

**RAVENDALE-TERMO SCHOOL DISTRICT
COUNTY OF LASSEN
RAVENDALE, CALIFORNIA**

AUDIT REPORT

JUNE 30, 2025

Ravendale-Termo School District
Audit Report
For The Year Ended June 30, 2025

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Independent Auditor's Report

To the Board of Trustees
Ravendale-Termo School District
Ravendale, California 96123

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 Ravendale-Termo 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 Ravendale-Termo School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 Ravendale-Termo School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter**Change in Accounting Principle**

As described in Note A to the financial statements, in 2025, Ravendale-Termo School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, Compensated absences and State No. 100, Accounting Changes and Error Corrections. Both of these Statements had a material effect on the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Ravendale-Termo School District's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ravendale-Termo School District's basic financial statements. The accompanying individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *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 and is also not a required part of the basic financial statements. The individual nonmajor fund financial statements and other supplementary information are the responsibility of management and were derived from and relate 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 individual nonmajor fund financial statements and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 December 1, 2025 on our consideration of Ravendale-Termo School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Ravendale-Termo School District's internal control over financial reporting and compliance.

Respectfully submitted,

SingletonAuman PC

SingletonAuman PC

Susanville, CA
December 1, 2025

RAVENDALE-TERMO SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2025

INTRODUCTION

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

FINANCIAL HIGHLIGHTS

- ❑ Total net position was \$2,100,102 at June 30, 2025. This was an increase of \$163,119 from the prior year.
- ❑ Overall revenues were \$568,320, which was more than expenses of \$405,201 by \$163,119.
- ❑ The general fund reported a fund balance this year of \$1,273,179; an increase of \$87,577 from the prior year.
- ❑ The total costs of the District's programs increased by \$13,956 over last year.

OVERVIEW OF FINANCIAL STATEMENTS

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

- ❑ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ❑ **Fund financial statements** focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.
 - **Governmental funds** statements tell how general government services were financed in the short term as well as what remains for future spending.

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

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the assets and liabilities, are one way to measure the District's financial health or position.

- ❑ Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- ❑ To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

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

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 that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has one kind of fund:

- ❑ Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government funds statements that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was \$2,105,055 at June 30, 2025. See Table 1.

The significant changes in Table 1 line items for fiscal 2025 vs. 2024 are:

- Net pension liability, deferred inflows and deferred outflows changed as a result of the most recent actuarial valuation.
- Cash increased due to revenue exceeding expenditures.

Table 1:
Net Position

	Governmental Activities		Total Percentage Change
	2025	2024	2025-2024
Assets			
Cash in County Treasury	\$ 1,387,994	\$ 1,355,721	2.38%
Cash in Revolving Fund	50	50	0.00%
Accounts Receivable	40,306	28,542	41.22%
Capital Assets, Net of Accumulated Depreciation	875,770	816,110	7.31%
TOTAL ASSETS	2,304,120	2,200,423	
Deferred Outflow of Resources			
Deferred Pension Expenses	48,008	56,915	-15.65%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	48,008	56,915	
Liabilities			
Accounts Payable	75,825	93,817	-19.18%
Unearned Revenue	35,298	68,716	-48.63%
Net Pension Liability	113,940	120,371	-5.34%
TOTAL LIABILITIES	225,063	282,904	
Deferred Inflows of Resources			
Deferred Pension Revenues	26,963	37,451	-28.00%
TOTAL DEFERRED INFLOWS OF RESOURCES	26,963	37,451	
Net Position			
Net Investment in Capital Assets	682,581	741,008	-7.88%
Restricted for Federal and State Programs	168,073	162,749	3.27%
Capital Projects	24,412	45,810	-46.71%
Other Purposes	46,605	84,666	-44.95%
Unrestricted	1,178,431	902,750	30.54%
TOTAL NET POSITION	\$ 2,100,102	\$ 1,936,983	

Changes in Net Position

The District's total revenues were \$568,320. The largest amount of the revenue comes from the Local Control Funding Formula (47.22%). Operating Grants & Contributions accounted for another 36.53% of total revenues. Revenues increased by \$9,077 from last year primarily due to increased monies received from local revenue.

The total cost of all programs and services was \$405,201. The District's expenses are predominately related to educating and caring for students. The remaining expenses were for pupil services, plant services, ancillary services (maintenance and operations), and general administration. Total expenses increased by \$13,956 from the prior year.

Table 2:
Changes in Net Position

	Governmental Activities		Total Percentage Change
	2025	2024	2025-2024
Revenues			
Program Revenues:			
Operating Grants & Contributions	\$ 207,629	\$ 175,261	18.47%
General Revenues			
Local Control Funding Formula	268,339	311,611	-13.89%
Federal Revenues	361	2,727	-86.76%
State Revenues	169	353	-52.12%
Local Revenues	91,822	69,291	32.52%
TOTAL REVENUES	568,320	559,243	
Program Expenses			
Instruction	130,635	116,911	11.74%
Instruction-Related Services	31,860	32,791	-2.84%
Pupil Services	55,527	51,886	7.02%
Ancillary Services	17,068	25,626	-33.40%
General Administration	72,372	75,604	-4.27%
Plant Services	97,739	88,427	10.53%
TOTAL EXPENSES	405,201	391,245	
Increase (Decrease) in Net Position	\$ 163,119	\$ 167,998	

Governmental Activities

Table 3 presents the cost of each of the District's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

The cost of all governmental activities this year was \$405,201.

Table 3
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$ 130,635	\$ 116,911	\$ 50,387	\$ 54,940
Instruction-Related Service	31,860	32,791	12,966	16,106
Pupil Services	55,527	51,886	26,562	30,451
Ancillary Services	17,068	25,626	12,293	14,900
General Administration	72,372	75,604	31,614	38,238
Plant Services	97,739	88,427	63,750	61,349
TOTAL	\$ 405,201	\$ 391,245	\$ 197,572	\$ 215,984

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The overall financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,317,227 which is more than last year's ending fund balance of \$1,221,780. The District is carefully monitoring its expenditures in order to avoid deficit spending and using its remaining reserves.

General Fund Budgetary Highlights

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. A schedule of the District's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District had invested \$875,769 in a broad range of capital assets. During the year, the District purchased new playground equipment, an outdoor intercom, two view stations, a Power Edge R7625 server, and new asphalt paving. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table 4
Capital Assets

	Governmental Activities		Total Percentage
	2025	2024	Change 2025-2024
Land	\$ 8,000	\$ 8,000	0.00%
Buildings	1,650,538	1,650,538	0.00%
Improvements	184,633	153,051	20.63%
Machinery & Equipment	330,371	243,866	35.47%
Totals at Historical Cost	\$ 2,173,542	\$ 2,055,455	
Total Accumulated Depreciation	(1,297,773)	(1,239,345)	4.71%
NET CAPITAL ASSETS	\$ 875,769	\$ 816,110	

During the 2025-2025 fiscal year the District plans to purchase the following capital assets:

- Freezer \$7,398
- Generator \$15,000
- Electric Gate \$20,000
- HVAC for server room \$7,500
- Playground structure \$45,000

Pension Liabilities

Table 5
Net Pension Liability

	Proportionate Share of Net Pension Liability		Total Percentage
	2025	2024	Change 2025-2024
CalSTRS	\$ 77,130	\$ 38,732	99.14%
CalPERS	36,810	81,639	-54.91%
TOTAL NET PENSION LIABILITY	\$ 113,940	\$ 120,371	-5.34%

Other Long-Term Debt

The District had no other long-term debt at June 30, 2025.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health:

- ❑ The uncertainty of federal and state funding can have a profound impact on the financial health of the District. Although some changes are currently anticipated, the federal and the state governments could implement additional budget cuts.
- ❑ The long term effect of the COVID Pandemic will have unknown impacts on the District. Additionally, the requirements placed on Districts by Federal and State government may have a very substantial harmful impact on the District's ability to provide an education to students, in addition to potentially detrimental financial impacts.
- ❑ The District received additional one-time funding from Federal and State Governments due to the COVID Pandemic these funds have expired.
- ❑ The inevitable increases in pension contributions which will be needed to pay the unfunded net Pension Liability will require careful planning and budgeting.
- ❑ Student enrollment will continue to have an impact on the District's ability to provide Educational services for an declining population.
- ❑ The loss of eligibility for Necessary Small School funding, due to enrollment in the current year and subsequent year lower than 5 students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

Michelle Brown, CBO
Ravendale-Termo School District
c/o Susanville School District
109 S. Gilman St.
Susanville, CA 96130
530-257-8200

RAVENDALE-TERMO SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities
ASSETS:	
<i>Cash in County Treasury</i>	\$ 1,387,994
<i>Cash in Revolving Fund</i>	50
<i>Accounts Receivable</i>	40,306
Capital Assets:	
<i>Land</i>	8,000
<i>Land Improvements, Net</i>	60,234
<i>Buildings, Net</i>	655,788
<i>Equipment, Net</i>	151,748
Total Assets	<u>2,304,120</u>
DEFERRED OUTFLOWS OF RESOURCES:	
<i>Deferred Outflows of Resources - Pensions</i>	48,008
Total Deferred Outflows of Resources	<u>48,008</u>
LIABILITIES:	
<i>Accounts Payable</i>	75,825
<i>Unearned Revenue</i>	35,298
Noncurrent Liabilities:	
<i>Net Pension Liability</i>	113,940
Total Liabilities	<u>225,063</u>
DEFERRED INFLOWS OF RESOURCES:	
<i>Deferred Inflows of Resources - Pensions</i>	26,963
Total Deferred Inflows of Resources	<u>26,963</u>
NET POSITION:	
Net Investment in Capital Assets	682,581
Restricted For:	
Federal and State Programs	168,073
Capital Projects	24,412
Other Purposes	46,605
Unrestricted	1,178,431
Total Net Position	<u>\$ 2,100,102</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
PRIMARY GOVERNMENT:			
Governmental Activities:			
<i>Instruction</i>	\$ 130,635	\$ 80,248	\$ (50,387)
<i>Instruction-Related Services</i>	31,860	18,894	(12,966)
<i>Pupil Services</i>	55,527	28,965	(26,562)
<i>Ancillary Services</i>	17,068	4,775	(12,293)
<i>General Administration</i>	72,372	40,758	(31,614)
<i>Plant Services</i>	97,739	33,989	(63,750)
Total Governmental Activities	405,201	207,629	(197,572)
Total Primary Government	<u>\$ 405,201</u>	<u>\$ 207,629</u>	<u>(197,572)</u>
General Revenues:			
<i>LCFF Sources</i>			268,339
<i>Federal Revenues</i>			361
<i>State Revenues</i>			169
<i>Local Revenues</i>			<u>91,822</u>
Total General Revenues			<u>360,691</u>
Change in Net Position			<u>163,119</u>
Net Position - Beginning			<u>1,936,983</u>
Net Position - Ending			<u>\$ 2,100,102</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT**BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
<i>Cash in County Treasury</i>	\$ 1,343,946	\$ 44,048	\$ 1,387,994
<i>Cash in Revolving Fund</i>	50	--	50
<i>Accounts Receivable</i>	40,306	--	40,306
Total Assets	<u>1,384,302</u>	<u>44,048</u>	<u>1,428,350</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
<i>Accounts Payable</i>	\$ 75,825	\$ --	\$ 75,825
<i>Unearned Revenue</i>	35,298	--	35,298
Total Liabilities	<u>111,123</u>	<u>--</u>	<u>111,123</u>
Fund Balance:			
Nonspendable Fund Balances:			
<i>Revolving Cash</i>	50	--	50
Restricted Fund Balances	195,042	44,048	239,090
Assigned Fund Balances	31,849	--	31,849
Unassigned:			
Reserve for Economic Uncertainty	87,000	--	87,000
Other Unassigned	959,238	--	959,238
Total Fund Balance	<u>1,273,179</u>	<u>44,048</u>	<u>1,317,227</u>
Total Liabilities and Fund Balances	<u>\$ 1,384,302</u>	<u>\$ 44,048</u>	<u>\$ 1,428,350</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025*

Total fund balances - governmental funds balance sheet	\$ 1,317,227
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	875,770
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(113,940)
Deferred Resource Inflows related to the pension plans are not reported in the funds.	(26,963)
Deferred Resource Outflows related to the pension plans are not reported in the funds.	<u>48,008</u>
Net position of governmental activities - Statement of Net Position	\$ <u>2,100,102</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
LCFF Sources:			
<i>State Apportionment or State Aid</i>	\$ 195,504	\$ --	\$ 195,504
<i>Education Protection Account Funds</i>	82,031	--	82,031
<i>Local Sources</i>	72,917	--	72,917
<i>Federal Revenue</i>	34,452	--	34,452
<i>Other State Revenue</i>	89,136	--	89,136
<i>Other Local Revenue</i>	91,897	2,384	94,281
Total Revenues	<u>565,937</u>	<u>2,384</u>	<u>568,321</u>
Expenditures:			
Current:			
<i>Instruction</i>	135,377	--	135,377
<i>Instruction - Related Services</i>	31,860	--	31,860
<i>Pupil Services</i>	48,880	4,514	53,394
<i>Ancillary Services</i>	8,067	--	8,067
<i>General Administration</i>	68,776	--	68,776
<i>Plant Services</i>	57,312	--	57,312
<i>Capital Outlay</i>	118,088	--	118,088
Total Expenditures	<u>468,360</u>	<u>4,514</u>	<u>472,874</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>97,577</u>	<u>(2,130)</u>	<u>95,447</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	--	10,000	10,000
<i>Transfers Out</i>	(10,000)	--	(10,000)
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>10,000</u>	<u>--</u>
Net Change in Fund Balance	87,577	7,870	95,447
Fund Balance, July 1	<u>1,185,602</u>	<u>36,178</u>	<u>1,221,780</u>
Fund Balance, June 30	<u>\$ 1,273,179</u>	<u>\$ 44,048</u>	<u>\$ 1,317,227</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO 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*

Net change in fund balances - total governmental funds	\$	95,447
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		118,087
The depreciation of capital assets used in governmental activities is not reported in the funds.		(58,428)
Pension contributions made after the measurement date but in current FY were de-expended & reduced NPL.		(29,041)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.		<u>37,054</u>
Change in net position of governmental activities - Statement of Activities	\$	<u>163,119</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

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

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

The District reports the following major governmental funds:

General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

b. Measurement Focus, Basis of Accounting

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

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

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

3. Compensated Absences

Employees of the District are granted vacation, sick leave, and other types of compensated absences in accordance with District policy, labor agreements, and applicable state and local regulations. Compensated absences are absences for which employees will be paid, such as vacation and sick leave, when agreed upon in contracts or labor agreements. Vacation 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 expected to be liquidated with expendable available financial resources is reported as a fund liability. The full liability is reported in the government-wide financial statements

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

The District measured the liability based on a historical look-back period of three years with a last in first out flows assumption for use of accrued balances. The liability is immaterial to these financial statements.

4. Encumbrances

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

5. Assets, Liabilities, and Equity

a. Deposits and Investments

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

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

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

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

b. Stores Inventories and Prepaid Expenditures

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

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

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

c. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50
Building Improvements	20
Vehicles	3-15
Furniture and Equipment	5-10
Computer Equipment	3-15
Lease Assets	3-15
Subscription Assets	3-15

d. Receivable and Payable Balances

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

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

e. Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

f. 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.

g. Property Taxes

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

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

h. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

6. Deferred Inflows and Deferred Outflows of Resources

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

7. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) is merged with the General Fund for purposes of presentation in the audit report.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

8. Pensions

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

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

Valuation Date (VD) (STRS)	June 30, 2023
Valuation Date (VD) (PERS)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

9. Use of Estimates

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

10. Fair Value Measurements

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

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

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

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

11. Implementation of New Standards

GASB Statement No. 100, 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.

GASB Statement No. 101, *Compensated Absences*

In the current fiscal year, the District implemented GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - should not be recognized until the leave commences. A liability for specific types of compensated absences should not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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

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

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

Deficit

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

<u>Fund Name</u>	<u>Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Excess of Expenditures Over Appropriations

There were no excess of expenditures over appropriations.

D. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Lassen County Treasury as part of the common investment pool (\$105,566,856 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 \$1,387,994. 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 (\$0 as of June 30, 2025) and in the revolving fund (\$50) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

b. Custodial Credit Risk

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

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

c. Concentration of Credit Risk

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

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

4. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost.

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

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

E. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 8,000	\$ --	\$ --	\$ 8,000
Total capital assets not being depreciated	8,000	--	--	8,000
<i>Capital assets being depreciated:</i>				
Buildings	1,650,538	--	--	1,650,538
Improvements	153,051	31,582	--	184,633
Equipment	243,866	86,505	--	330,371
Total capital assets being depreciated	2,047,455	118,087	--	2,165,542
Less accumulated depreciation for:				
Buildings	(962,760)	(31,990)	--	(994,750)
Improvements	(119,072)	(5,327)	--	(124,399)
Equipment	(157,513)	(21,111)	--	(178,624)
Total accumulated depreciation	(1,239,345)	(58,428)	--	(1,297,773)
Total capital assets being depreciated, net	808,110	59,659	--	867,769
Governmental activities capital assets, net	\$ 816,110	\$ 59,659	\$ --	\$ 875,769

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Depreciation was charged to functions as follows:

Instruction	\$	--
Pupil Services		4,177
Ancillary Services		9,388
General Administration		3,596
Plant Services		41,267
	\$	<u>58,428</u>

F. Interfund Balances and Activities

1. Transfers To and From Other Funds

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

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Cafeteria Fund	\$ 10,000	To cover cafeteria funding as no other funding is received.
	Total	<u>\$ 10,000</u>	

G. Joint Ventures (Joint Powers Agreements)

The District participates in two Joint Powers Agreements (JPA's), the Northern California Schools Insurance Group and the Schools Excess Liability Fund. The insurance groups arrange for and provide property and liability insurance for their members. The District pays premiums comensurate with the level of coverage requested. These are partial self-insurance programs.

An executive committee consisting of representatives from each member's District governs the JPA's. The governing boards control the operations of their JPA's independent of any influence by the District beyond the District's representation on the governing boards.

The JPA's are independently accountable for their fiscal matters. The insurance groups maintain their own accounting records. The budget is not subject to any approval other than that of the executive committee. The relationship between the District and the JPA's is such that the JPA's are not component units of the District for financial reporting purposes.

Condensed financial information for the JPA's for June 30, 2025 was not available as of our report date.

H. 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.

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

b. Benefits Paid

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

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

	CalSTRS	
	Before <u>Jan. 1, 2013</u>	On or After <u>Jan. 1, 2013</u>
Hire Date		
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 (at June 30, 2025)	10.250%	10.205%
Required Employer Contribution Rates (at June 30, 2025)	19.100%	19.100%
Required State Contribution Rates (at June 30, 2025)	10.828%	10.828%

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

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

	CalPERS	
	Before <u>Jan. 1, 2013</u>	On or After <u>Jan. 1, 2013</u>
Hire Date		
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%	1.0 - 2.5%
Required Employee Contribution Rates (at June 30, 2025)	7.000%	8.000%
Required Employer Contribution Rates (at June 30, 2025)	26.810%	26.810%

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

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2025 (measurement date June 30, 2024), California Education Code Section 22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board remains at 19.1% of creditable compensation for the fiscal year ended June 30, 2025. Beginning in the fiscal year June 30, 2022 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The Actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2025 (measurement date June 30, 2024) the employee contribution rate was 8.00% and the employer contribution rate was 26.680% of covered payroll.

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2025 (measurement date June 30, 2024) the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

CalSTRS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2023	10.828%	\$ 6,175	\$ 6,355
2024	10.828%	6,235	10,059
2025	10.828%	6,739	18,316

The State contributed an additional \$1.1 Billion to CalSTRS during the 2019-20 fiscal year under Senate Bill 90. In addition, CalSTRS received \$297 million during the 2021-22 fiscal year from Proposition 2 funds to offset previously forgone State contributions.

d. Contributions Recognized

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

Fund Financial Statements (Current Financial Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 13,070	\$ 9,233	\$ 22,303
Contributions - State On Behalf Payments	18,316	--	18,316
Total Contributions	\$ 31,386	\$ 9,233	\$ 40,619

Government-Wide Financial Statements (Economic Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 13,557	\$ --	\$ 13,557
Contributions - State On Behalf Payments	6,739	--	6,739
Total Contributions	\$ 20,296	\$ --	\$ 20,296

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

As of June 30, 2025 (measured June 30, 2024), the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	\$ 77,130
CalPERS	36,810
Total Net Pension Liability	\$ 113,940

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*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2024	0.0001%	0.0001%	0.0002%	0.0001%
Proportion June 30, 2025	0.0001%	0.0001%	0.0002%	0.0001%
Change in Proportion	--	--	--	-0.0000%

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

a. Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ (3,793)	\$ (1,922)	\$ (5,715)
State On Behalf Pension Expense	18,316	--	18,316
Employer Contributions to Pension Expense	13,070	9,233	22,303
Change in Contributions Subsequent to Measurement Date	487	(9,233)	(8,746)
Change in Other Outflows/Inflows of Resources	(469)	608	139
Total Pension Expense	\$ 27,611	\$ (1,314)	\$ 26,297

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:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	\$ 13,070	\$ 9,233	\$ 22,303
Differences between actual and expected experience	8,206	2,450	10,656
Changes in assumptions	255	2,202	2,457
Change in employer's proportionate share	7,138	1,627	8,765
Net difference between projected and actual earnings	--	3,827	3,827
Total Deferred Outflows of Resources	\$ 28,669	\$ 19,339	\$ 48,008

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (2,916)	\$ (824)	\$ (3,740)
Change in employer's proportionate share	--	(18,220)	(18,220)
Changes in assumptions	(4,953)		(4,953)
Net difference between projected and actual earnings	(50)	--	(50)
Total Deferred Inflows of Resources	<u>\$ (7,919)</u>	<u>\$ (19,044)</u>	<u>\$ (26,963)</u>

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 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. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2026	\$ 18,399	\$ 12,299	\$ (6,126)	\$ (8,476)	16,096
2027	3,584	6,383	3,738	(5,040)	8,665
2028	3,092	152	(2,006)	(5,041)	(3,803)
2029	1,576	26	(1,876)	(487)	(761)
2030	1,549	479	(826)	--	1,202
Thereafter	469	--	(823)	--	(354)
Total	<u>\$ 28,669</u>	<u>\$ 19,339</u>	<u>\$ (7,919)</u>	<u>\$ (19,044)</u>	<u>\$ 21,045</u>

c. Actuarial Assumptions

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

	CalSTRS	CalPERS
Fiscal Year	June 30, 2025	June 30, 2025
Measurement Date	June 30, 2024	June 30, 2024
Valuation Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	-3	-19
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.3%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

- (1) CalSTRS post retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.
- (2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was updated to use the MP-2021 Ultimate Projection Scale, applied generationally, based on mortality improvement through June 30, 2023.
- (3) Varies by entry age and service.
- (4) CalPERS post retirement benefit increases assumes 2.00% unless purchasing power protection allowance (PPPA) applies, at which point it increases to the applicable amount as determined under PPPA provisions

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

- (5) CalPERS mortality table was developed based on CalPERS specific data. The table incorporates generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS June 30, 2024, actuarial valuation report that can be found on the CalPERS website.

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

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

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

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

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed its most recent ALM study with new policies in effect in July, 2023. CalPERS is conducting its next ALM study with stakeholder engagement and continues to follow a four-year cycle for these reviews.

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

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

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

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

CalSTRS

Asset Class	Assumed Asset Allocation	Long Term Expected Real Rate of Return*
Public Equity	38.00%	5.25%
Private Equity	14.00%	6.75%
Real Estate	15.00%	4.05%
Inflation Sensitive	7.00%	3.65%
Fixed Income	14.00%	2.45%
Risk Mitigating Strategies	10.00%	2.25%
Cash/Liquidity	2.00%	0.05%

* Real return is net of assumed 2.75% inflation

CalPERS

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

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management study

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

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

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	\$ 129,257	\$ 54,683
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 77,130	\$ 36,811
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 25,418	\$ 22,047

RAVENDALE-TERMO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

CalSTRS - Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2024 (Previously Reported)	\$ 637,946	\$ 514,342	\$ 123,604	\$ 41,351	\$ 82,253
Changes for the year:					
CalSTRS Auditor Adjustment	--	--	--	--	--
Change in Prop share	(3,931)	(3,169)	(762)	(762)	--
Service Cost	14,102	--	14,102	4,682	9,420
Interest	45,121	--	45,121	14,981	30,140
Differences between expected and actual experience	4,932	--	4,932	1,638	3,294
Change in assumptions	--	--	--	--	--
Change in benefits	53	--	53	18	35
Contributions:					
Employer	--	13,906	(13,906)	(4,617)	(9,289)
Employee	--	7,670	(7,670)	(2,546)	(5,124)
State On Behalf Payments	--	6,392	(6,392)	(2,122)	(4,270)
Net Investment Income	--	42,395	(42,395)	(14,075)	(28,320)
Other Income	--	633	(633)	(210)	(423)
Benefit Payments, including refunds of employee contributions	(31,080)	(31,080)	0	--	0
Administrative expenses	--	329	(329)	(109)	(220)
Borrowing Costs	--	539	(539)	(179)	(360)
Other Expenses	--	11	(11)	(4)	(7)
Net Changes	29,197	37,625	(8,428)	(3,305)	(5,123)
Balance at June 30, 2025	\$ 667,143	\$ 551,967	\$ 115,176	\$ 38,046	\$ 77,130

(1)-INCLUDES REFUNDS OF EMPLOYEE CONTRIBUTIONS

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

CalPERS - Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2024 (Previously Reported)	\$ 128,949	\$ 90,217	\$ 38,732
Changes for the year:			
Change in Proportionate Share	(4,821)	(3,373)	(1,448)
Service Cost	3,192	--	3,192
Interest	8,669	--	8,669
Differences between expected and actual experience	2,984	--	2,984
Change in Assumptions	--	--	--
Contributions:			
Employer	--	5,530	(5,530)
Employee	--	1,580	(1,580)
Net Investment Income	--	8,281	(8,281)
Plan to Plan Resource Movement	--	--	--
Benefit Payments, including refunds of employee contributions	(6,133)	(6,133)	--
Administrative expenses	--	(72)	72
Other expenses	--	--	--
Net Changes	3,891	5,813	(1,922)
Balance at June 30, 2025	<u>\$ 132,840</u>	<u>\$ 96,030</u>	<u>\$ 36,810</u>

(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.

I. Commitments and Contingencies

Litigation

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

State and Federal Allowances, Awards, and Grants

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

J. Subsequent Events

Subsequent events were evaluated through December 1, 2025, which is the date these financial statements were available to be issued.

RAVENDALE-TERMO SCHOOL DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2025****K. Deferred Resources**

As of June 30, 2025 Deferred Outflows of Resources consisted of:

	Balance 07/01/2024	Increases	Decreases	Balance 06/30/2025
Governmental Activities				
Pension Related				
CalSTRS	\$ 31,039	\$ 16,517	\$ 18,887	\$ 28,669
CalPERS	17,813	9,955	8,429	19,339
Total Governmental Activities	48,852	26,472	27,316	48,008
Total Deferred Outflows of Resources	\$ 48,852	\$ 26,472	\$ 27,316	\$ 48,008

Deferred Inflows of Resources

As of June 30, 2025 Deferred Inflows of Resources consisted of:

	Balance 07/01/2024	Increases	Decreases	Balance 06/30/2025
Governmental Activities				
Pension Related				
CalSTRS	\$ 10,271	\$ 9,830	\$ 12,182	\$ 7,919
CalPERS	26,143	1,448	8,547	19,044
Total Governmental Activities	36,414	11,278	20,729	26,963
Total Deferred Outflows of Resources	\$ 36,414	\$ 11,278	\$ 20,729	\$ 26,963

RAVENDALE-TERMO SCHOOL DISTRICT

EXHIBIT B-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
LCFF Sources:				
<i>State Apportionment or State Aid</i>	\$ 232,974	\$ 232,974	\$ 195,504	\$ (37,470)
<i>Education Protection Account Funds</i>	116,544	116,544	82,031	(34,513)
<i>Local Sources</i>	79,645	79,645	72,917	(6,728)
<i>Federal Revenue</i>	44,648	44,648	34,452	(10,196)
<i>Other State Revenue</i>	161,346	161,346	89,136	(72,210)
<i>Other Local Revenue</i>	97,314	97,314	91,897	(5,417)
Total Revenues	<u>732,471</u>	<u>732,471</u>	<u>565,937</u>	<u>(166,534)</u>
Expenditures:				
Current:				
<i>Certificated Salaries</i>	72,352	72,352	70,752	1,600
<i>Classified Salaries</i>	43,521	43,521	36,868	6,653
<i>Employee Benefits</i>	68,488	68,488	59,698	8,790
<i>Books And Supplies</i>	84,455	84,455	29,581	54,874
<i>Services And Other Operating Expenditures</i>	298,239	298,239	153,373	144,866
<i>Capital Outlay</i>	124,612	124,612	118,088	6,524
Total Expenditures	<u>691,667</u>	<u>691,667</u>	<u>468,360</u>	<u>223,307</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>40,804</u>	<u>40,804</u>	<u>97,577</u>	<u>56,773</u>
Other Financing Sources (Uses):				
<i>Transfers Out</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>--</u>
Net Change in Fund Balance	30,804	30,804	87,577	56,773
Fund Balance, July 1	<u>1,185,602</u>	<u>1,185,602</u>	<u>1,185,602</u>	<u>--</u>
Fund Balance, June 30	<u>\$ 1,216,406</u>	<u>\$ 1,216,406</u>	<u>\$ 1,273,179</u>	<u>\$ 56,773</u>

RAVENDALE-TERMO SCHOOL DISTRICT

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

	Measurement Year *									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0001%	0.0001%	0.0001%	0.0001%	0.0001%	0.0001%	0.0001%	0.0001%	0.0003%	0.0004%
District's proportionate share of the net pension liability (asset)	\$ 78,514	\$ 81,639	\$ 69,486	\$ 84,311	\$ 114,703	\$ 87,312	\$ 103,578	\$ 100,293	\$ 189,853	\$ 208,619
State's proportionate share of the net pension liability (asset) associated with the District	38,997	41,351	42,386	91,095	68,853	64,163	61,355	57,385	100,928	127,105
Total	<u>\$ 117,511</u>	<u>\$ 122,990</u>	<u>\$ 111,872</u>	<u>\$ 175,406</u>	<u>\$ 183,556</u>	<u>\$ 151,475</u>	<u>\$ 164,933</u>	<u>\$ 157,678</u>	<u>\$ 290,781</u>	<u>\$ 335,724</u>
District's covered payroll	\$ 70,979	\$ 64,764	\$ 63,700	\$ 53,760	\$ 68,163	\$ 50,679	\$ 59,070	\$ 61,622	\$ 130,113	\$ 158,291
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	110.62%	126.06%	109.08%	156.83%	168.28%	172.28%	175.35%	162.76%	145.91%	131.79%
Plan fiduciary net position as a percentage of the total pension liability	82.46%	117.60%	81.20%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%

* The amounts presented are determined as of the Plan's measurement year which was as of June 30 in each prior calendar year from the District's fiscal year end.

RAVENDALE-TERMO SCHOOL DISTRICT*SCHEDULE OF DISTRICT CONTRIBUTIONS**CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM**LAST TEN FISCAL YEARS*

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 13,070	\$ 13,557	\$ 12,370	\$ 10,778	\$ 9,105	\$ 9,193	\$ 11,097	\$ 7,313	\$ 7,431	\$ 6,612
Contributions in relation to the contractually required contribution	(13,070)	(13,557)	(12,370)	(10,778)	(9,105)	(9,193)	(11,097)	(7,313)	(7,431)	(6,612)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 68,429	\$ 70,979	\$ 64,764	\$ 63,700	\$ 56,378	\$ 53,760	\$ 68,163	\$ 50,679	\$ 59,070	\$ 61,622
Contributions as a percentage of covered payroll	19.81%	19.10%	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%

RAVENDALE-TERMO SCHOOL DISTRICT

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

	Measurement Year *									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0001%	0.0002%	0.0002%	0.0002%	0.0002%	0.0001%	0.0001%	0.0001%	0.0001%	0.0001%
District's proportionate share of the net pension liability (asset)	\$ 36,811	\$ 38,732	\$ 59,528	\$ 31,112	\$ 64,128	\$ 43,425	\$ 35,729	\$ 33,899	\$ 26,501	\$ 20,404
District's covered payroll	\$ 20,630	\$ 18,845	\$ 26,822	\$ 21,952	\$ 30,409	\$ 20,867	\$ 17,919	\$ 18,196	\$ 16,249	\$ 15,394
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	178.43%	205.53%	221.94%	141.73%	210.88%	208.10%	199.39%	186.30%	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%

* The amounts presented are determined as of the Plan's measurement year which was as of June 30 in each prior calendar year from the District's fiscal year end.

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEE RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 9,233	\$ 5,504	\$ 4,781	\$ 6,145	\$ 5,997	\$ 3,769	\$ 2,783	\$ 2,527	\$ 1,925	\$ 1,812
Contributions in relation to the contractually required contribution	(9,233)	(5,504)	(4,781)	(6,145)	(5,997)	(3,769)	(2,783)	(2,527)	(1,925)	(1,812)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 34,133	\$ 20,630	\$ 18,845 0	\$ 21,952	\$ 30,409	\$ 20,867	\$ 17,919	\$ 18,196	\$ 16,249	\$ 15,394
Contributions as a percentage of covered payroll	27.05%	26.68%	25.37%	27.99%	19.72%	18.06%	15.53%	13.89%	11.85%	11.77%

RAVENDALE-TERMO SCHOOL DISTRICT

EXHIBIT C-1

CAFETERIA FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Other Local Revenue</i>	\$ 892	\$ 877	\$ (15)
Total Revenues	<u>892</u>	<u>877</u>	<u>(15)</u>
Expenditures:			
Current:			
<i>Classified Salaries</i>	200	89	111
<i>Employee Benefits</i>	10	10	--
<i>Books And Supplies</i>	8,650	4,415	4,235
<i>Services And Other Operating Expenditures</i>	<u>1,775</u>	<u>--</u>	<u>1,775</u>
Total Expenditures	<u>10,635</u>	<u>4,514</u>	<u>6,121</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,743)</u>	<u>(3,637)</u>	<u>6,106</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	<u>10,000</u>	<u>10,000</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>--</u>
Net Change in Fund Balance	257	6,363	6,106
Fund Balance, July 1	<u>13,273</u>	<u>13,273</u>	<u>--</u>
Fund Balance, June 30	<u>\$ 13,530</u>	<u>\$ 19,636</u>	<u>\$ 6,106</u>

RAVENDALE-TERMO SCHOOL DISTRICT**EXHIBIT C-2**

CAPITAL FACILITIES FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Other Local Revenue</i>	\$ 1,568	\$ 1,507	\$ (61)
Total Revenues	<u>1,568</u>	<u>1,507</u>	<u>(61)</u>
Expenditures:			
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,568</u>	<u>1,507</u>	<u>(61)</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	1,568	1,507	(61)
Fund Balance, July 1	22,905	22,905	--
Fund Balance, June 30	<u>\$ 24,473</u>	<u>\$ 24,412</u>	<u>\$ (61)</u>

RAVENDALE-TERMO SCHOOL DISTRICT
LOCAL EDUCATION AGENCY
ORGANIZATION STRUCTURE
JUNE 30, 2025

The District was established in 1913 and its size is approximately 325 square miles located in Lassen County of Northern California. The boundaries of the District did not change during the fiscal year. The District consists of one elementary school.

Governing Board		
Name	Office	Term and Term Expiration
Jeff Askew	President	4 year term ending 12/2028
Mary Tenbusch	Clerk	4 year term ending 12/2028
Robert Stokes	Member	4 year term ending 12/2026
Administration		
Jason Waddell - Superintendent		
Michelle Brown - CBO		

RAVENDALE-TERMO SCHOOL DISTRICT**TABLE D-1**

SCHEDULE OF AVERAGE DAILY ATTENDANCE
 YEAR ENDED JUNE 30, 2025

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
TK/K-3:				
Regular ADA	1.77	1.77	1.75	1.75
TK/K-3 Totals	1.77	1.77	1.75	1.75
Grades 4-6:				
Regular ADA	0.3	0.3	0.23	0.23
Grades 4-6 Totals	0.3	0.3	0.23	0.23
Grades 7 and 8:				
Regular ADA	--	--	--	--
Grades 7 and 8 Totals	--	--	--	--
ADA Totals	2.07	2.07	1.98	1.98

N/A - There were no audit findings which resulted in necessary revisions to attendance.

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

RAVENDALE-TERMO SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2025

TABLE D-2

Grade Level	Ed. Code 46207 Minutes Requirement	2024-25 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Traditional Calendar			Multitrack Calendar Days Offered	Status
					Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered		
Transitional Kindergarten	36,000	55,800	--	55,800	180	--	180	N/A	In Compliance
Kindergarten	36,000	55,800	--	55,800	180	--	180	N/A	In Compliance
Grade 1	50,400	55,800	--	55,800	180	--	180	N/A	In Compliance
Grade 2	50,400	55,800	--	55,800	180	--	180	N/A	In Compliance
Grade 3	50,400	55,800	--	55,800	180	--	180	N/A	In Compliance
Grade 4	54,000	55,800	--	55,800	180	--	180	N/A	In Compliance
Grade 5	54,000	55,800	--	55,800	180	--	180	N/A	In Compliance
Grade 6	54,000	55,800	--	55,800	180	--	180	N/A	In Compliance
Grade 7	54,000	58,500	--	58,500	180	--	180	N/A	In Compliance
Grade 8	54,000	58,500	--	58,500	180	--	180	N/A	In Compliance

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

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

RAVENDALE-TERMO SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 YEAR ENDED JUNE 30, 2025

TABLE D-3

General Fund	Budget 2026 (see note 1)	2025	2024	2023
Revenues and other financial sources	\$ 359,054	\$ 565,937	\$ 558,614	\$ 547,802
Expenditures	513,115	468,360	419,388	324,998
Other uses and transfers out	10,000	10,000	12,500	12,500
Total outgo	523,115	478,360	431,888	337,498
Change in fund balance (deficit)	(164,061)	87,577	126,726	210,304
Ending fund balance	\$ 1,109,118	\$ 1,273,179	\$ 1,185,602	\$ 1,058,876
Available reserves (see note 2)	\$ 1,025,130	\$ 1,046,238	\$ 914,549	\$ 787,962
Available reserves as a percentage of total outgo (see note 3)	196.0%	218.7%	211.8%	233.5%
Total long-term debt	\$ 113,940	\$ 113,940	\$ 120,987	\$ 129,041
Average daily attendance at P-2	3	2	4	8

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 minimum recommended reserve for a district of this size is five percent of budgeted general fund expenditures, transfers out, and other uses (total outgo). The District has maintained this recommended reserve.

District reserves are above state minimum amounts.

NOTES:

- 1 Budget 2026 is included for analytical purposes only and has not been subjected to audit.
- 2 Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

RAVENDALE-TERMO SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

TABLE D-4

	General Fund	Special Reserve Fund for Other Than Capital Outlay
June 30, 2025, annual financial and budget report fund balances	\$ 1,241,330	\$ 31,849
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
Reclassification for financial statement presentation*	31,849	(31,849)
Net adjustments and reclassifications	31,849	(31,849)
June 30, 2025, audited financial statement fund balances	\$ 1,273,179	\$ --

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

*This audit reclassification is made for financial statement purposes only; pursuant to GASB Statement 54 which, when applied, does not recognize these funds as special revenue fund types. Therefore, the fund balances are consolidated with the General Fund. However, the District is permitted under current State law to account for these funds as special revenue fund types for interim reporting and budgeting purposes.

No charter schools are chartered by Ravendale-Termo School District.

<u>Charter Schools</u>	<u>Included In Audit?</u>
None	N/A

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

Board of Trustees
Ravendale-Termo School District
Ravendale, California 96123

Members of the Board of Trustees:

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 Ravendale-Termo School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Ravendale-Termo School District's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ravendale-Termo School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ravendale-Termo School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ravendale-Termo School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ravendale-Termo School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

SingletonAuman PC

SingletonAuman PC

Susanville, CA
December 1, 2025

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

Board of Trustees
Ravendale-Termo School District
Ravendale, California 96123

Members of the Board of Trustees:

Report on Compliance**Opinion**

We have audited the Ravendale-Termo School District (District) compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, as prescribed in Title 5, California Code of Regulations, section 19810, issued by the Education Audit Appeals Panel, applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, Ravendale-Termo School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for for the year ended June 30, 2025.

Basis for Opinion on State Compliance

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

LOCAL EDUCATION AGENCIES**OTHER THAN CHARTER SCHOOLS:**

A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. (reserved).....	N/A
D. Independent Study	N/A
E. Continuation Education	N/A
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. (reserved).....	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:**

T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	N/A
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	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	N/A
CZ. Career Technical Education Incentive Grant	N/A
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	N/A
FZ. Kindergarten Continuance.....	N/A

CHARTER SCHOOLS:

AA. Attendance	N/A
BB. Mode of Instruction	N/A
CC. Nonclassroom-Based Instruction/Independent Study.....	N/A
DD. Determination of Funding for Nonclassroom-Based Instruction	N/A
EE. Annual Instructional Minutes - Classroom Based	N/A
FF. Charter School Facility Grant Program	N/A

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

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of our testing of internal control over compliance and the results of that testing based on the 2024-25 Guide for Annual Audit K-12 Local Education Agencies and State Compliance Reporting, as prescribed in Title 5, California Code of Regulations Section 19810. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

SingletonAuman PC

SingletonAuman PC

Susanville, CA

December 1, 2025

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. State Awards

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

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

B. Financial Statement Findings

None

C. State Award Findings and Questioned Costs

None

RAVENDALE-TERMO SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
There were no prior year audit findings.		

RAVENDALE-TERMO SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2025

There were no audit findings.