



San Pasqual Valley Unified School District

County of Imperial
Winterhaven, California

Audit Report
June 30, 2025



San Pasqual Valley Unified School District

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June 30, 2025

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Independent Auditor's Report

To the Board of Education
San Pasqual Valley Unified School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the 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.

Emphasis of Matter – Change in Accounting Principle

As described in Note A to the financial statements, in the fiscal year ended June 30, 2025 the District adopted new accounting guidance, GASB Statement No. 101 *Compensated Absences* which had a material effect on the financial statements. Our opinion is not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 other required supplementary information as identified 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management'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 accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying additional supplementary information, identified in the table of contents, as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the additional supplementary information as identified in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the audit report. The other information comprises the Other Information section of the audit report as identified on the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2026, 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.



El Cajon, California
February 19, 2026

SAN PASQUAL VALLEY UNIFIED SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025
(Unaudited)

The discussion and analysis of San Pasqual Valley Unified School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report, the District's financial statements and notes to the basic financial statements.

The Management's Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD & A.

FINANCIAL HIGHLIGHTS

- The revenue from federal and state aid not restricted for specific purposes was \$12,222,282. Property tax revenue (including property tax revenue levied for debt service) was \$1,697,600.
- Government wide expenditures for the year were \$18,780,827
- LCFF Revenue from 2024-25 to 2024-25 increased by \$81,220 (0.8%).
- General fund expenditures decreased by \$348,462 (1.8%).

Overview of the Financial Statements

This annual report consists of the following parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information supplementary information and findings and recommendations. These statements are organized so the reader can understand the San Pasqual Valley Unified School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Basic Financial Statements

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

The financial statements also include notes that explain some of the supplementary information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the District's general fund budget is included.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide information about the District as a whole using methods similar to those used by private-sector companies. The Statement of Net Position includes all the District's assets and liabilities using the accrual basis of accounting. This basis of accounting takes in account all the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2024-25?"

These two statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many non-financial factors, such as the quality of education provided to assess the overall health of the District.

- Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

Governmental Funds

Most of the School District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They 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 operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

The School District as a Whole

The District's net position was \$21.9 million at June 30, 2025. Of this amount, unrestricted net position was \$(3.5) million. A comparative analysis of government-wide data is presented in Table 1.

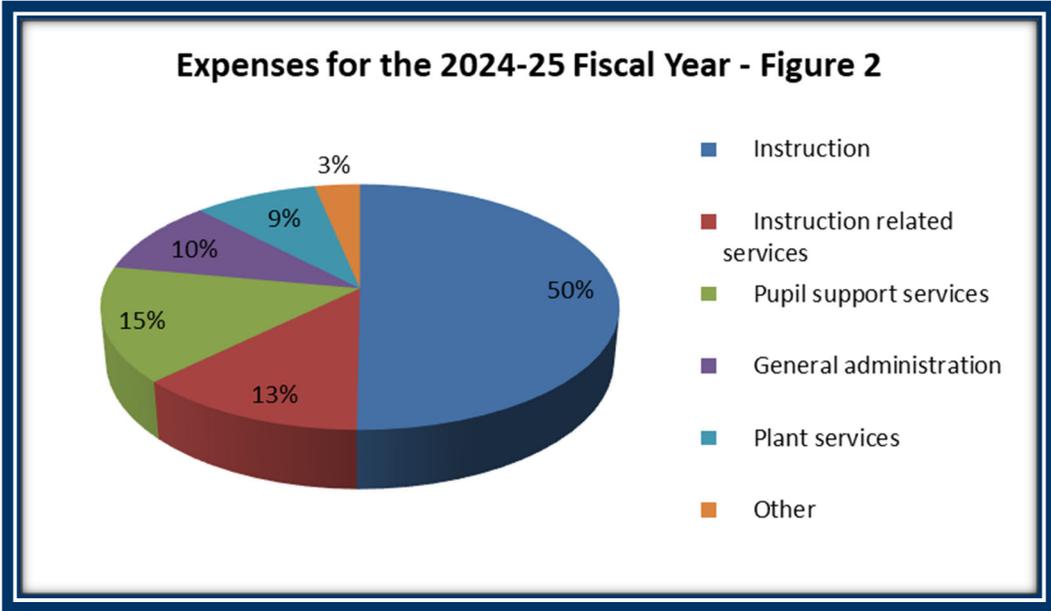
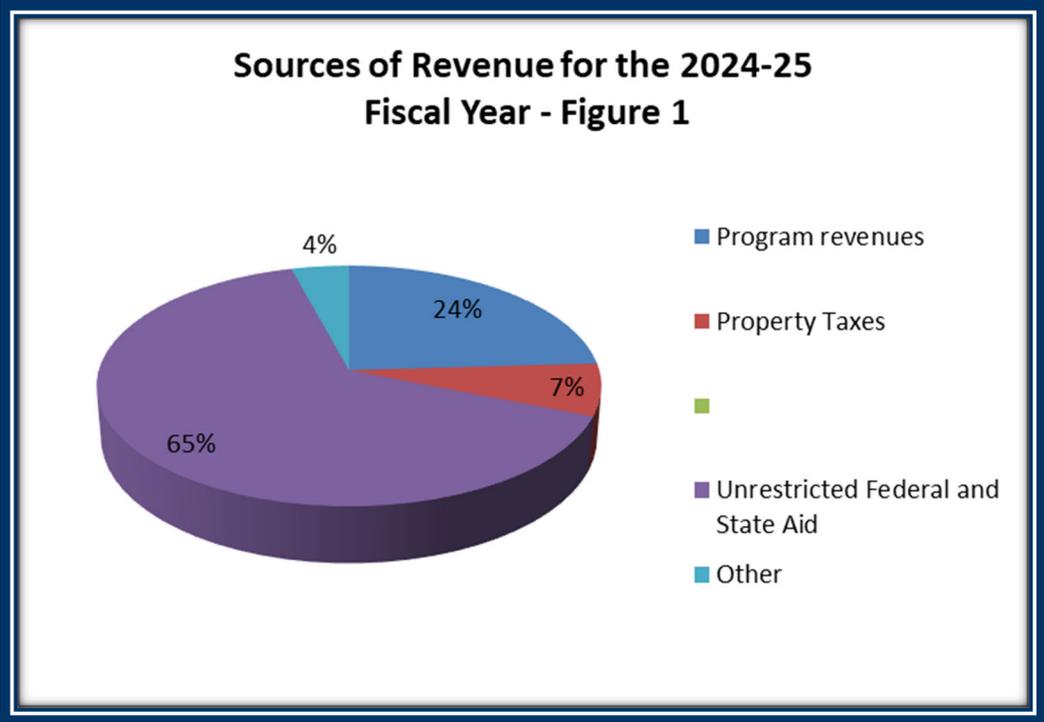
The District's net position increased \$1,318,388 this fiscal year (See Table 2). The District's expenses for instructional and pupil services represented 75% of total expenses. The administrative activities of the District accounted for just 9% of total costs. The remaining 16% was spent in the areas of plant services and other expenses. (See Figure 2)

	Governmental Activities			
	June 30, 2025	June 30, 2024	Change	% Change
Assets				
Cash	\$ 12,044,057	\$ 10,592,394	1,451,663	13.70%
Accounts receivable	1,039,802	2,209,983	(1,170,181)	-52.95%
Inventory	8,947	6,464	2,483	38.41%
Capital assets, net	30,458,747	30,169,113	289,634	0.96%
Total Assets	<u>\$ 43,551,553</u>	<u>\$ 42,977,954</u>	<u>573,599</u>	<u>1.33%</u>
Deferred Outflows of Resources				
Deferred outflows of resources - pensions	4,242,558	5,056,655	(814,097)	-16.10%
Deferred outflows of resources - other	604,145	720,366	(116,221)	-16.13%
Total Deferred Outflows of Resources	<u>4,846,703</u>	<u>5,777,021</u>	<u>(930,318)</u>	<u>-16.10%</u>
Liabilities				
Accounts payable and other current liabilities	945,255	1,152,039	(206,784)	-17.95%
Unearned revenue	27,253	219,678	(192,425)	-87.59%
Long-term liabilities	22,766,442	23,815,472	(1,049,030)	-4.40%
Total Liabilities	<u>23,738,950</u>	<u>25,187,189</u>	<u>(1,448,239)</u>	<u>-5.75%</u>
Deferred Inflows of Resources				
Deferred inflows of resources - pensions	1,444,940	1,093,848	351,092	32.10%
Deferred inflows of resources - other	478,208	577,014	(98,806)	-17.12%
Total Deferred Inflows of Resources	<u>1,923,148</u>	<u>1,670,862</u>	<u>252,286</u>	<u>15.10%</u>
Net Position				
Net investment in capital assets	22,666,596	22,261,251	405,345	1.82%
Restricted	2,230,033	3,128,608	(898,575)	-28.72%
Unrestricted	(2,160,471)	(3,492,935)	1,332,464	-38.15%
Total Net Position	<u>\$ 22,736,158</u>	<u>\$ 21,896,924</u>	<u>839,234</u>	<u>3.83%</u>

GOVERNMENTAL ACTIVITIES

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$20.5 million. The amount that our local taxpayers financed for these activities through property taxes was \$1.97 million. Federal and State aid not restricted to specific purposes totaled \$12.65 million. Operating grants and contributions revenue \$8.15 million (See Figure 1).

	Governmental Activities			
	Year Ended June 30, 2025	Year Ended June 30, 2024	Change	% Change
Revenues				
Program revenues				
Charges for services	\$ 116,716	\$ 87,517	\$ 29,199	33.36%
Operating grants and contributions	4,800,681	5,619,174	(818,493)	-14.57%
General revenues				
Taxes levied for general purposes	1,431,575	1,512,617	(81,042)	-5.36%
Taxes levied for debt service	266,025	475,381	(209,356)	-44.04%
Federal and state aid not restricted to specific purposes	13,222,282	13,582,478	(360,196)	-2.65%
Interest and investment earnings	502,928	441,054	61,874	14.03%
Miscellaneous	85,349	140,119	(54,770)	-39.09%
Total Revenues	<u>20,425,556</u>	<u>21,858,340</u>	<u>(1,432,784)</u>	<u>-6.55%</u>
Expenses				
Instruction	9,421,440	9,805,277	(383,837)	-3.91%
Instruction related services	2,359,804	2,117,518	242,286	11.44%
Pupil support services	2,850,179	3,440,932	(590,753)	-17.17%
General administration	1,862,245	1,893,273	(31,028)	-1.64%
Plant services	1,673,691	2,381,768	(708,077)	-29.73%
Other	613,468	901,184	(287,716)	-31.93%
Total Expenses	<u>18,780,827</u>	<u>20,539,952</u>	<u>(1,759,125)</u>	<u>-8.56%</u>
Increase (Decrease) in Net Position	1,644,729	1,318,388	326,341	24.75%
Net Position - Beginning Balance	21,896,924	20,578,536	1,318,388	6.41%
Adjustment to Beginning Net Position	(804,495)	-	(804,495)	100.00%
Net Position - Ending Balance	<u>\$ 22,737,158</u>	<u>\$ 21,896,924</u>	<u>\$ 840,234</u>	<u>3.84%</u>



FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District’s operations in more detail than the government-wide statements. The District’s individual fund statements provide information on inflows and outflows and balances of spendable resources. The District’s Governmental Funds reported a combined fund balance of \$12.25 million, an increase of \$682 thousand from the previous fiscal year’s combined ending balance of \$11.6 million.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget monthly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.
- An analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the general fund (or its equivalent). The analysis should include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity

The final revised budget for the General Fund reflected a net increase to the ending balance of \$426,580.

The District ended the year with a \$796,654 increase to the general fund ending balance. The State recommends available reserves of 4% of District expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District has a broad range of capital assets, including school buildings, administrative buildings, site improvements, vehicles, and equipment. Table 3 demonstrates the Schedule of Capital Assets net of depreciation.

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Land	\$ 66,865	\$ 66,865	\$ -	0.0%
Work in Progress	-	-	-	#DIV/0!
Land Improvements	2,493,406	2,414,949	78,457	3.2%
Buildings & Improvements	36,528,239	36,166,391	361,848	1.0%
Equipment	6,157,664	4,958,339	1,199,325	24.2%
Less Accumulated Depreciation for				
Land Improvements	(1,637,240)	(1,593,054)	(44,186)	2.8%
Buildings & Improvements	(9,964,953)	(9,051,777)	(913,176)	10.1%
Equipment	(3,185,234)	(2,792,600)	(392,634)	14.1%
Total	<u>\$ 30,458,747</u>	<u>\$ 30,169,113</u>	<u>\$ 289,634</u>	<u>1.0%</u>

Long-Term Obligations

At June 30, 2025 the District had \$7,791,821 million in long term obligations outstanding.

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
GO Bonds	\$ 7,791,821	\$ 7,882,253	\$ (90,432)	-1.1%
Total Long-Term Debt	<u>\$ 7,791,821</u>	<u>\$ 7,882,253</u>	<u>\$ (90,432)</u>	<u>-1.1%</u>

FACTORS BEARING ON THE DISTRICT

The 2025-26 California enacted budget, and requisite trailer bills approved new and or augmented funding streams for transitional kindergarten add-on in the Local Control Funding Formula, the Student Support and Professional Development Discretionary Block Grant, the Learning Recovery Emergency Block Grant and additional appropriations for local education agencies (LEA) participating in the Expanded Learning Opportunities Program Tier 2.

Funded average daily attendance (ADA) has changed drastically in recent years as the Governor and Legislature provided additional relief to combat the significant declining enrollment. Those policies provided an off-ramp rather than a fiscal cliff, which ended last year. The 2024-25 fiscal year was the final year for LEAs to benefit from the positive impact of the 2021-22 hold harmless policies; however, moving forward, LEAs will continue to be able to claim ADA based on current-year, prior-year, or a three-year average, whichever is greater.

Beginning in 2025-26, LEAs are allowed to recover up to ten absences per year through the inaugural Attendance Recovery program. This program is available to LEAs serving classroom-based student populations and can be offered before and after school, as well as during weekends and intersessions.

Cash deferrals are back for a second consecutive year with \$1.9 billion scheduled to be deferred from June 2026 to July 2026. Although state revenues are trending ahead of projections, it is still prudent to plan as if the deferrals will occur as planned.

Despite positive outlooks for school funding, costs of salaries, pensions, and other employee benefits continue to rise. The District is monitoring the budget closely to ensure all financial obligations are met and the District remains fiscally strong.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 additional financial information, please contact, Kish Curtis, Chief Business Official, San Pasqual Valley Unified School District, 676 Baseline Road, Winterhaven, CA 92883.

Basic Financial Statements

San Pasqual Valley Unified School District

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash	\$ 12,044,057
Accounts Receivable	1,039,802
Inventory	8,947
Capital Assets:	
Land	66,865
Land Improvements	2,493,406
Buildings & Improvements	36,528,239
Equipment	6,157,664
Less Accumulated Depreciation	<u>(14,787,427)</u>
Total Assets	<u>43,551,553</u>
 Deferred Outflows of Resources	 <u>4,846,703</u>
 Liabilities	
Accounts Payable and Other Current Liabilities	945,255
Unearned Revenue	27,253
Long-Term Liabilities:	
Due Within One Year	765,506
Due In More Than One Year	<u>22,000,936</u>
Total Liabilities	<u>23,738,950</u>
 Deferred Inflows of Resources	 <u>1,923,148</u>
 Net Position	
Net Investment in Capital Assets	22,666,596
Restricted For:	
Capital Projects	274
Debt Service	286,891
Educational Programs	1,196,108
Other Purposes (Expendable)	735,313
Other Purposes (Nonexpendable)	11,447
Unrestricted	<u>(2,160,471)</u>
Total Net Position	<u>\$ 22,736,158</u>

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

San Pasqual Valley Unified School District

Statement of Activities

For the Year Ended June 30, 2025

Functions	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities						
Instruction	\$ 9,421,440	\$ 51,736	\$ 2,272,663	\$ -		\$ (7,097,041)
Instruction-Related Services:						
Instructional Supervision and Administration	589,824	-	365,892	-		(223,932)
Instructional Library, Media and Technology	365,912	-	178,208	-		(187,704)
School Site Administration	1,404,068	-	150,626	-		(1,253,442)
Pupil Services:						
Home-to-School Transportation	630,862	-	287,686	-		(343,176)
Food Services	767,979	1,963	698,740	-		(67,276)
All Other Pupil Services	1,451,338	58,693	514,801	-		(877,844)
General Administration:						
Centralized Data Processing	108,914	-	19,165	-		(89,749)
All Other General Administration	1,753,331	1,633	201,884	-		(1,549,814)
Plant Services	1,673,691	203	98,786	-		(1,574,702)
Ancillary Services	269,073	2,235	2,663	-		(264,175)
Community Services	9,577	253	9,567	-		243
Interest on Long-Term Debt	315,999	-	-	-		(315,999)
Other Outgo	18,819	-	-	-		(18,819)
Total Governmental Activities	<u>\$ 18,780,827</u>	<u>\$ 116,716</u>	<u>\$ 4,800,681</u>	<u>\$ -</u>		<u>(13,863,430)</u>
General Revenues						
Taxes and Subventions:						
Property Taxes, Levied for General Purposes						\$ 1,431,575
Property Taxes, Levied for Debt Service						266,025
Federal and State Aid Not Restricted for Specific Purposes						13,222,282
Interest and Investment Earnings						501,928
Miscellaneous						85,349
Total General Revenues						<u>15,507,159</u>
Change in Net Position						1,643,729
Net Position - 7/1/2024, as Previously Stated						<u>21,896,924</u>
Adjustment for GASB 101 Impementation (Note A)						(804,495)
Net Position - 7/1/2024, as Restated						<u>21,092,429</u>
Net Position - Ending						<u>\$ 22,736,158</u>

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

San Pasqual Valley Unified School District

Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total
Assets			
Cash and Cash Equivalents	\$ 11,529,669	\$ 514,388	\$ 12,044,057
Accounts Receivable	874,150	165,652	1,039,802
Due from Other Funds	42,580	-	42,580
Stores Inventories	-	8,947	8,947
Total Assets	\$ 12,446,399	\$ 688,987	\$ 13,135,386
Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable	\$ 786,633	\$ 27,216	\$ 813,849
Due to Other Funds	-	42,580	42,580
Unearned Revenue	23,724	3,529	27,253
Total Liabilities	810,357	73,325	883,682
Fund Balance:			
Nonspendable	2,500	8,947	11,447
Restricted	1,731,923	520,801	2,252,724
Committed	-	512	512
Assigned	6,664,235	85,402	6,749,637
Unassigned	3,237,384	-	3,237,384
Total Fund Balance	11,636,042	615,662	12,251,704
Total Liabilities and Fund Balances	\$ 12,446,399	\$ 688,987	\$ 13,135,386

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

San Pasqual Valley Unified School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total fund balances governmental funds: \$ 12,251,704

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

Capital assets relating to governmental activities, at historical cost	45,246,174	
Accumulated depreciation	<u>(14,787,427)</u>	
	Net	30,458,747

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was: (131,406)

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

General obligation bonds payable	7,791,821	
Total OPEB liability	1,737,839	
Net pension liability	12,537,116	
Compensated absences	<u>699,666</u>	
	Total	(22,766,442)

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

Deferred outflows of resources relating to pensions	4,239,558	
Deferred inflows of resources relating to pensions	<u>(1,444,940)</u>	
	Net	2,794,618

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

San Pasqual Valley Unified School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, Continued

June 30, 2025

Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources relating to OPEB	607,145	
Deferred inflows of resources relating to OPEB	<u>(478,208)</u>	
	Net	<u>128,937</u>
Total net position governmental activities:		<u><u>\$ 22,736,158</u></u>

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

San Pasqual Valley Unified School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total
Revenues			
State Apportionment	\$ 6,099,081	\$ -	\$ 6,099,081
Education Protection Account Funds	2,312,068	-	2,312,068
Property Taxes	1,431,575	266,025	1,697,600
Federal Revenue	6,660,832	652,959	7,313,791
Other State Revenue	2,003,940	435,029	2,438,969
Interest	335,474	20,069	355,543
Fair Market Value Adjustment	143,460	2,925	146,385
Other Local Revenue	614,102	3,437	617,539
Total Revenues	<u>19,600,532</u>	<u>1,380,444</u>	<u>20,980,976</u>
Expenditures			
Current Expenditures:			
Instruction	8,944,006	251,159	9,195,165
Instruction - Related Services	2,299,912	22,256	2,322,168
Pupil Services	2,172,704	771,497	2,944,201
Ancillary Services	270,386	-	270,386
Community Services	9,577	-	9,577
General Administration	1,908,128	85,792	1,993,920
Plant Services	1,465,159	-	1,465,159
Transfers Between Agencies	18,819	-	18,819
Capital Outlay	1,492,531	179,448	1,671,979
Debt Service:			
Principal	-	85,000	85,000
Interest	-	322,561	322,561
Total Expenditures	<u>18,581,222</u>	<u>1,717,713</u>	<u>20,298,935</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,019,310</u>	<u>(337,269)</u>	<u>682,041</u>
Other Financing Sources (Uses):			
Transfers In	72,228	40,000	112,228
Transfers Out	<u>(112,228)</u>	<u>-</u>	<u>(112,228)</u>
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>40,000</u>	<u>-</u>
Net Change in Fund Balance	979,310	(297,269)	682,041
Fund Balance, Beginning of Year	<u>10,656,732</u>	<u>912,931</u>	<u>11,569,663</u>
Fund Balance, End of Year	<u>\$ 11,636,042</u>	<u>\$ 615,662</u>	<u>\$ 12,251,704</u>

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

San Pasqual Valley Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2025

Total change in fund balances, governmental funds: \$ 682,041

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

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

Expenditures for capital outlay	1,671,979	
Depreciation expense	<u>(1,350,236)</u>	
	Net	321,743

Gain or loss from disposal of capital assets: In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is: (32,109)

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: 85,000

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that 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: 1,133

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: 139,062

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

San Pasqual Valley Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities, Continued
For the Year Ended June 30, 2025

Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the 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: 531,838

Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year the difference between OPEB expenses and actual employer OPEB contributions was: (90,411)

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: 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, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period is: 5,432

Change in net position of governmental activities: \$ 1,643,729

San Pasqual Valley Unified School District

Notes to the Financial Statements

For the Year Ended June 30, 2025

A. Summary of Significant Accounting Policies

San Pasqual Valley Unified School District (District) accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

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

2. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by GASB.

3. Basis of Presentation

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

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

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

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

Major Governmental Funds

The District reports the following major governmental funds:

General Fund: The general fund is the primary operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund.

Non-Major Governmental Funds

The District reports the following non-major governmental funds categorized by the fund type:

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

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

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

Deferred Maintenance Fund: This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code §17582*).

Capital Projects Funds: Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The District maintains the following nonmajor capital projects funds:

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

Capital Facilities Fund: The Capital Facilities Fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code §17620 through §17626*). The authority for these levies may be county or city ordinances (*Government Code §65970 through §65981*) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in *Government Code §65970 through §65981* or *Government Code §65995*, or items specified in agreements with the developer (*Government Code §66006*).

County School Facilities Fund: This fund is established pursuant to *Education Code §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). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants as provided in the Leroy F. Green School Facilities Act of 1998 (*Education Code §17070.10 et seq.*).

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code §42840*). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to other capital projects funds. Other authorized resources that may be deposited into this fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code §41003*).

Debt Service Funds: Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt. The District maintains the following nonmajor debt service fund:

Bond Interest and Redemption Fund: The Bond Interest and Redemption Fund is used for the repayment of bonds issued for the District (*Education Code §15125 through §15262*). The County of Imperial Auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the County Treasurer from taxes levied by the County Auditor-Controller.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

4. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

5. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid or at year end, whichever is sooner.

6. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1st. A public hearing must be conducted to receive comments prior to adoption. The District's governing board has satisfied these requirements.

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

7. Revenues and Expenses

a. Revenues – Exchange and Non-Exchange

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 year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, property taxes, interest, certain grants, and other local sources.

Non-exchange transactions are transactions in which the District receives value without directly giving equal value in return, including 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 are 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.

b. 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, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has 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 financial statements.

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

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

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

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

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued using the first-in/first-out (FIFO) method and consist of expendable supplies held for consumption. Reported inventories are equally offset by a non-spendable fund balance designation, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

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

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. A capitalization threshold of \$15,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings & Improvements	20 - 50 Years
Land Improvements	10 - 25 Years
Equipment	5 - 15 Years

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

d. Lease Assets & Lease Liabilities

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. In accordance with GASB Statement 87, the District records lease assets and lease liabilities with a capitalization threshold of \$15,000. Lease assets are amortized over the shorter of the useful life of the underlying asset (as defined in capital assets policy) or the lease term. Lease liabilities are reduced as principal payments on the lease are made.

e. Subscription Assets & Subscription Liabilities

A subscription based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITAs result in a subscription asset and subscription liability on the date of inception in accordance with GASB Statement 96 which are recorded at present value using an imputed interest rate based on the best available borrowing rate for the District in the year of inception. The District has established a capitalization threshold for subscription assets and liabilities of \$15,000. The subscription assets are amortized over the subscription term. The subscription liabilities are reduced as principal payments on the agreements are paid.

f. Compensated Absences

Employees of the District are granted vacation, sick leave, and other types of compensated absences in accordance with District policy and labor agreements. Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and certain types of sabbatical leave when agreed upon in contracts or labor agreements. Under the District's policies, vacation leave and sick leave may be carried forward from year to year, subject to limits established by policy.

A liability for compensated absences is recognized when earned by employees if (a) the leave is attributable to services already rendered, (b) the leave accumulates and may be carried forward to future periods, and (c) it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using the pay or salary rates in effect as of the financial statement date, plus salary-related payments that are directly and incrementally associated with payments for compensated absences, as required by GASB Statement No. 101.

In accordance with GASB Statement No. 101, unused sick leave that, upon retirement, is converted to provide or enhance a defined benefit pension is excluded from the compensated absences liability. The value of such converted leave is instead included in the measurement of the District's net pension liability in accordance with applicable GASB standards.

In governmental funds, only the portion of the liability that is expected to be liquidated with expendable available financial resources is reported as a fund liability; the remainder is reported in the government-wide financial statements.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

The District measured the liability based on a historic look back period of five years with a first-in-first-out flows assumption for use accrued balances.

g. Unearned Revenue

Unearned revenue represents amounts received in advance of the period in which the District is legally entitled to the resources. In the governmental funds, unearned revenue is reported as a liability until the underlying revenue recognition criteria have been met. Typical sources of unearned revenue include advance payments for services and grant proceeds received before all eligibility requirements have been satisfied.

h. Interfund Activity

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

i. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

Restricted Fund Balance represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

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

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

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

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

j. Minimum Fund Balance Policy

The District has adopted a policy to maintain a minimum economic uncertainty reserve of at least 3% of the total general fund expenditures and other financing uses. The reserve may be increased from time to time in order to address specific anticipated revenue or cash flow shortfalls. The primary purpose of this reserve is to avoid the need for service level reductions in the event of economic downturn. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints in use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

k. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either 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. The Special Reserve Fund for Other than Capital Outlay (Fund 17), and the Special Reserve Fund for Other Postemployment Benefits (Fund 20) do not have continuing revenue sources that are either restricted or committed in nature. As such these funds do not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. These funds have been combined with the general fund for reporting purposes.

l. Deferred Inflows and Deferred Outflows of Resources

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

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

m. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources relating to pension, deferred inflows of resources relating to pension, pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan), and additions to/deductions from the CalPERS Plan and CalSTRS Plan fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

9. Postemployment Benefits Other than Pensions (OPEB)

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

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

Valuation Date	July 1, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2024 to June 30, 2025

10. Property Taxes

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

11. Use of 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.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

12. Fair Value Measurements

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

Level 1 Inputs:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2 Inputs:	Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3 Inputs:	Unobservable inputs to an asset or liability.

13. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2025. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement No. 99 <i>Omnibus 2022</i> (Portions related to financial guarantees and derivative instruments)	Apr-22
GASB Statement No. 100 <i>Accounting Changes and Error Corrections</i> (Amendment of GASB Statement No. 62)	Jun-22
GASB Statement No. 101 <i>Compensated Absences</i>	Jun-22
GASB Statement No. 102 <i>Certain Risk Disclosures</i>	Dec-23
GASB Implementation Guide No. 2023-1 <i>Implementation Guidance Update 2023</i>	Jun-23
GASB Implementation Guide No. 2025-1 <i>Implementation Guidance Update 2025 (Question 4.16 ONLY)</i>	Jun-25

The adoption of GASB Statement No. 99, GASB Statement No. 102, GASB Implementation Guide No. 2023-1 and GASB Implementation Guide No. 2025-1 did not have a material impact on the District's financial position, results of operations, or disclosures in the financial statements.

The adoption of GASB Statement No. 100 resulted in enhanced note disclosures and financial statement presentation but did not result in a material change to the District's financial position.

The adoption of GASB Statement No. 101 resulted in a material change to the District's net position for inclusion of a portion of sick leave that meets reporting requirements consistent with the requirements of the GASB pronouncement.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

14. Accounting Changes and Error Corrections

Effective for the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 requires that changes to or within the financial reporting entity, including changes in fund classification, be reported by adjusting the beginning balances of the affected funds as if the change occurred at the start of the reporting period. The statement also requires enhanced disclosures regarding accounting changes and error corrections.

Error Corrections

No error corrections were identified or recorded during the fiscal year ended June 30, 2025.

Change in Accounting Principle

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*, which establishes new recognition and measurement criteria for compensated absences. As a result, the District changed its method of accounting for compensated absences to comply with the new standard. The implementation of GASB Statement No. 101 resulted in a restatement of the beginning net position of governmental activities as of July 1, 2024. The affected financial statement line item is "Compensated Absences Payable." The change in accounting principle resulted in the following restatement of beginning net position:

	<u>Government- Wide Financial Statements</u>
Beginning Net Position as Reported in July 1, 2024 Audit Report	\$ 21,896,924
Adjustments to Beginning Balance:	
GASB 101 Implementation	<u>(804,495)</u>
Beginning Net Position, as Restated	<u>\$ 21,092,429</u>

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued
 For the Year Ended June 30, 2025

B. Compliance and Accountability

1. Finance Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not Applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit</u>	
	<u>Amount</u>	<u>Remarks</u>
None	Not Applicable	Not Applicable

C. Fair Value Measurements

The District’s investments at June 30, 2025, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	<u>Amount</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
External investment pools measured at fair value				
Imperial County Treasury	\$ 12,007,419	\$ -	\$ 12,007,419	\$ -
Total investments by fair value level	\$ 12,007,419	\$ -	\$ 12,007,419	\$ -

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 §41001). The fair value of the District’s investments in the pool is reported in the accounting financial statements as 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 the 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.

The Imperial County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the Imperial County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the Imperial County Treasury is audited annually by an independent auditor.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

D. Cash and Investments

As of June 30, 2025 the District held the following cash and investments:

	General Fund	Nonmajor Governmental Funds	Total
Cash in County Treasury	\$ 11,512,731	\$ 514,636	\$ 12,027,367
Cash in County Treasury - FMV Adjustment	(19,700)	(248)	(19,948)
Cash in Bank and in Revolving Fund	36,638	-	36,638
Total Cash and Cash Equivalents	<u>\$ 11,529,669</u>	<u>\$ 514,388</u>	<u>\$ 12,044,057</u>

1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the Imperial County Treasury as part of the common investment pool (\$12,027,367 as of June 30, 2025). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$12,007,419. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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

Cash balances on hand and in banks (\$34,138 as of June 30, 2025) and in revolving fund (\$2,500 as of June 30, 2025) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

3. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

4. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

At June 30, 2025, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 12,007,419

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: 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 agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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

At June 30, 2025, the District bank accounts were held in institutions which held insurance for the entire amount, but not in the District's name and as such the District was not exposed to custodial credit risk for any amounts in excess of the FDIC insurance limitations per banking institution.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District maintains pooled investments with the Imperial County Treasury with a fair value of \$12,007,419. The average weighted maturity for this pool was 447 days at June 30, 2025.

e. Foreign Currency Risk

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

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

5. Investment Accounting Policy

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

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2025, consisted of:

	General Fund	Nonmajor Governmental Funds	Total
Federal Government:			
Title I	\$ 251,650	\$ -	\$ 251,650
Special Education	161,661	-	161,661
Indian Education	63,112	-	63,112
Child Nutrition	-	82,534	82,534
Other Federal Programs	44,076	-	44,076
State Government:			
Lottery	38,603	-	38,603
ELOP	58,881	-	58,881
Special Education	63,359	-	63,359
Child Nutrition	-	58,199	58,199
Other State Programs	74,499	8,726	83,225
Local Sources			
Interest	89,852	3,828	93,680
Other Local Sources	28,457	12,365	40,822
Total Accounts Receivable	<u>\$ 874,150</u>	<u>\$ 165,652</u>	<u>\$ 1,039,802</u>

F. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 66,865	\$ -	\$ -	\$ 66,865
Total capital assets not being depreciated	<u>66,865</u>	<u>-</u>	<u>-</u>	<u>66,865</u>
Capital assets being depreciated:				
Land improvements	2,414,949	78,457	-	2,493,406
Buildings and improvements	36,166,391	379,280	17,432	36,528,239
Equipment	4,958,339	1,214,242	14,917	6,157,664
Total capital assets being depreciated	<u>43,539,679</u>	<u>1,671,979</u>	<u>32,349</u>	<u>45,179,309</u>
Less accumulated depreciation for:				
Land improvements	(1,593,054)	(44,186)	-	(1,637,240)
Buildings and improvements	(9,051,777)	(913,261)	(85)	(9,964,953)
Equipment	(2,792,600)	(392,789)	(155)	(3,185,234)
Total accumulated depreciation	<u>(13,437,431)</u>	<u>(1,350,236)</u>	<u>(240)</u>	<u>(14,787,427)</u>
Total capital assets being depreciated, net	<u>30,102,248</u>	<u>321,743</u>	<u>32,109</u>	<u>30,391,882</u>
Governmental activities capital assets, net	<u>\$ 30,169,113</u>	<u>\$ 321,743</u>	<u>\$ 32,109</u>	<u>\$ 30,458,747</u>

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

Depreciation was charged to functions as follows:

	<u>Depreciation</u>
Instruction	\$ 851,344
Instruction - Related Services	
Instructional Library, Media & Technology	189,319
General Administration	
Other General Administration	188,932
Plant Services	<u>120,641</u>
Total	<u><u>\$ 1,350,236</u></u>

G. Interfund Balances & Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2025, consisted of the following:

<u>Interfund Receivable</u> (Due From Other Funds)	<u>Interfund Payable</u> (Due To Other Funds)	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Govt. Funds	<u>\$ 42,580</u>	Temporary Cash Transfer - Child Development
Total		<u><u>\$ 42,580</u></u>	

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2025, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	General Fund	\$ 72,228	Postemployment Benefits
Nonmajor Govt. Funds	General fund	<u>40,000</u>	Adult Education Contribution
Total		<u><u>\$ 112,228</u></u>	

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

H. Accounts Payable

Accounts payable balances in the fund financial statements as of June 30, 2025, consisted of:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Vendors Payable	\$ 372,237	\$ 27,149	\$ 399,386
Payroll and Benefits	7,401	67	7,468
LCFF State Aid Repayment	406,995	-	406,995
Total Accounts Payable	<u>\$ 786,633</u>	<u>\$ 27,216</u>	<u>\$ 813,849</u>

I. Unearned Revenue

Unearned revenue balances as of June 30, 2025, consisted of:

	General Fund	Nonmajor Governmental	Total
State Programs			
Child Development	\$ -	\$ 3,529	\$ 3,529
Local Sources			
Other Local Grants	23,724	-	23,724
Total Unearned Revenue	<u>\$ 23,724</u>	<u>\$ 3,529</u>	<u>\$ 27,253</u>

J. Short Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. During the year ended June 30, 2025, the District did not enter into any short-term debt agreements.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

K. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2025 consisted of:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable Fund Balance			
Revolving Cash	\$ 2,500	\$ -	\$ 2,500
Stores Inventory	-	8,947	8,947
Total Nonspendable Fund Balance	2,500	8,947	11,447
Restricted Fund Balance			
Capital Projects	-	274	274
Debt Service	-	286,891	286,891
Educational Programs	1,088,299	107,809	1,196,108
Child Nutrition Program	-	125,827	125,827
Other Purposes	643,624	-	643,624
Total Restricted Fund Balance	1,731,923	520,801	2,252,724
Committed Fund Balance			
Deferred Maintenance	-	512	512
	-	512	512
Assigned Fund Balance			
Capital Projects	250,000	85,402	335,402
New Bus	600,000	-	600,000
Impact Aid Contingency	2,000,000	-	2,000,000
Other Postemployment Benefits	1,286,258	-	1,286,258
Other Purposes	2,527,977	-	2,527,977
Total Assigned Fund Balance	6,664,235	85,402	6,749,637
Unassigned Fund Balance			
For Economic Uncertainties	3,237,384	-	3,237,384
Total Unassigned Fund Balance	3,237,384	-	3,237,384
Total Fund Balance	\$ 11,636,042	\$ 615,662	\$ 12,251,704

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

L. Long Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 7,882,253	\$ -	\$ 90,432	\$ 7,791,821	\$ 101,153
Total OPEB Liability*	1,661,843	75,996	-	1,737,839	-
Net Pension Liability*	14,237,143	-	1,700,027	12,537,116	-
Compensated Absences*	838,728	-	139,062	699,666	664,353
Total Governmental Activities	<u>\$ 24,619,967</u>	<u>\$ 75,996</u>	<u>\$ 1,929,521</u>	<u>\$ 22,766,442</u>	<u>\$ 765,506</u>

*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for compensated absences are made from the general fund.
- Payments for pension contributions are made from the general fund.
- Payments for OPEB contributions are made from the general fund.

2. General Obligation Bonds

The District’s bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

On November 8, 2016 registered voters authorized the issuance of \$8,000,000 principal amount of general obligation bonds. Of the total amount originally authorized, no amounts remain unissued.

General obligation bonds at June 30, 2025 consisted of the following:

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
2016 Election, Series A	01/31/17	2.00 - 4.00%	08/01/46	\$ 5,500,000
2016 Election, Series B	10/17/18	3.75 - 5.25%	08/01/46	2,500,000
Total GO Bonds				<u>\$ 8,000,000</u>

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2016 Election, Series A					
Principal	\$ 5,155,000	\$ -	\$ 50,000	\$ 5,105,000	\$ 60,000
Premium	354,742	-	3,608	351,134	4,329
2016 Election, Series B					
Principal	2,255,000	-	35,000	2,220,000	35,000
Premium	117,511	-	1,824	115,687	1,824
Total	<u>\$ 7,882,253</u>	<u>\$ -</u>	<u>\$ 90,432</u>	<u>\$ 7,791,821</u>	<u>\$ 101,153</u>

The annual requirements to amortize the bonds outstanding at June 30, 2025 are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 95,000	\$ 317,863	\$ 412,863
2027	110,000	314,038	424,038
2028	120,000	309,388	429,388
2029	135,000	303,888	438,888
2030	145,000	298,363	443,363
2031-2035	970,000	1,397,163	2,367,163
2036-2040	1,425,000	1,163,694	2,588,694
2041-2045	2,085,000	757,913	2,842,913
2046-2050	2,240,000	186,625	2,426,625
Total	<u>\$ 7,325,000</u>	<u>\$ 5,048,935</u>	<u>\$ 12,373,935</u>

Premium/Discount

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

Bond discount arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the discount decrease the face value of the bond and then amortize the discount over the life of the bond. The discounts are amortized over the life of the bond using the effective interest rate method.

Effective interest on general obligation bonds issued at a premium are as follows:

	2016 Series A	2016 Series B
Total Interest Payments	\$ 5,201,663	\$ 2,310,704
Less Bond Premium	(396,831)	(130,278)
Net Interest Payments	<u>4,804,832</u>	<u>2,180,426</u>
PAR Amount of Bonds	5,500,000	2,500,000
Periods	30	30
Effective Interest Rate	2.91%	2.91%

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

3. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2025 is shown below:

	Balance July 1, 2024	Current Year Changes	Balance June 30, 2025	Amounts Due Within One Year
Vacation Liability	\$ 34,233	\$ (13,743)	\$ 20,490	\$ 20,490
Sick Leave	804,495	(125,319)	679,176	643,863
Total	<u>\$ 838,728</u>	<u>\$ (139,062)</u>	<u>\$ 699,666</u>	<u>\$ 664,353</u>

4. Net Pension Liability

The District's beginning net pension liability was \$14,237,143 and decreased by \$1,700,027 during the year ended June 30, 2025 for an ending net pension liability of \$12,537,116. See Note M for additional information regarding the net pension liability.

5. Net OPEB Liability

The District's beginning net OPEB liability was \$1,661,843 and increased during the year ended June 30, 2025 by \$75,996. The ending net OPEB liability at June 30, 2025 was \$1,737,839. See Note N for additional information regarding the net OPEB liability.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

M. Pension Plans

1. General Information about the Pension Plans

a. Plan Descriptions

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

b. Benefits Paid

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

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

<u>Hire Date</u>	<u>CalSTRS</u>	
	<u>Before</u>	<u>After</u>
	<u>Jan. 1, 2013</u>	<u>Jan. 1, 2013</u>
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55 - 60	55 - 62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%*	1.0 - 2.4%*
Required Employee Contribution Rates (2024-25)	10.250%	10.205%
Required Employer Contribution Rates (2024-25)	19.100%	19.100%
Required State Contribution Rates (2024-25)	10.828%	10.828%

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

**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

<u>Hire Date</u>	CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 62	52 - 67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%*	1.0 - 2.5%*
Required Employee Contribution Rates (2024-25)	7.000%	8.000%
Required Employer Contribution Rates (2024-25)	27.050%	27.050%

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

**The rate imposed on CalPERS 2% at 62 members is based on the normal cost of benefits.

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2025, California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2025. The CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

CalPERS

California Public Employees' Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2025, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 27.05% of covered payroll.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

On Behalf Payments

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2025 the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District’s proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State’s pension expense associated with District employees for the past three fiscal years are as follows:

Year Ended June 30,	CalSTRS		
	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2023	10.828%	\$ 671,722	\$ 2,046,912
2024	10.828%	479,864	(153,018)
2025	10.828%	488,235	(81,197)

d. Contributions Recognized

For the fiscal year ended June 30, 2025 (measurement period June 30, 2024), the contributions recognized for each plan were:

	Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
<i>Governmental Funds</i>			
Contributions - Employer	\$ 1,041,012	\$ 1,020,929	\$ 2,061,941
Contributions - State On Behalf Payments	488,237	-	488,237
Total Governmental Funds	<u>\$ 1,529,249</u>	<u>\$ 1,020,929</u>	<u>\$ 2,550,178</u>

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Contributions - Employer	\$ 1,064,192	\$ 1,007,195	\$ 2,071,387
Contributions - State On Behalf Payments	488,235	-	488,235
Total Governmental Activities	<u>\$ 1,552,427</u>	<u>\$ 1,007,195</u>	<u>\$ 2,559,622</u>

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

As of June 30, 2024 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Governmental Activities
CalSTRS	\$ 5,696,708
CalPERS	6,840,408
Total	<u>\$ 12,537,116</u>

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to measurement date June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2024 and June 30, 2025 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share for District *Employees	Total for District Employees	District's Proportionate Share
<i>Governmental Activities</i>				
Proportion June 30, 2024	0.008690%	0.004179%	0.012869%	0.021047%
Proportion June 30, 2025	0.008482%	0.003891%	0.012373%	0.019140%
Change in Proportion	<u>-0.000208%</u>	<u>-0.000288%</u>	<u>-0.000496%</u>	<u>-0.001907%</u>

*Represents State's Proportionate Share on behalf of District employees.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

a. Pension Expense

	<i>Governmental Activities</i>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
Change in Net Pension Liability	\$ (921,658)	\$ (778,372)	\$ (1,700,030)
State On Behalf Pension Expense	(81,197)	-	(81,197)
Employer Contributions	1,041,012	1,020,929	2,061,941
Change in Deferrals for:			
Experience Differences	(229,072)	(363,493)	(592,565)
Changes in Assumptions	13,386	199,798	213,184
Changes in Proportionate Share	151,173	785,291	936,464
Subsequent Contributions	25,010	(13,262)	11,748
Earnings Differences	51,275	548,083	599,358
Total Pension Expense Government-Wide	<u>\$ 49,929</u>	<u>\$ 1,398,974</u>	<u>\$ 1,448,903</u>

b. Deferred Outflows and Inflows of Resources

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
<i>Governmental Activities</i>			
Subsequent Contributions	\$ 1,041,012	\$ 1,020,929	\$ 2,061,941
Experience Differences	644,450	573,467	1,217,917
Changes in Assumptions	24,937	151,196	176,133
Changes in Proportionate Share	250,875	266,980	517,855
Earnings Differences	-	265,712	265,712
Total Deferred Outflows of Resources	<u>\$ 1,961,274</u>	<u>\$ 2,278,284</u>	<u>\$ 4,239,558</u>

	<u>Deferred Inflows of Resources</u>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
<i>Governmental Activities</i>			
Experience Differences	\$ (249,275)	\$ (48,957)	\$ (298,232)
Changes in Proportionate Share	(505,125)	(618,308)	(1,123,433)
Earnings Differences	(23,275)	-	(23,275)
Total Deferred Inflows of Resources	<u>\$ (777,675)</u>	<u>\$ (667,265)</u>	<u>\$ (1,444,940)</u>

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2026. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five-year period.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30,	<i>Governmental Activities</i>				Net Effect on Expenses
	Deferred Outflows of Resources		Deferred Inflows of Resources		
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2026	\$ 1,255,259	\$ 1,549,873	\$ (725,811)	\$ (272,435)	\$ 1,806,886
2027	214,246	745,579	254,610	(207,805)	1,006,630
2028	201,777	66,906	(132,177)	(187,025)	(50,519)
2029	131,586	(84,074)	(117,327)	-	(69,815)
2030	121,511	-	(33,543)	-	87,968
Thereafter	36,895	-	(23,427)	-	13,468
Total	<u>\$ 1,961,274</u>	<u>\$ 2,278,284</u>	<u>\$ (777,675)</u>	<u>\$ (667,265)</u>	<u>\$ 2,794,618</u>

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2025, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	6/30/2025	6/30/2025
Measurement Date	6/30/2024	6/30/2024
Valuation Date	6/30/2023	6/30/2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2007 - 2022	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	Varies ⁽³⁾
Payroll Growth	3.25%	Varies ⁽³⁾
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	2.00% Simple ⁽¹⁾	2.00% - 2.30% ⁽⁴⁾
Mortality	CalSTRS Data ⁽²⁾	CalPERS Data ⁽⁵⁾

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

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

(3) Varies by entry age and service.

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

(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the discount bond rate calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts. Finally, the CalPERS discount rate was decreased from 7.15% to 6.90% at measurement date June 30, 2022 (Fiscal year June 30, 2023) resulting from a new actuarial experience study completed.

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

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

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

CalSTRS

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return ⁽¹⁾	Long-Term Expected Real Rate of Return ⁽²⁾
Public Equity	38.00%	8.00%	5.25%
Real Estate	15.00%	6.80%	4.05%
Private Equity	14.00%	9.50%	6.75%
Fixed Income	14.00%	5.20%	2.45%
Risk Mitigation Strategies	10.00%	5.00%	2.25%
Inflation Sensitive	7.00%	6.40%	3.65%
Cash/Liquid	2.00%	2.80%	0.05%

⁽¹⁾ 20 to 30 year geometric average.

⁽²⁾ Real rates of return are net of assumed 2.75% inflation

CalPERS

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return ^{(3),(4)}
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

⁽³⁾ An expected price inflation of 2.30% used for this period.

⁽⁴⁾ Figures are based on the 2021-22 Asset Liability Management Study.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

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

	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.10%	5.90%
Net Pension Liability	\$ 10,132,682	\$ 10,161,481
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 5,696,708	\$ 6,840,408
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 1,992,591	\$ 4,096,935

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

CalSTRS Governmental Activities

	<u>Increase (Decrease)</u>				
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>	<u>State's Share of Net Pension Liability</u>	<u>District's Share of Net Pension Liability</u>
	(a)	(b)	(a) - (b)	(c)	(a) - (b) - (c)
Balance at June 30, 2024					
(Previously Reported)	\$ 50,585,465	\$ 40,784,343	\$ 9,801,122	\$ 3,182,756	\$ 6,618,366
Changes for the year					
Change in proportionate share	(1,949,677)	(1,571,920)	(377,757)	(219,343)	(158,414)
Service cost	1,077,193	-	1,077,193	338,750	738,443
Interest	3,446,623	-	3,446,623	1,083,877	2,362,746
Experience differences	376,758	-	376,758	118,481	258,277
Change in assumptions	(662,079)	-	(662,079)	(208,207)	(453,872)
Change in benefits	4,083	-	4,083	1,284	2,799
Contributions:					
Employer	-	1,062,275	(1,062,275)	(334,059)	(728,216)
Employee	-	585,862	(585,862)	(184,239)	(401,623)
State on behalf	-	488,235	(488,235)	(153,538)	(334,697)
Net investment income	-	3,238,385	(3,238,385)	(1,018,391)	(2,219,994)
Other income	-	48,378	(48,378)	(15,214)	(33,164)
Benefit payments ⁽¹⁾	(2,374,131)	(2,374,131)	-	-	-
Administrative expenses	-	(25,117)	25,117	7,899	17,218
Borrowing costs	-	(41,202)	41,202	12,957	28,245
Other expenses	-	(866)	866	272	594
Net changes	(81,230)	1,409,899	(1,491,129)	(569,471)	(921,658)
Balance at June 30, 2025	<u>\$ 50,504,235</u>	<u>\$ 42,194,242</u>	<u>\$ 8,309,993</u>	<u>\$ 2,613,285</u>	<u>\$ 5,696,708</u>

(1) – Includes refunds of employee contributions

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2024			
(Previously Reported)	\$ 25,364,487	\$ 17,745,707	\$ 7,618,780
Changes for the year			
Change in proportionate share	(2,298,193)	(1,607,881)	(690,312)
Service cost	593,179	-	593,179
Interest	1,610,981	-	1,610,981
Experience differences	554,454	-	554,454
Contributions:			
Employer	-	1,027,599	(1,027,599)
Employee	-	293,639	(293,639)
Net investment income	-	1,538,792	(1,538,792)
Benefit payments ⁽¹⁾	(1,139,579)	(1,139,579)	-
Administrative expenses	-	(13,356)	13,356
Net changes	(679,158)	99,214	(778,372)
Balance at June 30, 2025	\$ 24,685,329	\$ 17,844,921	\$ 6,840,408

(1) – Includes refunds of employee contributions

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

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

N. Postemployment Benefits Other Than Pension Benefits

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

1. Plan Description

Plan Administration. The San Pasqual Valley Unified School District (District) administers a single-employer healthcare plan (Plan). The District maintains the same plan for its retirees as for its active employees with the general exception that benefits end when the retiree attains age 65. The District administers health and welfare benefits for retirees, including medical, prescription drug, employee assistance, life, dental and vision benefits. Benefits are offered as a package through the Imperial County Schools VEBA.

Benefits Provided. Certificated unit members hired prior to July 1, 2020 must attain age 55 and complete at least 10 years of continuous, full-time service and retire immediately under CalSTRS, to be eligible for District-paid retiree healthcare benefits. Certificated unit members hired on or after July 1, 2020 are eligible at the age of 58 and completion of 15 years of continuous, full-time service.

The District pays the employee-only cost for eligible retirees. Retirees may elect dependent coverage and self-pay the excess over the District contribution. District paid benefits end at age 65.

If a retiree does not meet the requirements described above but has completed 10 years of District service and retires immediately under CalSTRS, he or she is eligible for COBRA only.

2. Contributions

The contribution requirements of the Plan members and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

3. Plan Membership

Membership of the plan consisted of the following as of June 30, 2025:

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>56</u>
	<u><u>61</u></u>

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

4. Net OPEB Liability

The San Pasqual Valley Unified School District's Net OPEB liability of \$1,737,839 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023

5. Actuarial Assumptions and Other Inputs

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

Economic assumptions:

Inflation	2.50% per annum
Salary increases	3.00% per annum, in aggregate
Discount rate	3.97%
Healthcare cost trend rates	5.50%
Retiree's share of costs	0.00%

The discount rate is based on the Fidelity GO AA 20 Year Municipal Bond Index, which are tax-exempt municipal bonds with an average rating of AA/Aa or higher.

Mortality rates are based on the most recent rates used by CalPERS and CalSTRS for pension valuations. The CalPERS mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. The CalSTRS mortality table was developed based on CalSTRS specific data. The table includes mortality improvements set at 110% of the ultimate improvement factor from the Mortality improvement scale (MP-2016) table, issued by the Society of Actuaries.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of CalPERS actuarial experience study for the period July 1, 2000 through June 30, 2019 and the CalSTRS experience study for the period July 1, 2015 through June 30, 2018.

6. Changes in Net OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2024	\$ 1,661,843
Changes for the year:	
Service cost	89,795
Interest	66,340
Changes of assumptions	(13,537)
Experience differences	-
Benefit payments	(66,602)
Net change	<u>75,996</u>
Balance at June 30, 2025	<u>\$ 1,737,839</u>

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

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

	1% Decrease (2.97%)	Valuation Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 1,849,209	\$ 1,737,839	\$ 1,620,688

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

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

	1% Decrease 4.50%	Healthcare Cost Trends Rate 5.50%	1% Increase 6.50%
	Decreasing to 3.50%	Decreasing to 4.50%	Decreasing to 5.50%
Total OPEB Liability	\$ 1,552,451	\$ 1,737,839	\$ 1,953,321

9. OPEB Expense

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$155,913.

10. Deferred Outflows and Deferred Inflows of Resources Related to OPEB

At June 30, 2025 the District reported deferred outflows and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 51,733	\$ (468,367)
Experience differences	489,910	(9,841)
Subsequent contributions	65,502	-
Total	<u>\$ 607,145</u>	<u>\$ (478,208)</u>

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will impact OPEB expense under the following amortization schedule:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Effect on OPEB Expense</u>
2026	\$ 167,458	\$ (91,589)	\$ 75,869
2027	88,678	(81,080)	7,598
2028	84,344	(81,080)	3,264
2029	75,647	(81,080)	(5,433)
2030	73,468	(58,078)	15,390
Thereafter	117,550	(85,301)	32,249
Total	<u>\$ 607,145</u>	<u>\$ (478,208)</u>	<u>\$ 128,937</u>

11. Liabilities Due to The OPEB Plan

As of June 30, 2025, there are no liabilities owed to the OPEB Plan.

O. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- Theft of, damage to, or destruction of assets,
- Business interruption,
- Errors or omissions,
- Job related illness or injuries to employees,
- Natural disasters,
- Other risks associated with public entity risk pools

Risk management is the process of managing the District's activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention, risk transfer to and from an insurer, and risk transfer to a non-insurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

There have been no significant changes in property and liability or workers compensation coverage during the current fiscal year.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

P. Participation in Joint Powers Authorities

The District is a member of the Imperial County Schools VEBA, the Imperial County School Property/Liability Insurance (ICSPLI), and the Self Insurance Program for Imperial County (SIPIC) for the operation of a common risk management and insurance program for property and liability coverage and workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

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 available from the respective entities.

Q. Commitments and Contingencies

1. State and Federal Allowances, Awards, and Grants

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

2. Litigation

The District is periodically 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 as of June 30, 2025.

3. Construction Commitments

As of June 30, 2025, the District did not have any commitments with respect to unfinished capital projects.

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

R. Deferred Outflows of Resources

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the pension plan measurement date and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

In accordance with GASB Statement No. 75, the District has recorded deferred outflows of resources for OPEB related items as prescribed by the statement.

A summary of the deferred outflows of resources as of June 30, 2025, is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Pension Related				
CalSTRS	\$ 2,139,119	\$ 191,901	\$ 369,746	\$ 1,961,274
CalPERS	2,917,536	12,810	652,062	2,278,284
OPEB Related	720,366	65,502	178,723	607,145
Total Deferred Outflows of Resources	\$ 5,777,021	\$ 270,213	\$ 1,200,531	\$ 4,846,703

Future amortization of deferred outflows of resources is as follows:

Year Ending June 30,	OPEB Related	Pension Related	Total
2026	\$ 167,458	\$ 2,805,132	\$ 2,972,590
2027	88,678	959,825	1,048,503
2028	84,344	268,683	353,027
2029	75,647	47,512	123,159
2030	73,468	121,511	194,979
Thereafter	117,550	36,895	154,445
Total	\$ 607,145	\$ 4,239,558	\$ 4,846,703

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

S. Deferred Inflows of Resources

In accordance with GASB Statement No. 68 & 71, items as outlined in the GASB pronouncement have been recorded as deferred inflows of resources.

In accordance with GASB Statement No. 75, the District has recorded deferred inflows of resources for OPEB related items as prescribed by the statement.

A summary of the deferred inflows of resources as of June 30, 2025 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Pension Related				
CalSTRS	\$ 943,748	\$ 445,741	\$ 611,814	\$ 777,675
CalPERS	150,100	799,839	282,674	667,265
OPEB Related	577,014	13,537	112,343	478,208
Total Deferred Inflows of Resources	\$ 1,670,862	\$ 1,259,117	\$ 1,006,831	\$ 1,923,148

Future amortization of deferred inflows is as follows:

Year Ending June 30,	OPEB Related	Pension Related	Total
2026	\$ 91,589	\$ 998,246	\$ 1,089,835
2027	81,080	(46,805)	34,275
2028	81,080	319,202	400,282
2029	81,080	117,327	198,407
2030	58,078	33,543	91,621
Thereafter	85,301	23,427	108,728
Total	\$ 478,208	\$ 1,444,940	\$ 1,923,148

San Pasqual Valley Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

T. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Year Effective
GASB Statement No. 103 <i>Financial Reporting Model Improvements</i>	Apr-24	2025-26
GASB Statement No. 104 <i>Disclosure of Certain Capital Assets</i>	Sep-24	2025-26
GASB Implementation Guide No. 2025-1 <i>Implementation Guidance Update 2025 (Except Question 4.16)</i>	Jun-25	2025-26

The effects of the upcoming guidance and pronouncements on the District’s financial statements has not yet been determined.

Required Supplementary Information

San Pasqual Valley Unified School District

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Variance Original to Final Budget Positive/ (Negative)	Actual	Variance Actual to Final Budget Positive/ (Negative)
	Original	Final			
Revenues					
LCFF Sources					
State Apportionment	\$ 6,003,921	\$ 7,111,704	\$ 1,107,783	\$ 6,099,081	\$ (1,012,623)
Education Protection Account	2,267,229	1,314,092	(953,137)	2,312,068	997,976
Property Taxes	1,512,289	1,434,240	(78,049)	1,431,575	(2,665)
Federal Revenue	5,212,806	6,364,566	1,151,760	6,660,832	296,266
Other State Revenue	1,891,246	1,945,840	54,594	2,003,940	58,100
Interest Income	150,000	228,453	78,453	249,238	20,785
Fair Market Value Adjustment	-	-	-	109,341	109,341
Other Local Revenue	556,294	553,110	(3,184)	614,102	60,992
Total Revenues	<u>17,593,785</u>	<u>18,952,005</u>	<u>1,358,220</u>	<u>19,480,177</u>	<u>528,172</u>
Expenditures					
Current Expenditures:					
Certificated Salaries	6,330,899	6,382,855	(51,956)	6,314,254	68,601
Classified Salaries	3,625,214	3,544,232	80,982	3,605,369	(61,137)
Employee Benefits	4,464,945	4,440,404	24,541	4,308,448	131,956
Books and Supplies	1,025,948	1,048,836	(22,888)	777,153	271,683
Services and Other Operating	2,505,884	2,916,365	(410,481)	2,081,268	835,097
Other Outgo	20,809	21,917	(1,108)	18,819	3,098
Direct Support/Indirect Costs	-	(2,824)	2,824	(16,620)	13,796
Capital Outlay	353,201	1,067,570	(714,369)	1,492,531	(424,961)
Total Expenditures	<u>18,326,900</u>	<u>19,419,355</u>	<u>(1,092,455)</u>	<u>18,581,222</u>	<u>838,133</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(733,115)</u>	<u>(467,350)</u>	<u>265,765</u>	<u>898,955</u>	<u>1,366,305</u>
Other Financing Sources (Uses)					
Transfers Out	<u>(58,587)</u>	<u>102,228</u>	<u>160,815</u>	<u>(112,228)</u>	<u>(214,456)</u>
Total Other Financing Sources (Uses)	<u>(58,587)</u>	<u>102,228</u>	<u>160,815</u>	<u>(112,228)</u>	<u>(214,456)</u>
Net Change in Fund Balance	<u>(791,702)</u>	<u>(365,122)</u>	<u>426,580</u>	<u>786,727</u>	<u>1,151,849</u>
Fund Balance - Beginning of Year	<u>8,248,173</u>	<u>8,248,173</u>	<u>-</u>	<u>8,292,238</u>	<u>44,065</u>
Fund Balance - End of Year	<u>\$ 7,456,471</u>	<u>\$ 7,883,051</u>	<u>\$ 426,580</u>	<u>\$ 9,078,965</u>	<u>\$ 1,195,914</u>

See Accompanying Notes to Required Supplementary Information

San Pasqual Valley Unified School District

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

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0085%	0.0087%	0.0088%	0.0086%	0.0081%	0.0089%	0.0098%	0.0086%	0.0094%	0.0075%
District's proportionate share of the net pension liability (asset)	\$ 5,696,708	\$ 6,618,364	\$ 6,114,743	\$ 3,934,098	\$ 7,886,458	\$ 8,042,781	\$ 8,996,776	\$ 7,964,399	\$ 7,637,981	\$ 5,076,949
State's proportionate share of the net pension liability (asset) associated with the District	2,613,285	3,182,757	3,729,298	2,917,012	5,606,200	4,513,170	4,492,690	5,202,014	4,136,265	2,346,239
Total	<u>\$ 8,309,993</u>	<u>\$ 9,801,121</u>	<u>\$ 9,844,041</u>	<u>\$ 6,851,110</u>	<u>\$ 13,492,658</u>	<u>\$ 12,555,951</u>	<u>\$ 13,489,466</u>	<u>\$ 13,166,413</u>	<u>\$ 11,774,246</u>	<u>\$ 7,423,188</u>
District's covered payroll*	5,571,686	5,224,649	5,617,807	5,079,393	5,009,871	4,786,265	5,198,406	4,553,704	4,691,845	3,484,871
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	102.24%	126.68%	108.85%	77.45%	157.42%	168.04%	173.07%	174.90%	162.79%	145.69%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%

*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

San Pasqual Valley Unified School District
Schedule of the District's Contributions - CalSTRS
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,041,012	\$ 1,064,192	\$ 997,908	\$ 950,533	\$ 820,332	\$ 856,688	\$ 977,741	\$ 750,130	\$ 572,856	\$ 503,435
Contributions in relation to the contractually required contribution	<u>(1,041,012)</u>	<u>(1,064,192)</u>	<u>(997,908)</u>	<u>(950,533)</u>	<u>(820,332)</u>	<u>(856,688)</u>	<u>(977,741)</u>	<u>(750,130)</u>	<u>(572,856)</u>	<u>(503,435)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll*	\$ 5,450,325	\$ 5,571,686	\$ 5,224,649	\$ 5,617,807	\$ 5,079,393	\$ 5,009,871	\$ 6,005,777	\$ 5,198,406	\$ 4,553,704	\$ 4,691,845
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%

*Covered payroll on this schedule is based on the fiscal year.

San Pasqual Valley Unified School District

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

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0191%	0.0210%	0.1960%	0.0200%	0.0194%	0.0190%	0.0190%	0.0197%	0.0225%	0.0219%
District's proportionate share of the net pension liability (asset)	\$ 6,840,408	\$ 7,618,779	\$ 6,761,041	\$ 4,063,430	\$ 5,939,630	\$ 5,544,402	\$ 5,077,197	\$ 4,694,077	\$ 4,440,719	\$ 3,233,547
District's covered payroll*	\$ 3,775,094	\$ 3,643,437	\$ 3,050,716	\$ 2,869,251	\$ 2,813,356	\$ 2,662,324	\$ 2,538,987	\$ 2,525,490	\$ 2,722,808	\$ 2,439,546
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	181.20%	209.11%	221.62%	141.62%	211.12%	208.25%	199.97%	185.87%	163.09%	132.55%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%

*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

San Pasqual Valley Unified School District
Schedule of the District's Contributions - CalPERS
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,020,929	\$ 1,007,195	\$ 924,340	\$ 698,919	\$ 593,936	\$ 554,822	\$ 480,869	\$ 394,330	\$ 350,740	\$ 322,571
Contributions in relation to the contractually required contribution	<u>(1,020,929)</u>	<u>(1,007,195)</u>	<u>(924,340)</u>	<u>(698,919)</u>	<u>(593,936)</u>	<u>(554,822)</u>	<u>(480,869)</u>	<u>(394,330)</u>	<u>(350,740)</u>	<u>(322,571)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll*	\$ 3,774,229	\$ 3,775,094	\$ 3,643,437	\$ 3,050,716	\$ 2,869,256	\$ 2,813,356	\$ 2,662,324	\$ 2,538,987	\$ 2,525,490	\$ 2,722,808
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%

*Covered payroll on this schedule is based on the fiscal year.

San Pasqual Valley Unified School District

Schedule of Changes in the District's Net OPEB Liability and Related Ratios – SPVUSD Retiree Health Plan Last Ten Fiscal Years*

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB liability:										
Service cost	\$ 89,795	\$ 126,978	\$ 115,759	\$ 103,169	\$ 86,704	\$ 74,805	\$ 100,354	\$ 97,431	N/A	N/A
Interest	66,340	54,287	31,256	36,923	43,733	50,365	40,521	38,265	N/A	N/A
Experience differences	-	631,826	-	11,292	-	(157,495)	-	-	N/A	N/A
Changes of assumptions	(13,537)	(436,479)	(207,022)	67,019	69,356	108,415	(47,246)	-	N/A	N/A
Benefit payments	(66,602)	(116,934)	(99,470)	(120,587)	(92,243)	(71,982)	(71,597)	(55,714)	N/A	N/A
Net change in total OPEB liability	75,996	259,678	(159,477)	97,816	107,550	4,108	22,032	79,982	N/A	N/A
Total OPEB liability - beginning	1,661,843	1,402,165	1,561,642	1,463,826	1,356,276	1,352,168	1,330,136	1,250,154	N/A	N/A
Total OPEB liability - ending	<u>\$ 1,737,839</u>	<u>\$ 1,661,843</u>	<u>\$ 1,402,165</u>	<u>\$ 1,561,642</u>	<u>\$ 1,463,826</u>	<u>\$ 1,356,276</u>	<u>\$ 1,352,168</u>	<u>\$ 1,330,136</u>	<u>N/A</u>	<u>N/A</u>
Covered payroll	10,396,452	9,400,458	9,098,924	5,806,671	4,036,269	4,525,611	\$ 4,031,088	\$ 4,031,088	N/A	N/A
Total OPEB liability as a percentage of covered payroll	16.72%	17.68%	15.41%	26.89%	36.27%	29.97%	33.54%	33.00%	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

San Pasqual Valley Unified School District

Notes to Required Supplementary Information

For the Year Ended June 30, 2025

A. Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District’s Special Reserve Fund for Other Than Capital Outlay (Fund 17), and Special Reserve Fund for Postemployment Benefits (Fund 20) do not meet the definition of a special revenue fund and are therefore included with the General Fund for reporting purposes. The budgetary comparison schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only. Below represents a reconciliation between the schedules:

General Fund - Basic Financial Statements Ending Fund Balance	\$ 11,636,042
Fund 17 Fund Balance	(1,270,819)
Fund 20 Fund Balance	(1,286,258)
General Fund - Budgetary Comparison Schedule Ending Fund Balance	<u>\$ 9,078,965</u>
General Fund - Basic Financial Statements Net Change in Fund Balance	\$ 979,310
Fund 17 Net Change in Fund Balance	(61,608)
Fund 20 Net Change in Fund Balance	(130,975)
General Fund - Budgetary Comparison Schedule Net Change in Fund Balance	<u>\$ 786,727</u>

B. Excess of Expenditures Over Appropriations

As of June 30, 2025, the District’s expenditures which exceeded appropriations in the following categories:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>	<u>Reason for Excess Expenditures</u>
General Fund		
Classified Salaries	\$ 61,137	The District underestimated the costs of classified salaries.
Capital Outlay	424,961	The District underestimated the costs of capital outlay.

Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.

San Pasqual Valley Unified School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

C. Schedule of District's Proportionate Share – CalSTRS

1. Benefit Changes: Changes in benefits reflect changes enacted by law for benefits offered and eligibility criteria.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalSTRS Plan changed due to actuarial experience studies performed by CalSTRS.

D. Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2024, was determined with a valuation completed June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Valuation Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Experience Study	2006 - 2010	2006 - 2010	2010 - 2015	2010 - 2015	2010 - 2015
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return ⁽¹⁾	7.60%	7.60%	7.10%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.50%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple				
Reporting Period	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Experience Study	2010 - 2015	2015 - 2018	2015 - 2018	2015 - 2018	2007 - 2022
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return ⁽¹⁾	7.10%	7.10%	7.10%	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%	3.50%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple				

(1) – Net of investment expenses but gross of administrative expenses.

CalSTRS uses a generational mortality assumption, which involves the use of base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.

San Pasqual Valley Unified School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

E. Schedule of District’s Proportionate Share – CalPERS

1. Benefit Changes: Changes in benefits reflect changes enacted by law for benefits offered and eligibility criteria.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalPERS Plan changed due to actuarial experience studies performed by CalPERS.

F. Schedule of District’s Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2024, was determined with a valuation completed June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Valuation Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Experience Study	1997 - 2011	1997 - 2011	1997 - 2011	1997 - 2015	1997 - 2015
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return ⁽¹⁾	7.65%	7.65%	7.15%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.50%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-Retirement Benefit Increases	2.00% Simple				
Reporting Period	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Experience Study	1997 - 2015	1997 - 2015	2000 - 2019	2000 - 2019	2000 - 2019
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return ⁽¹⁾	7.15%	7.15%	6.90%	6.90%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%	2.30%
Wage Growth (Average)	2.75%	2.75%	2.75%	2.75%	Varies by Age
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00 - 2.30%

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2021 experience study report (based on demographic data from 2000 to 2019) available on the CalPERS website.

San Pasqual Valley Unified School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

G. Schedule of Changes in the District's Net OPEB Liability and Related Ratios

- 1) Benefit Changes: There were no benefit changes during the 2024-25 fiscal year.
- 2) Changes in Assumptions: Changes in assumptions reflect changes due to experience studies and updates to discount rates annually.
- 3) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.13%
2019	3.62%
2020	3.13%
2021	2.45%
2022	1.92%
2023	3.69%
2024	3.86%
2025	3.97%

Additional information can be obtained by requesting a copy of the OPEB valuation from the District.

H. Schedule of District's Contributions to OPEB Plan

The District is funding OPEB contributions on a pay-as-you-go basis plus an amount determined by the board based on budgetary considerations through the OPEB Trust administered by CalPERS.

Combining Statements as Supplementary Information

San Pasqual Valley Unified School District

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds				Capital Projects Funds			Debt Service Fund	Total Nonmajor Governmental Funds	
	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Special Reerve Fund for Capital Outlay Projects		Bond Interest & Redemption Fund
Assets										
Cash and Cash Equivalents	\$ 12,015	\$ 131,910	\$ (111)	\$ 508	\$ 66	\$ 10	\$ 195	\$ 85,253	\$ 284,542	514,388
Accounts Receivable	174	9,875	153,098	4	1	-	2	149	2,349	165,652
Stores Inventories	-	-	8,947	-	-	-	-	-	-	8,947
Total Assets	<u>\$ 12,189</u>	<u>\$ 141,785</u>	<u>\$ 161,934</u>	<u>\$ 512</u>	<u>\$ 67</u>	<u>\$ 10</u>	<u>\$ 197</u>	<u>\$ 85,402</u>	<u>\$ 286,891</u>	<u>\$ 688,987</u>
Liabilities and Fund Balance:										
Liabilities:										
Accounts Payable	\$ -	\$ 56	\$ 27,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,216
Due to Other Funds	-	42,580	-	-	-	-	-	-	-	42,580
Unearned Revenue	-	3,529	-	-	-	-	-	-	-	3,529
Total Liabilities	<u>-</u>	<u>46,165</u>	<u>27,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,325</u>
Fund Balance:										
Nonspendable	-	-	8,947	-	-	-	-	-	-	8,947
Restricted	12,189	95,620	125,827	-	67	10	197	-	286,891	520,801
Committed	-	-	-	512	-	-	-	-	-	512
Assigned	-	-	-	-	-	-	-	85,402	-	85,402
Total Fund Balance	<u>12,189</u>	<u>95,620</u>	<u>134,774</u>	<u>512</u>	<u>67</u>	<u>10</u>	<u>197</u>	<u>85,402</u>	<u>286,891</u>	<u>615,662</u>
Total Liabilities and Fund Balances	<u>\$ 12,189</u>	<u>\$ 141,785</u>	<u>\$ 161,934</u>	<u>\$ 512</u>	<u>\$ 67</u>	<u>\$ 10</u>	<u>\$ 197</u>	<u>\$ 85,402</u>	<u>\$ 286,891</u>	<u>\$ 688,987</u>

San Pasqual Valley Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

For the Year Ended June 30, 2025

	Special Revenue Funds				Capital Projects Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest & Redemption Fund	
Revenues										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,025	\$ 266,025
Federal Revenue	-	-	581,127	-	-	-	-	71,832	-	652,959
Other State Revenue	49,498	210,321	175,210	-	-	-	-	-	-	435,029
Interest	933	4,090	6,140	18	2	-	7	503	8,376	20,069
FMV Adjustment	86	1,333	1,287	7	1	-	2	209	-	2,925
Other Local Revenue	540	-	2,896	-	-	-	1	-	-	3,437
Total Revenues	51,057	215,744	766,660	25	3	-	10	72,544	274,401	1,380,444
Expenditures										
Current Expenditures:										
Instruction	75,801	175,358	-	-	-	-	-	-	-	251,159
Instruction - Related Services	13,357	8,899	-	-	-	-	-	-	-	22,256
Pupil Services	-	-	771,497	-	-	-	-	-	-	771,497
General Administration	-	16,620	69,172	-	-	-	-	-	-	85,792
Capital Outlay	-	-	179,448	-	-	-	-	-	-	179,448
Debt Service:										
Principal	-	-	-	-	-	-	-	-	85,000	85,000
Interest	-	-	-	-	-	-	-	-	322,561	322,561
Total Expenditures	89,158	200,877	1,020,117	-	-	-	-	-	407,561	1,717,713
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,101)	14,867	(253,457)	25	3	-	10	72,544	(133,160)	(337,269)
Other Financing Sources (Uses)										
Transfers In	40,000	-	-	-	-	-	-	-	-	40,000
Total Other Financing Sources (Uses)	40,000	-	-	-	-	-	-	-	-	40,000
Net Change in Fund Balance	1,899	14,867	(253,457)	25	3	-	10	72,544	(133,160)	(297,269)
Fund Balance, Beginning of Year	10,290	80,753	388,231	487	64	10	187	12,858	420,051	912,931
Fund Balance, End of Year	\$ 12,189	\$ 95,620	\$ 134,774	\$ 512	\$ 67	\$ 10	\$ 197	\$ 85,402	\$ 286,891	\$ 615,662

Other Supplementary Information

San Pasqual Valley Unified School District

Schedule of Average Daily Attendance

For the Year Ended June 30, 2025

	Second Period Report Certificate #2E3B7EAB		Annual Report Certificate #174B69BD	
	Original	Revised	Revised	Revised
TK/K-3				
Regular ADA	150.51	N/A	148.88	N/A
Extended Year Special Education	-	N/A	0.15	N/A
Total TK/K-3	150.51	N/A	149.03	N/A
Grades 4-6				
Regular ADA	123.67	N/A	122.41	N/A
Extended Year Special Education	-	N/A	0.13	N/A
Total Grades 4-6	123.67	N/A	122.54	N/A
Grades 7-8				
Regular ADA	70.89	N/A	70.87	N/A
Extended Year Special Education	0.58	N/A	0.05	N/A
Total Grades 7-8	71.47	N/A	70.92	N/A
Grades 9-12				
Regular ADA	172.91	N/A	171.33	N/A
Extended Year Special Education	0.46	N/A	0.15	N/A
Total Grades 9-12	173.37	N/A	171.48	N/A
Total ADA	519.02	N/A	513.97	N/A

N/A – There were no findings which causes a revision to the average daily attendance.

Average daily attendance 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 and charter schools. This schedule provides information regarding the attendance of students by grade span and adjustments to the attendance as a result of an audit finding when applicable.

San Pasqual Valley Unified School District

Schedule of Instructional Time

For the Year Ended June 30, 2025

Grade Level	Annual Minutes Requirement	2024-25 Actual Minutes	J-13A Minutes	Total Minutes	Number of Traditional Days	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	60,540	0	60,540	180	0	180	Complied
Kindergarten	36,000	60,540	0	60,540	180	0	180	Complied
1st Grade	50,400	57,350	0	57,350	180	0	180	Complied
2nd Grade	50,400	57,350	0	57,350	180	0	180	Complied
3rd Grade	50,400	58,455	0	58,455	180	0	180	Complied
4th Grade	54,000	58,455	0	58,455	180	0	180	Complied
5th Grade	54,000	58,455	0	58,455	180	0	180	Complied
6th Grade	54,000	65,902	0	65,902	180	0	180	Complied
7th Grade	54,000	65,902	0	65,902	180	0	180	Complied
8th Grade	54,000	65,902	0	65,902	180	0	180	Complied
9th Grade	64,800	67,980	0	67,980	180	0	180	Complied
10th Grade	64,800	67,980	0	67,980	180	0	180	Complied
11th Grade	64,800	67,980	0	67,980	180	0	180	Complied
12th Grade	64,800	67,980	0	67,980	180	0	180	Complied

San Pasqual Valley Unified School District

Schedule of Instructional Time, Continued

For the Year Ended June 30, 2025

This schedule provides the information necessary to determine if the District has complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code. The requirements are as follows:

1) EC §46207: As a condition of apportionment the following annual instructional minutes must be offered:

- To pupils in Kindergarten 36,000 minutes
- To pupils in grades 1 to 3 50,400 minutes
- To pupils in grades 4 to 8 54,000 minutes
- To pupils in grades 9 to 12 64,800 minutes

2) EC §46208: As a condition of apportionment 180 school days must be offered for traditional calendars. In order to qualify as a school day the following minimum daily minutes must be met:

- EC §46112: Grades 1 to 3 230 minutes
- EC §46113: Grades 4 to 8 240 minutes
- EC §46114: Kindergarten 180 minutes
- EC §46141: Grades 9 to 12 240 minutes

The District did not request a J-13A waiver during the 2024-25 fiscal year.

San Pasqual Valley Unified School District

Schedule of Financial Trends & Analysis

For the Year Ended June 30, 2025

General Fund	Budget 2026 (See Note 1)	2025	2024 (See Note 1)	2023 (See Note 1)
Revenues and Other Financing Sources	\$ 18,012,287	\$ 19,480,177	\$ 20,557,454	\$ 20,327,483
Expenditures and Other Financing Uses	<u>19,222,348</u>	<u>18,693,450</u>	<u>20,987,459</u>	<u>19,029,685</u>
Net Change in Fund Balance	<u>(1,210,061)</u>	<u>786,727</u>	<u>(430,005)</u>	<u>1,297,798</u>
Ending Fund Balance	<u>\$ 7,868,904</u>	<u>\$ 9,078,965</u>	<u>\$ 8,292,238</u>	<u>\$ 8,722,243</u>
Available Reserves (See Note 2)	<u>\$ 3,554,527</u>	<u>\$ 3,237,384</u>	<u>\$ 2,272,374</u>	<u>\$ 1,965,755</u>
Available Reserves as a Percentage of Total Outgo	<u>18.49%</u>	<u>17.32%</u>	<u>10.83%</u>	<u>10.33%</u>
Long Term Debt (See Note 3)	<u>\$ 7,690,668</u>	<u>\$ 7,791,821</u>	<u>\$ 7,882,253</u>	<u>\$ 7,961,161</u>
Average Daily Attendance at P2	<u>521</u>	<u>519</u>	<u>533</u>	<u>522</u>

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

The general fund balance has increased by \$356,722 (4.09%) over the past two years. The fiscal year 2025-26 budget projects a decrease of \$1,210,061 (13.33%). For a district of this size, the State recommends available reserves of 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has decreased by \$169,340 (2.13%) over the past two years.

Average daily attendance (ADA) has decreased by 3 over the past two years.

San Pasqual Valley Unified School District

Schedule of Financial Trends & Analysis, Continued

For the Year Ended June 30, 2025

Notes:

1. AU-C §725.05 requires the following conditions be met to provide an opinion on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole:
 - a) The supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.
 - b) The supplementary information relates to the same period as the financial statements.
 - c) The auditor issued an audit report on the financial statements that contained neither an adverse opinion nor a disclaimer of opinion.
 - d) The supplementary information will accompany the audited financial statements or such audited financial statements will be made readily available by the District.

Three of the above columns are not related to the same period as the financial statements and as such we do not provide an opinion on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. Additionally, the analysis presented utilizes information from periods outside the period of the financial statements and as such we do not provide an opinion on whether the analysis is fairly stated, in all material respects, to the financial statements as a whole. The information has been presented for analysis only and has not been audited.

2. Available reserves consist of all unassigned fund balances contained within the General Fund.
3. Long term debt consists of general obligation bonds.
4. As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District's Special Reserve Fund for Other Than Capital Outlay (Fund 17), and Special Reserve Fund for Postemployment Benefits (Fund 20) do not meet the definition of a special revenue fund and were therefore combined with the General Fund for financial statement reporting. The above Schedule of Financial Trends and Analysis contains only the financial information of the General Fund.

San Pasqual Valley Unified School District

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

June 30, 2025

	General Fund (Fund 01)	Special Reserve Fund for Other Than Capital Outlay (Fund 17)	Special Reserve Fund for Postemployment Benefits (Fund 20)
June 30, 2025, annual financial and budget report fund balances	<u>\$ 9,044,827</u>	<u>\$ 1,270,819</u>	<u>\$ 1,286,258</u>
Adjustments and reclassifications:			
Increasing (decreasing) the fund balance:			
Understatement of ASB Cash	34,138	-	-
GASB 54 Fund Presentation	<u>2,557,077</u>	<u>(1,270,819)</u>	<u>(1,286,258)</u>
Net adjustments and reclassifications	<u>2,591,215</u>	<u>(1,270,819)</u>	<u>(1,286,258)</u>
June 30, 2025, audited financial statement fund balances	<u><u>\$ 11,636,042</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS Annual Financial and Budget Report with the audited financial statements. Funds that required no adjustment are not presented.

San Pasqual Valley Unified School District

Schedule of Charter Schools

For the Year Ended June 30, 2025

As of June 30, 2025, the District has not sponsored any charter schools.

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

San Pasqual Valley Unified School District

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
School Breakfast Program	10.553	13525	\$ -	\$ 85,839
National School Lunch Program	10.555	13396	-	381,979
National School Lunch Program - Noncash Commodities	10.555	13396	-	13,012
Summer Food Service Program	10.559	13006	-	11,117
Total Child Nutrition Cluster			-	491,947
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	154,951
IDEA Mental Health	84.027	15197	-	2,361
Total Special Education (IDEA) Cluster			-	157,312
OTHER PROGRAMS:				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
Child and Adult Care Food Program	10.558	13666	-	89,180
<u>U.S. Department of Education</u>				
Direct Program				
Impact Aid	84.041	N/A	-	4,686,338
Passed through California Department of Education				
ESSA Title I Basic	84.010	14329	-	779,305
ESSA Title I School Improvement	84.010	15438	-	348,764
Subtotal ESSA Title I Program			-	1,128,069
Migrant Education	84.011	14838	-	19,757
Migrant Education Summer	84.011	10005	-	16,365
Subtotal Migrant Education Program			-	36,122

See Accompanying Notes to Schedule of Expenditures of Federal Awards

San Pasqual Valley Unified School District
 Schedule of Expenditures of Federal Awards, Continued
 For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
Title III Immigrant Education	84.365	15146	-	630
Title III English Learner Program	84.365	14346	-	17,222
Subtotal Title III Program			-	17,852
COVID-19: ESSER III	84.425D	15559	-	470,579
COVID-19: ESSER III Learning Loss	84.425U	10155	-	4,000
Subtotal COVID-19 Program			-	474,579
Carl D Perkins Career & Technical Ed - Secondary	84.048	14894	-	10,513
Indian Education	84.060	10011	-	136,137
Rural & Low Income Schools	84.358	14356	-	28,725
Title II Supporting Effective Instruction	84.367	14341	-	57,017
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 7,313,791

San Pasqual Valley Unified School District

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The District used an indirect cost rate of 10.36% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs*. The following programs utilized a lower indirect cost rate based on program restrictions or other factors determined by the District:

Program	AL #	Indirect Cost Rate
Title I	84.010	8.83%
Title II	84.367	9.64%

Schoolwide Program

The District operates “schoolwide programs” at all school sites. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limiting services to certain targeted students. The following federal program amounts were expended by the District in its schoolwide programs:

Program	AL #	Amount Expended
Title I	84.010	\$ 779,305
ESSA School Improvement	84.010	348,764

Other Information

San Pasqual Valley Unified School District

Local Education Agency Organization Structure

June 30, 2025

The San Pasqual Valley Unified School District was established in July 1954 and is comprised of an area of approximately 1,189 square miles in Imperial County. There were no changes in the boundaries of the District during the current year. The District is currently operating one elementary, one intermediate, and one high school. The District also maintains a continuation high school and a community day school.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Cody Hartt	President	Four Year Term Expires December 2026
Angelo Derma	Vice President	Four Year Term Expires December 2026
Sofia Dominguez	Clerk	Four Year Term Expires December 2026
Karla Delgadillo	Member	Four Year Term Expires December 2028
Keahna Owl	Member	Four Year Term Expires December 2028

ADMINISTRATION

Queana Givens-Jarvis
Superintendent

Kish Curtis
Chief Business Official

Other Independent Auditors' Reports

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education
San Pasqual Valley Unified School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Pasqual Valley Unified School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 19, 2026.

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 the District's internal control.

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

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

We identified certain deficiencies in internal control that we consider to be significant deficiencies, described in the accompanying schedule of findings and questioned costs as item 2025-001.

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*.

District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



El Cajon, California
February 19, 2026

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

To the Board of Education
San Pasqual Valley Unified School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the San Pasqual Valley Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of 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 auditor's 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; 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 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 generally accepted auditing standards, *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 the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Wilkinson Hadley King & Co. LLP

El Cajon, California

February 19, 2026

Independent Auditor's Report on State Compliance and on
Internal Control over State Compliance

To the Board of Education
San Pasqual Valley Unified School District

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

We have audited the San Pasqual Valley Unified 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*, prescribed in Title 5, *California Code of Regulations*, Section 19810 identified below for the year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above on each of its applicable state programs for the year ended June 30, 2025.

Basis for Opinion on Each Applicable State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 applicable state 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 state programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 state 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 Audit Guide, 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.
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following programs:

	Procedures Performed
<u>Local Education Agencies Other than Charter Schools</u>	
A. Attendance.....	Yes
B. Teacher Certification and Misassignments.....	Yes
C. <i>(Reserved)</i>	N/A
D. Independent Study.....	No
E. Continuation Education.....	Yes
F. Instructional Time.....	Yes
G. Instructional Materials.....	Yes
H. Ratio of Administrative Employees to Teachers.....	Yes
I. Classroom Teacher Salaries.....	Yes
J. Early Retirement Incentive.....	N/A
K. Gann Limit Calculation.....	Yes
L. School Accountability Report Card.....	Yes
M. Juvenile Court Schools.....	N/A
N. Middle or Early College High Schools.....	N/A
O. K-3 Grade Span Adjustment.....	Yes
P. <i>(Reserved)</i>	N/A
Q. Apprenticeship: Related and Supplemental Instruction.....	N/A
R. Comprehensive School Safety Plan.....	Yes
S. District of Choice.....	N/A
TT. Home to School Transportation Reimbursement.....	Yes

School Districts, County Offices of Education, and Charter Schools		Procedures Performed
T.	Proposition 28 Arts & 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.....	N/A
Z.	Immunizations.....	No
AZ.	Educator Effectiveness.....	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G).....	Yes
CZ.	Career Technical Education Incentive Grant.....	N/A
DZ.	Expanded Learning Opportunities Program (ELO-P).....	Yes
EZ.	Transitional Kindergarten.....	Yes
FZ.	Kindergarten Continuance.....	Yes

N/A – The School District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform procedures for Independent Study because the District’s ADA was below the materiality threshold as stated in the Audit Guide.

We did not perform procedures for Immunizations because the school sites for the District did not appear on the California Department of Public Health list of LEAs that are subject to the audit of immunizations.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Audit Guide and which are described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on each applicable state program is not modified with respect to these matters.

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

Report on Internal Control over State 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over state compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over state 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.



El Cajon, California
February 19, 2026

Auditor's Results, Findings & Recommendations

San Pasqual Valley Unified School District

Schedule of Auditor’s Results
 For the Year Ended June 30, 2025

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 One or more material weakness(es) identified? Yes X No
 One or more significant deficiencies identified that are
 not considered material weakness(es)? X Yes No

Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:
 One or more material weakness(es) identified? Yes X No
 One or more significant deficiencies identified that are
 not considered material weakness(es)? Yes X No

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

Compliance supplement utilized for single audit November 2025

Any audit findings disclosed that are required to be
 reported in accordance with 2 CFR §200.516(a)? Yes X No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
84.425	Cares Act/ESSER
84.010	Title I
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A
 and Type B programs \$750,000

Auditee qualified as low-risk auditee? X Yes No

San Pasqual Valley Unified School District

Schedule of Auditor's Results, Continued

For the Year Ended June 30, 2025

STATE AWARDS

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

Internal Control over applicable state programs:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are not considered material weakness(es)? Yes X No

Any audit findings disclosed that are required to be reported in accordance with *2024-25 Guide for Annual Audits of California K-12 Local Education Agencies?*

 X Yes No

San Pasqual Valley Unified School District

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

Finding Number: 2025-001
Repeat Finding: No
Description: ASB Accounting
Type of Finding: Noncompliance to Financial Statements (60000)
Internal Control (30000)

Criteria or Specific Requirement

Governmental Accounting Standards Board (GASB) Statement No. 84 requires school districts to evaluate and properly classify ASB funds as either custodial (fiduciary) or special revenue (governmental) funds, depending on the level of administrative involvement. All ASB activity must be included in the appropriate fund financial statements. In addition, state regulations typically require that all student activity funds be subject to the same accounting and internal control standards as other district funds, including timely and accurate recording of all transactions

Condition

During our audit, we noted that the District did not record any ASB activity in its accounting records for the fiscal year ended June 30, 2025.

Cause

The District did not have adequate procedures in place to ensure that ASB activity was recorded in the accounting system. This may have resulted from a lack of training, oversight, or understanding of the applicable requirements.

San Pasqual Valley Unified School District
Schedule of Findings and Questioned Costs, Continued
For the Year Ended June 30, 2025

Effect

Failure to record ASB activity results in incomplete financial statements, noncompliance with GASB and state requirements, and increases the risk of misstatement, misappropriation, or loss of student funds. The District’s financial statements do not accurately reflect all assets and liabilities, and there is reduced transparency and accountability over student activity funds.

Recommendation

We recommend that the District implement procedures to ensure all ASB activity is timely and accurately recorded in the accounting records. The District should review GASB Statement No. 84 and applicable state regulations to determine the appropriate fund classification and reporting for ASB funds. Additionally, the District should strengthen internal controls over student activity funds, including regular reconciliations and oversight, to ensure compliance and safeguard of assets.

Views of Responsible Officials

See Corrective Action Plan

B. Federal Awards Findings

None

C. State Award Findings

Finding Number: 2025-002
Repeat Finding: No
Program Name: Attendance Internal Controls
Questioned Costs: None
Type of Finding: Attendance (10000)

Criteria or Specific Requirement

- California Education Code §44809 and California Code of Regulations, Title 5, Section 401 require the California Department of Education to approve the forms and procedures that constitute a Local Education Agency’s attendance accounting system. The District has an approved attendance accounting system that requires teachers to sign and date a weekly printout of attendance records entered online during the previous week.

Condition

In our review of attendance at San Pasqual Middle School and San Pasqual High School we noted that weekly attendance verification was not being done in a timely manner.

Cause

The weekly teacher verification process was not being done timely.

San Pasqual Valley Unified School District
Schedule of Findings and Questioned Costs, Continued
For the Year Ended June 30, 2025

Effect

The District is at risk of not detecting and correcting errors in attendance in a timely manner.

Context

At San Pasqual Middle School both teachers tested had issues with the weeks that were tested for attendance controls. At San Pasqual High School, all three teachers tested had issues with the weeks that were tested for attendance controls.

Potential Fiscal Impact

None, actual attendance testing was done at a high level of assurance due to the control issue, but no actual attendance issues were found, the finding remained internal control over attendance finding only. No adjustments to ADA were identified as a result of the finding.

Recommendation

Establish a training and review process for attendance clerk substitutes to ensure that they both understand and are following the approved attendance procedures for the District. Consider obtaining approval for electronic signatures for teachers who are entering the attendance online daily to reduce the amount of paper needed for printed attendance records and reduce the risk of not verifying attendance timely.

Views of Responsible Officials

See Corrective Action Plan



San Pasqual Valley Unified School District

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Excellence in Education-
Making the Dream Come True

Richard Cordero, M.Ed.
District Superintendent

February 19, 2026

To Whom it May Concern:

The accompanying Corrective Action Plan has been prepared as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

Kish Curtis
Director of Fiscal Services
Business Support Services

Board of Trustees

Cody Hartt Angelo Derma Sofia Dominguez Karla Delgadillo Keahna Owl

San Pasqual Unified School District

Corrective Action Plan
Year Ended June 30, 2025

State Compliance Finding

Finding Number: 2025-001
Program Name: ASB Accounting
Contact Person: Kish Curtis
Anticipated Completion Date: 6/30/2025

Planned Corrective Action: The District will develop and implement formal procedures to ensure all ASB transactions are timely and accurately recorded in accordance with GASB Statement No. 84 and state requirements, including determining the proper fund classification and incorporating ASB activity into the financial statements; provide training to ASB advisors to strengthen understanding of accounting and internal control expectations; immediately record and reconcile all FY 2025 ASB activity; and establish ongoing oversight measures—such as monthly reconciliations, supervisory review, and periodic monitoring—to ensure continued compliance, safeguard student funds, and prevent recurrence.

Finding Number: 2025-002
Program Name: Attendance
Contact Person: Kish Curtis
Anticipated Completion Date: 6/30/2025

Planned Corrective Action: The District will reinforce compliance with its approved attendance accounting system by implementing a structured training and oversight process to ensure teachers complete weekly attendance verification in a timely manner, including providing guidance to attendance clerks and substitutes on required procedures; immediately addressing the identified delays at San Pasqual Middle School and San Pasqual High School; evaluating the feasibility of adopting electronic teacher signatures to streamline verification and reduce reliance on paper records; and establishing ongoing monitoring by site administration and the Business Office to ensure timely verification, strengthen internal controls, and prevent recurrence of attendance-related control deficiencies.

San Pasqual Valley Unified School District

Schedule of Prior Year Audit Findings

For the Year Ended June 30, 2025

Finding/Recommendation	Status	Explanation if Not Implemented
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There were no findings in the prior year.