasters. The District purchases coverage for property damage with limits up to a maximum of \$250,000,000, subject to various policy sublimits generally ranging from \$500 to \$100,000,000 and deductibles ranging from \$500 to \$5,000. The District also purchases coverage for general liability claims with limits up to \$1,000,000 per occurrence with excess liability coverage up to \$25,000,000 per occurrence and \$60,000,000 in the aggregate, all subject to various deductibles up to \$5,000 per occurrence. The District participates in a finite risk sharing pool for workers' compensation coverage up to \$150,000,000 per occurrence with no self-insured retention. Employee health benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees electing to participate in the plan by paying a monthly premium based on the number of District employees participating in the plan.

Property and Liability

The District is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions, injuries to employees, life, and health of employees and natural disasters. During fiscal year ending June 30, 2025, the District pooled for property and liability coverage as a member of Riverside Schools' Insurance Authority, a Joint Powers Authority. Settlement claims have not exceeded the limits of this coverage in any of the past three years.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 – RISK MANAGEMENT, continued

Workers' Compensation

For fiscal year 2025, the District participated in the Riverside Schools' Risk Management Authority (RSRMA), a workers' compensation coverage purchasing pool. The intent of RSRMA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants. RSRMA, in turn, pools for workers' compensation coverage through their membership in the Protected Insurance Program for Schools and Community Colleges (PIPS), a finite risk sharing pool. Pooling in this manner allows the member districts and joint powers authorities to take advantage of increased purchasing power and greater spread of risk. As a member of PIPS, RSRMA is assigned a rate based on the JPA's overall payroll and loss experience compared to the other members within PIPS. Each participant in RSRMA pays its workers' compensation premium based on its individual rate which is weighted based on their payroll and loss experience within RSRMA. This arrangement insures that each participant shares equally in the overall performance of RSRMA. Participation in RSRMA is limited to districts that can meet the selection criteria.

Employee Medical Benefits

The District is a member of the Riverside Employer/Employee Partnership (REEP) to provide employee medical benefits. REEP is a shared risk pool comprised of various school districts. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2025, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 82,622,017	\$ 38,336,384	\$ 10,802,942	\$ 11,227,285
CalPERS	65,839,573	24,462,937	535,007	12,938,752
Total	\$ 148,461,590	\$ 62,799,321	\$ 11,337,949	\$ 24,166,037

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
<http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

**PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Benefits Provided, continued

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2025, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.21%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.83%	10.83%

Contributions

The parameters for employer and state contribution rates for the DB Program are set by the California Legislature and the Governor and detailed in the Teachers’ Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District’s total contributions were \$15,057,644.

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

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

District's proportionate share of the net pension liability	\$ 82,622,017
State's proportionate share of the net pension liability associated with the District	37,907,848
Total	<u>\$ 120,529,865</u>

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

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

The net pension liability was measured as of June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District’s proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.123 percent and 0.114 percent, resulting in a increase of 0.009 percent in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of \$11,227,285. In addition, the District recognized pension expense and revenue of \$3,459,614 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 337,560
Differences between expected and actual experience	9,346,670	3,615,299
Changes in assumptions	361,670	5,642,268
Net changes in proportionate share of net pension liability	13,570,400	1,207,815
District contributions subsequent to the measurement date	15,057,644	-
Total	<u>\$ 38,336,384</u>	<u>\$ 10,802,942</u>

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (2,236,810)
2027	10,299,200
2028	3,073,384
2029	923,346
2030	821,931
Thereafter	(405,253)
Total	<u>\$ 12,475,798</u>

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return/discount rate	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP– 2021 Ultimate Projection Scale.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
Total	100%		

*20 to 30 year geometric average.

**Real rates of return are net of assumed 2.75% inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates.

Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10 percent and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District’s proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 146,957,533	\$ 82,622,017	\$ 28,899,192

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CALPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2025, are summarized as follows

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	27.05%	27.05%

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CALPERS), continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$9,891,087.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$65,839,573. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.184 percent and 0.179 percent, resulting in a net increase in the proportionate share of 0.005 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$12,938,752. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 2,557,487	\$ -
Differences between expected and actual experience	5,519,685	471,212
Changes in assumptions	1,455,277	-
Net changes in proportionate share of net pension liability	5,039,401	63,795
District contributions subsequent to the measurement date	9,891,087	-
Total	<u>\$ 24,462,937</u>	<u>\$ 535,007</u>

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CALPERS), continued

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

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 4,740,640
2027	7,582,556
2028	2,192,352
2029	(478,705)
Total	<u>\$ 14,036,843</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return / discount rate	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CALPERS), continued

Actuarial Methods and Assumptions, continued

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 97,805,236	\$ 65,839,573	\$ 39,433,392

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$7,654,281. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grants

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

Litigation

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

Construction Commitments

As of June 30, 2025, the District had the following commitments with respect to the unfinished capital projects:

Location	Commitment Amount	Expected Date of Completion
High School #4 (Liberty High School)	\$ 1,258,337	December 2025
Perris High School Completion Phase 3	504,349	December 2025
Perris High School Pool Project	62,664	December 2025
Paloma Valley High School New MPR/Admin Alterations	15,928,317	June 2027
Perris High School / City of Perris Crosswalk Project	400,000	June 2026
Total	<u>\$ 18,153,667</u>	

NOTE 16 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS

The District is a member of the Riverside Schools Risk Management Authority (RSRMA), Riverside Employer/Employee Partnership (REEP), and the Riverside Schools' Insurance Authority (RSIA) public entity risk pools. The District pays an annual premium to the applicable entity for its medical and welfare, workers' compensation, and property liability coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are generally available from the respective entities.

During the year ended June 30, 2025, the District made payments of \$2,130,392, \$13,878,051, and \$2,008,696 to RSRMA, REEP, and RSIA, respectively, for its workers' compensation, medical and welfare, and property and liability coverage.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PRIOR PERIOD ADJUSTMENT

Beginning net position of governmental activities and beginning fund balances were restated as follows:

	Governmental Activities	Governmental Funds	
		Charter School Fund	Non-Major Governmental Funds
Beginning Balance - previously reported at June 30, 2024	\$ 337,124,959	\$ -	\$ 40,068,742
Liability	(421,873)	-	-
Correction to right-to-use assets	419,022	-	-
Change in accounting principle (GASB 101)	(7,241,841)	-	-
Change with financial reporting entity (GASB 100)	-	9,320,278	(9,320,278)
Beginning Balance - as restated at June 30, 2024	<u>\$ 329,880,267</u>	<u>\$ 9,320,278</u>	<u>\$ 30,748,464</u>

NOTE 18 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through December 14, 2025, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual *	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 154,900,319	\$ 154,253,600	\$ 154,889,587	\$ 635,987
Federal sources	7,197,833	9,344,663	8,530,554	(814,109)
Other state sources	24,395,977	27,211,908	27,904,511	692,603
Other local sources	13,750,212	15,788,776	16,614,302	825,526
Total Revenues	200,244,341	206,598,947	207,938,954	1,340,007
EXPENDITURES				
Certificated salaries	77,167,682	76,366,479	75,638,163	728,316
Classified salaries	35,270,289	34,141,239	33,808,424	332,815
Employee benefits	51,674,994	51,399,196	50,362,213	1,036,983
Books and supplies	10,028,863	10,251,343	8,099,788	2,151,555
Services and other operating expenditures	29,576,742	31,889,774	29,578,400	2,311,374
Capital outlay	1,558,582	4,969,702	6,393,219	(1,423,517)
Other outgo				
Excluding transfers of indirect costs	1,063,626	913,626	913,013	613
Transfers of indirect costs	(1,407,881)	(1,382,619)	(1,137,600)	(245,019)
Total Expenditures	204,932,897	208,548,740	203,655,620	4,893,120
Excess/(Deficiency) of Revenues				
Over Expenditures	(4,688,556)	(1,949,793)	4,283,334	6,233,127
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	-	189	189
Other sources	-	-	1,024,444	1,024,444
Transfers out	(110,157)	(285,831)	(211,942)	73,889
Other Financing Sources/(Uses), Net	(110,157)	(285,831)	812,691	1,098,522
NET CHANGE IN FUND BALANCES	(4,798,713)	(2,235,624)	5,096,025	7,331,649
FUND BALANCES - BEGINNING	63,024,665	63,024,665	63,024,665	-
FUND BALANCES - ENDING	\$ 58,225,952	\$ 60,789,041	\$ 68,120,690	\$ 7,331,649

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances for the following reason:

The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

**PERRIS UNION HIGH SCHOOL DISTRICT
CHARTER SCHOOL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 15,331,249	\$ 15,564,718	\$ 15,331,249	\$ (233,469)
Other state sources	1,575,620	1,542,644	1,575,620	32,976
Other local sources	629,818	501,723	654,272	152,549
Total Revenues	17,536,687	17,609,085	17,561,141	(47,944)
EXPENDITURES				
Certificated salaries	6,590,494	6,686,046	6,590,492	95,554
Classified salaries	1,793,468	1,790,285	1,793,467	(3,182)
Employee benefits	3,517,163	3,575,023	3,517,164	57,859
Books and supplies	637,087	814,884	637,086	177,798
Services and other operating expenditures	4,715,573	4,805,551	4,715,574	89,977
Capital outlay	122,406	131,356	122,406	8,950
Other outgo				
Excluding transfers of indirect costs	159,817	159,837	159,818	19
Transfers of indirect costs	913,563	1,165,674	913,563	252,111
Total Expenditures	18,449,571	19,128,656	18,449,570	679,086
Excess/(Deficiency) of Revenues				
Over Expenditures	(912,884)	(1,519,571)	(888,429)	631,142
OTHER FINANCING SOURCES/(USES)				
Other sources	24,455	30,000	-	(30,000)
Other Financing Sources/(Uses), Net	24,455	30,000	-	(30,000)
NET CHANGE IN FUND BALANCE	(888,429)	(1,489,571)	(888,429)	601,142
FUND BALANCES - BEGINNING	9,320,278	9,320,278	9,320,278	-
FUND BALANCES - ENDING	\$ 8,431,849	\$ 7,830,707	\$ 8,431,849	\$ 601,142

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET) –
MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
District's proportion of the net OPEB liability	0.179%	0.169%	0.158%	0.149%
District's proportionate share of the net OPEB liability/(asset)	\$ 478,341	\$ 513,360	\$ 520,995	\$ 593,879
District's covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Plan's proportionate share of the net OPEB liability/(asset) as a percentage of its covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total OPEB liability	-1.02%	-0.96%	-0.94%	-0.80%
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net OPEB liability	0.176%	0.173%	0.169%	0.167%
District's proportionate share of the net OPEB liability/(asset)	\$ 744,333	\$ 644,974	\$ 644,996	\$ 701,451
District's covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Plan's proportionate share of the net OPEB liability/(asset) as a percentage of its covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total OPEB liability	-0.71%	-0.81%	-0.40%	0.01%
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

*As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note: In the future, as data becomes available, ten years of information will be presented.

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalSTRS					
District's proportion of the net pension liability	0.123%	0.114%	0.105%	0.099%	0.101%
District's proportionate share of the net pension liability	\$ 82,622,017	\$ 87,112,401	\$ 73,226,952	\$ 45,076,987	\$ 97,684,114
State's proportionate share of the net pension liability associated with the District	37,907,848	41,738,001	36,671,771	22,680,992	50,356,172
Total	\$ 120,529,865	\$ 128,850,402	\$ 109,898,723	\$ 67,757,979	\$ 148,040,286
District's covered-employee payroll	\$ 82,041,052	\$ 72,211,147	\$ 61,487,742	\$ 54,957,090	\$ 55,221,035
District's proportionate share of the net pension liability as percentage of covered-employee payroll	101%	121%	119%	82%	177%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalPERS					
District's proportion of the net pension liability	0.184%	0.179%	0.167%	0.149%	0.150%
District's proportionate share of the net pension liability	\$ 65,839,573	\$ 64,723,202	\$ 57,546,778	\$ 30,302,890	\$ 46,011,304
District's covered-employee payroll	\$ 36,449,985	\$ 31,084,864	\$ 25,769,450	\$ 21,513,198	\$ 21,635,977
District's proportionate share of the net pension liability as percentage of covered-employee payroll	181%	208%	223%	141%	213%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalSTRS					
District's proportion of the net pension liability	0.098%	0.094%	0.092%	0.097%	0.088%
District's proportionate share of the net pension liability	\$ 88,423,994	\$ 86,283,852	\$ 85,169,359	\$ 78,071,403	\$ 59,003,719
State's proportionate share of the net pension liability associated with the District	48,241,192	49,401,541	50,385,473	44,444,657	31,206,463
Total	\$ 136,665,186	\$ 135,685,393	\$ 135,554,832	\$ 122,516,060	\$ 90,210,182
District's covered-employee payroll	\$ 53,500,878	\$ 51,410,256	\$ 49,391,614	\$ 47,760,848	\$ 41,835,563
District's proportionate share of the net pension liability as percentage of covered-employee payroll	165%	168%	172%	163%	141%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS					
District's proportion of the net pension liability	0.148%	0.148%	0.147%	0.144%	0.135%
District's proportionate share of the net pension liability	\$ 43,167,079	\$ 39,391,952	\$ 35,010,378	\$ 28,372,895	\$ 19,933,763
District's covered-employee payroll	\$ 20,569,289	\$ 19,508,570	\$ 18,690,870	\$ 17,435,199	\$ 16,125,333
District's proportionate share of the net pension liability as percentage of covered-employee payroll	210%	202%	187%	163%	124%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

**PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 15,057,644	\$ 15,669,841	\$ 13,792,329	\$ 10,403,726	\$ 8,875,570
District's contributions in relation to the statutorily required contribution	15,057,644	15,669,841	13,792,329	10,403,726	8,875,570
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 78,835,832	\$ 82,041,052	\$ 72,211,147	\$ 61,487,742	\$ 54,957,090
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	19.10%	16.92%	16.15%

CalPERS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 9,891,087	\$ 9,724,856	\$ 7,886,230	\$ 5,903,781	\$ 4,453,232
District's contributions in relation to the statutorily required contribution	9,891,087	9,724,856	7,886,230	5,903,781	4,453,232
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 36,565,941	\$ 36,449,985	\$ 31,084,864	\$ 25,769,450	\$ 21,513,198
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	25.37%	22.91%	20.70%

CalSTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 9,442,797	\$ 8,709,943	\$ 7,418,500	\$ 6,213,465	\$ 5,124,739
District's contributions in relation to the statutorily required contribution	9,442,797	8,709,943	7,418,500	6,213,465	5,124,739
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 55,221,035	\$ 53,500,878	\$ 51,410,256	\$ 49,391,614	\$ 47,760,848
District's contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.73%

CalPERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 4,266,831	\$ 3,715,225	\$ 3,029,876	\$ 2,595,788	\$ 2,065,548
District's contributions in relation to the statutorily required contribution	4,266,831	3,715,225	3,029,876	2,595,788	2,065,548
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 21,635,977	\$ 20,569,289	\$ 19,508,570	\$ 18,690,870	\$ 17,435,199
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	15.53%	13.89%	11.85%

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This present information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of the Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The discount rate has increased since the prior measurement date from 3.65% to 3.93%. The Medicare Part A Premium cost trend rate has increased from 4.50% to 5.00%, while Medicare Part B Premium has decreased from 5.40% to 6.50%, from prior measurement date.

Schedule of the Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – Additional factors were considered in the actuarial valuation for CalSTRS namely the payroll growth rate and long-term expected rate of return based on 20- to 30-year geometric average. There were no changes in economic assumptions since previous valuation for CalPERS.

PERRIS UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 - PURPOSE OF SCHEDULES, continued

Schedule of Contributions - Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

		Expenditures and Other Uses		
		Budget	Actual	Excess
General Fund				
Capital outlay	\$	4,969,702	\$ 6,393,219	\$ 1,423,517
Other outgo	\$	(468,993)	\$ (224,587)	\$ 244,406
		Expenditures and Other Uses		
		Budget	Actual	Excess
Charter School Fund				
Classified salaries	\$	1,790,285	\$ 1,793,467	\$ 3,182

SUPPLEMENTARY INFORMATION

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

ORGANIZATION

The Perris Union High School District was incorporated on August 23, 1897, and consists of an area comprising approximately 179 square miles. The District operates one middle school, four high schools, a continuation school, an independent study school, one charter school, and an adult education school. There were no boundary changes during the year.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2025, were as follows:

GOVERNING BOARD		
Name	Office	Term Expires
Steve Campos	President	2026
Edward D. Garcia, Jr	Vice President	2026
Charles Hall	Clerk	2028
Jamie Anaya	Member	2028
Anthony T. Stafford, Sr.	Member	2028

ADMINISTRATION
Jose Luis Araux <i>Superintendent</i>
Dr. Marguerite Williams <i>Assistant Superintendent of Business Services</i>
Dr. Shanna Egans <i>Assistant Superintendent of Educational Services</i>
Alfredo Andrade <i>Chief Human Resources Officer</i>
Mimi Capistrano <i>Director of Fiscal Services</i>

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
<i>Passed Through California Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13523	\$ 3,794,072
School Breakfast Needy	10.553	13526	946,254
National School Lunch Program - Meal Supplements	10.555	13755	29,163
National School Lunch Program Noncash Commodities	10.555	13391	513,958
Total Child Nutrition Cluster			5,283,447
<i>Passed Through California Department of Social Services</i>			
CCFP Cash in Lieu of Commodities	10.558	13389	587,695
Total U.S. Department of Agriculture			5,871,142
U.S. Department of Education			
<i>Passed Through Riverside County Special Education Local Plan Area</i>			
Special Education IDEA Cluster:			
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	3,961,400
IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	84.027	10119	8,047
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	427,907
Total Special Education IDEA Cluster			4,397,354
<i>Passed Through California Department of Education</i>			
Education Stabilization Funds:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	112,368
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	53,694
ARP Homeless Children and Youth II (ARP HYC II)	84.425	15566	5,715
Total Education Stabilization Funds			171,777
Title I Cluster:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	2,455,268
ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	33,144
Total Title I Cluster			2,488,412
English Language Acquisition Cluster:			
Title III, Immigrant Student Program	84.365	15146	1,063
Title III, English Learner Student Program	84.365	14346	93,405
Total English Language Acquisition Cluster			94,468
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	306,779
Title II, Part A, Supporting Effective Instruction	84.367	14341	322,933
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	509,000
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	49,993
Total U.S. Department of Education			8,340,716
U.S. Department of Defense			
Junior Reserve Officer Training Corps - Air Force	12.000	N/A	189,838
Total U.S. Department of Defense			189,838
Total Federal Financial Assistance			\$ 14,401,696

**PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

	Second Period Report Certification No. 354EACEC	Annual Report Certification No. BC27C19B
Perris Union High School District		
Regular ADA		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	-	-
Seventh and Eighth	847.58	845.57
Ninth through Twelfth	8,910.58	8,823.90
Total Regular ADA	9,758.16	9,669.47
Extended Year Special Education		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	-	-
Seventh and Eighth	0.15	0.15
Ninth through Twelfth	9.25	9.25
Total Extended Year Special Education	9.40	9.40
Special Education, Nonpublic, Nonsectarian Schools		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	-	-
Seventh and Eighth	0.24	0.43
Ninth through Twelfth	21.38	21.68
Total Special Education, Nonpublic, Nonsectarian Schools	21.62	22.11
Extended Year Special Education - Nonpublic		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	-	-
Seventh and Eighth	-	-
Ninth through Twelfth	1.70	1.70
Total Extended Year Special Education - Nonpublic	1.70	1.70
ADA Totals	9,790.88	9,702.68
	Second Period Report Certification No. 68F0DD2D	Annual Report Certification No. 68F0DD2D
California Military Institute		
Regular ADA: Classroom Based		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	115.24	114.83
Seventh and Eighth	302.23	302.36
Ninth through Twelfth	553.93	549.78
Total Regular ADA Classroom Based	971.40	966.97
Total Charter School ADA	971.40	966.97

See note to supplementary information.

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

Perris Union High School District

Perris Union High School District					Number of Days				
					Traditional Calendar				
					J-13A		Total		
	Minutes	Actual	Approved	Total	Actual Day	Approved	Total	Multitrack	
Grade Level	Requirement	Minutes	Minutes	Adjusted Minutes	Offered	Days	Days	Calendar	Status
Grade 7	54,000	58,220	0	58,220	180	0	180	N/A	Complied
Grade 8	54,000	58,220	0	58,220	180	0	180	N/A	Complied
Grade 9	64,800	64,505	1,340	65,845	176	4	180	N/A	Complied
Grade 10	64,800	64,505	1,340	65,845	176	4	180	N/A	Complied
Grade 11	64,800	64,505	1,340	65,845	176	4	180	N/A	Complied
Grade 12	64,800	64,505	1,340	65,845	176	4	180	N/A	Complied

California Military Institute

California Military Institute					Number of Days				
					Traditional Calendar				
		J-13A		Total	J-13A		Total		
Grade Level	Minutes Requirement	Actual Minutes	Approved Minutes	Adjusted Minutes	Actual Day Offered	Approved Days	Adjusted Days	Multitrack Calendar	Status
Grade 5	54,000	65,250	390	65,640	179	1	180	N/A	Complied
Grade 6	54,000	65,250	390	65,640	179	1	180	N/A	Complied
Grade 7	54,000	65,250	390	65,640	179	1	180	N/A	Complied
Grade 8	54,000	65,250	390	65,640	179	1	180	N/A	Complied
Grade 9	64,800	65,250	390	65,640	179	1	180	N/A	Complied
Grade 10	64,800	65,250	390	65,640	179	1	180	N/A	Complied
Grade 11	64,800	65,250	390	65,640	179	1	180	N/A	Complied
Grade 12	64,800	65,250	390	65,640	179	1	180	N/A	Complied

**PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

	2026 (Budget)	2025	2024	2023
General Fund - Budgetary Basis*				
Revenues and Other Financing Sources	\$ 199,773,807	\$ 208,963,587	\$ 199,704,223	\$ 200,468,442
Expenditures and Other Financing Uses	210,105,129	203,867,562	206,465,714	185,012,950
Net Change in Fund Balances	(10,331,322)	5,096,025	(6,761,491)	15,455,492
Ending Fund Balances	\$ 57,789,369	\$ 68,120,691	\$ 63,024,666	\$ 69,786,157
Available Reserves**	\$ 12,606,308	\$ 12,170,587	\$ 34,935,446	\$ 10,688,301
Available Reserves as a Percentage of Outgo	6.0%	6.0%	16.9%	5.8%
Long-term Debt	\$ 513,905,501	\$ 527,812,707	\$ 530,697,948	\$ 517,989,923
Average Daily District Attendance at P-2	9,667	9,791	9,712	9,423

The General Fund balance has decreased by \$1,665,466 over the past two years. The 2025–26 budget projects an additional decrease of \$10,331,322, or 15.17%. For a district of this size, the State recommends maintaining available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District recorded operating surpluses in 2023 and 2025, and an operating deficit in 2024. It anticipates another operating deficit in the 2025–26 fiscal year. Total long-term liabilities have increased by \$9,822,784 over the past two years.

Average daily attendance (ADA) has increased by 368 over the past two years; however, a decline of 124 ADA is projected for the 2025–26 fiscal year.

* The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

** Available reserves are the unrestricted amounts in the Stabilization Arrangements, Reserve for Economic Uncertainties, and Unassigned/Unappropriated accounts in the General Fund and Special Reserve Fund for Other Than Capital Outlay Projects.

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

There were no reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

**PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2025**

Charter School	Number	Included in Audit Report
California Military Institute	0529	Yes

**PERRIS UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Special Revenue Funds			Capital Projects Funds				Debt Service Funds		
	Student Activity Special Revenue Fund	Adult Education Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Debt Service Fund	Total Non-Major Governmental Funds	
ASSETS										
Cash and cash equivalents	\$ 1,382,832	\$ 93,221	\$ 8,068,042	\$ 6,075,029	\$ 7	\$ 2,619,930	\$ 15,960,168	\$ 27,254	\$ 34,226,483	
Accounts receivable	-	51,392	2,060,227	674,151	1	17,197	-	223	2,803,191	
Due from other funds	-	17,942	21,944	3,140,794	-	-	-	-	3,180,680	
Inventory	73,356	-	18,276	-	-	-	-	-	91,632	
Total Assets	\$ 1,456,188	\$ 162,555	\$ 10,168,489	\$ 9,889,974	\$ 8	\$ 2,637,127	\$ 15,960,168	\$ 27,477	\$ 40,301,986	
LIABILITIES										
Accrued liabilities	\$ 1,265	\$ 1,319	\$ 27,965	\$ 1,423,569	\$ -	\$ -	\$ -	\$ -	\$ 1,454,118	
Due to other funds	-	158,762	33,548	-	8	-	3,140,794	-	3,333,112	
Unearned revenue	-	-	13,239	-	-	-	-	-	13,239	
Total Liabilities	1,265	160,081	74,752	1,423,569	8	-	3,140,794	-	4,800,469	
FUND BALANCES										
Nonspendable	74,056	-	22,046	-	-	-	-	-	96,102	
Restricted	1,380,867	2,474	10,051,716	8,451,835	-	2,613,308	12,819,374	27,477	35,347,051	
Assigned	-	-	19,975	14,570	-	23,819	-	-	58,364	
Total Fund Balances	1,454,923	2,474	10,093,737	8,466,405	-	2,637,127	12,819,374	27,477	35,501,517	
Total Liabilities and Fund Balances	\$ 1,456,188	\$ 162,555	\$ 10,168,489	\$ 9,889,974	\$ 8	\$ 2,637,127	\$ 15,960,168	\$ 27,477	\$ 40,301,986	

**PERRIS UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds				Capital Projects Funds				Debt Service Funds		
	Formerly Non-Major Fund										
	Student Activity Special Revenue Fund	Charter School Fund	Adult Education Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Debt Service for Blended Component Units Fund	Debt Service Fund	Total Non-Major Governmental Funds
REVENUES											
Federal sources	\$ -	\$ -	\$ -	\$ 5,871,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,871,142
Other state sources	-	-	269,419	3,286,750	-	-	-	-	-	-	3,556,169
Other local sources	3,244,118	-	565	676,341	4,414,570	2	2,253,303	5,959,715	-	23,108	16,571,722
Total Revenues	3,244,118	-	269,984	9,834,233	4,414,570	2	2,253,303	5,959,715	-	23,108	25,999,033
EXPENDITURES											
Current											
Instruction	-	-	75,068	-	-	-	-	-	-	-	75,068
Instruction-related services											
Instructional supervision and administration	-	-	294,665	-	-	-	-	-	-	-	294,665
School site administration	-	-	117,881	-	-	-	-	-	-	-	117,881
Pupil services											
Food services	-	-	-	7,619,608	-	-	-	-	-	-	7,619,608
General administration											
All other general administration	-	-	14,349	209,689	444,185	-	-	-	-	-	668,223
Plant services	-	-	25,555	12,011	-	-	-	-	-	-	37,566
Facilities acquisition and maintenance	-	-	-	-	7,169,973	-	427,653	21,653	-	-	7,619,279
Ancillary services	3,044,457	-	-	-	-	-	-	-	-	-	3,044,457
Other outgo	-	-	-	-	-	-	-	16,375	-	-	16,375
Debt service											
Principal	-	-	-	-	-	-	-	-	275,000	-	275,000
Interest and other	-	-	-	-	-	-	-	-	1,689,800	-	1,689,800
Total Expenditures	3,044,457	-	527,518	7,841,308	7,614,158	-	427,653	38,028	1,964,800	-	21,457,922
Excess/(Deficiency) of Revenues											
Over Expenditures	199,661	-	(257,534)	1,992,925	(3,199,588)	2	1,825,650	5,921,687	(1,964,800)	23,108	4,541,111
OTHER FINANCING SOURCES/(USES)											
Transfers in	-	-	211,942	-	3,341,439	-	-	-	1,964,796	1,964,800	7,482,977
Transfers out	-	-	-	-	-	-	-	(5,306,239)	-	(1,964,796)	(7,271,035)
Other Financing Sources/(Uses), Net	-	-	211,942	-	3,341,439	-	-	(5,306,239)	1,964,796	4	211,942
NET CHANGE IN FUND BALANCES	199,661	-	(45,592)	1,992,925	141,851	2	1,825,650	615,448	(4)	23,112	4,753,053
FUND BALANCES - BEGINNING	1,255,262	9,320,278	48,066	8,100,812	8,324,554	(2)	811,477	12,203,926	4	4,365	40,068,742
Change with financial reporting entity (non-major to major fund)	-	(9,320,278)	-	-	-	-	-	-	-	-	(9,320,278)
FUND BALANCES - BEGINNING, AS RESTATED	1,255,262	-	48,066	8,100,812	8,324,554	(2)	811,477	12,203,926	4	4,365	30,748,464
FUND BALANCES - ENDING	\$ 1,454,923	\$ -	\$ 2,474	\$ 10,093,737	\$ 8,466,405	\$ -	\$ 2,637,127	\$ 12,819,374	\$ -	\$ 27,477	\$ 35,501,517

See note to supplementary information.

**PERRIS UNION HIGH SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Expenditures of Federal Awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal award activity of the Perris Union High School District (the "District") under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

Summary of Significant Accounting Policies – Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such 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.

Indirect Cost Rate – The District has not elected to use the ten percent de minimis cost rate.

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

Schedule of Financial Trends and Analysis

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

**PERRIS UNION HIGH SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

Non-Major Governmental Funds – Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' 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

Governing Board
Perris Union High School District
Perris, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, fiduciary activities, each major fund, and the aggregate remaining fund information of Perris Union High School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies. 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Diego, California
December 14, 2025



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governing Board
Perris Union High School District
Perris, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Perris Union High School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Auditors' 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 or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

CWDL, Certified Public Accountants

San Diego, California

December 14, 2025



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Governing Board
Perris Union High School District
Perris, California

Report on State Compliance

Opinion

We have audited Perris Union High School District's (the "District") compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, the District, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's compliance with the requirements described in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Auditors' 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 *2024-25 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 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:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. RESERVED	Not Applicable
D. Independent Study	Not Applicable
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools, <i>continued</i> :	
N. Middle or Early College High Schools or Programs	Not Applicable
O. K-3 Grade Span Adjustment	Not Applicable
P. RESERVED	Not Applicable
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable
TT. Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not Applicable
Z. Immunizations	Not Applicable
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Not Applicable
FZ. Kindergarten Continuance	Not Applicable
Charter Schools:	
AA. Attendance	Yes
BB. Mode of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study	Not Applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
EE. Annual Instructional Minutes - Classroom Based	Yes
FF. 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.

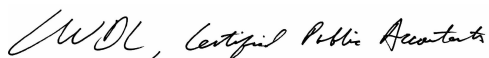
Report on Internal Control over Compliance

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 Auditors' 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 or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
December 14, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**PERRIS UNION HIGH SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.027, 84.027A	Special Education IDEA Cluster
84.010	Title I Cluster

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

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

PERRIS UNION HIGH SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

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 *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

<u>FIVE DIGIT CODE</u>	<u>AB3627 FINDING TYPES</u>
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

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

PERRIS UNION HIGH SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

This section presents significant deficiencies, material weaknesses, and instances of noncompliance identified during the audit of the financial statements. These matters are reported in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

<u>FIVE DIGIT CODE</u>	<u>AB3627 FINDING TYPES</u>
50000	Federal Compliance

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

PERRIS UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

<u>FIVE DIGIT CODE</u>	<u>AB3627 FINDING TYPES</u>
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

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

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

This section presents findings and questioned costs identified in prior year audit related to financial statements, federal awards and state awards.

FINDING #2024-001: INSTRUCTIONAL MATERIALS (70000)

Criteria

Pursuant to California Education Code Section 60119, the District is required to hold a public hearing regarding the sufficiency of textbooks or other instructional materials on or before the end of the eighth week from the first day pupils attended school for that year.

Condition

The District held the public hearing on the sufficiency of instructional materials on October 18, 2023, which was not within the first eight weeks of the start of school.

Effect

The District was not in compliance with California *Education Code* Section 60119.

Cause

The condition noted above appears to have materialized due to lack of internal controls over compliance related to Instructional Materials requirements.

Questioned Costs

There are no questioned costs related to this finding.

Recommendation

The District should make every effort to place the sufficiency of instructional materials on the board agenda for review and approval before on or before the eighth week from the first day pupils attend school for that year. The District should designate a management employee with the responsibility to ensure that the public hearing is placed on the board agenda before the eight weeks have passed.

Corrective Action Plan and Views of Responsible Officials

The District will schedule the public meeting to be held eight weeks prior to the start of school and will ensure that the hearing is included on the board agenda before the eight-week time frame has passed.

Current Status

Implemented