TWIN RIVERS
UNIFIED SCHOOL DISTRICT

SACRAMENTO COUNTY

AUDIT REPORT

For the Fiscal Year Ended
June 30, 2025

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Twin Rivers Unified School District
McClellan, California

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 Twin Rivers Unified School District, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Twin Rivers Unified School District, as of June 30, 2025, and the respective changes in financial position thereof for the fiscal 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), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the Schedule of Charter Schools, 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 Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents, except for the Schedule of Charter Schools, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Charter Schools has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the LEA 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 basic financial statements, or the other information otherwise appears to the 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 11, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nigro & Nigro, PC

Murrieta, California
December 11, 2025

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This discussion and analysis of Twin Rivers Unified School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by $60.5 million, or 11.9%.
- Governmental expenses were about $562.1 million. Revenues were about $622.6 million.
- The District acquired over $117.7 million in new capital assets during the year.
- Governmental funds decreased by $65.6 million, or 14.8%.
- Reserves for the General Fund decreased by $6.6 million or 12.1%. Revenues and other sources were $558.3 million, and expenditures and other financing uses were $584.7 million.

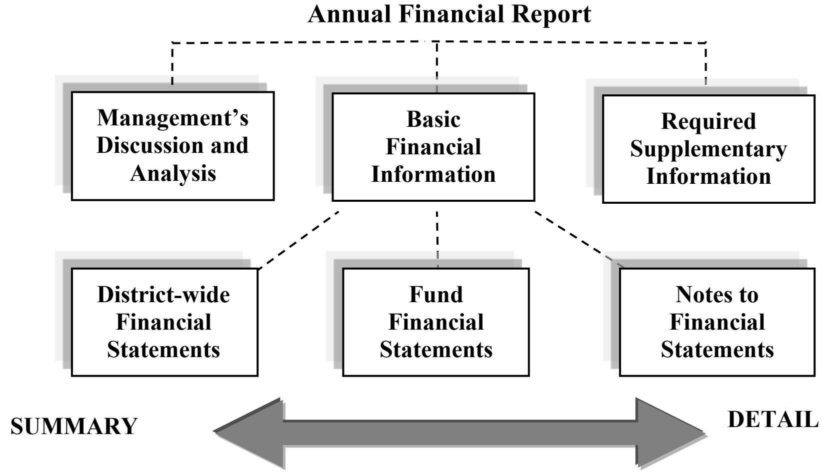
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
  - The *governmental funds* statements tell how basic services like regular and special education 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. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Twin Rivers Unified School District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements
The District-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 District'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 District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.

- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid 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 the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District has one kind of fund:

Governmental funds – All 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 District-wide statements, we provide on a separate reconciliation page that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2025, than it was the year before – increasing 11.9% to $570.3 million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		
	2025	**2024**	**Net Change**
Assets			
Current assets	$ 458,424,193	$ 524,193,780	$ (65,769,587)
Capital assets	882,486,176	785,218,847	97,267,329
Total Assets	1,340,910,369	1,309,412,627	31,497,742
Total Deferred outflows of resources	142,605,500	148,903,674	(6,298,174)
Liabilities			
Current liabilities	83,462,939	84,016,209	(553,270)
Long-term liabilities	768,697,037	810,707,819	(42,010,782)
Total Liabilities	852,159,976	894,724,028	(42,564,052)
Total Deferred inflows of resources	61,025,930	53,748,203	7,277,727
Net Position			
Net investment in capital assets	554,030,376	464,752,855	89,277,521
Restricted	227,541,199	266,681,436	(39,140,237)
Unrestricted	(211,241,612)	(221,590,221)	10,348,609
Total Net Position	$ 570,329,963	$ 509,844,070	$ 60,485,893

Changes in net position, governmental activities. The District's total revenues decreased 5.8% to $622.6 million (See Table A-2). The decrease is due primarily to reduced operating grants and contributions.

The total cost of all programs and services increased 4.9% to $562.1 million. The District's expenses are predominantly related to educating and caring for students, 72.9%. The purely administrative activities of the District accounted for just 6.6% of total costs. A significant contributor to the increase in costs was increased salaries, benefits, and pension costs.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

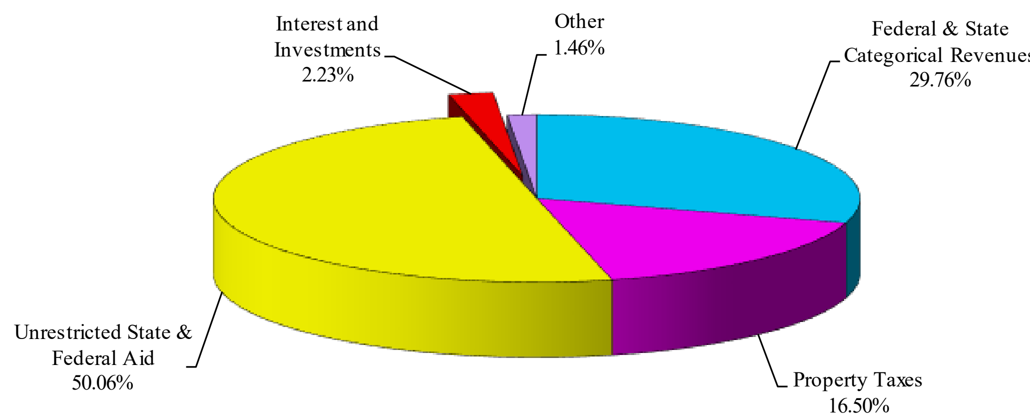
Table A-2: Statement of Activities

	Governmental Activities		
	2025	**2024**	**Net Change**
Revenues			
Program Revenues:			
Charges for services	$ (385,299)	$ 9,042,315	$ (9,427,614)
Operating grants and contributions	182,500,083	217,144,270	(34,644,187)
Capital grants and contributions	3,134,421	1,879,866	1,254,555
General Revenues:			
Property taxes	102,707,088	105,516,122	(2,809,034)
Federal and state aid not restricted	311,657,372	303,767,097	7,890,275
Interest and investment earnings	13,865,702	15,688,645	(1,822,943)
Other general revenues	9,092,491	7,866,078	1,226,413
Total Revenues	622,571,858	660,904,393	(38,332,535)
Expenses			
Instruction	267,036,717	270,364,730	(3,328,013)
Instruction-related services	62,496,925	60,903,121	1,593,804
Pupil services	80,303,006	71,659,992	8,643,014
Administration	37,112,158	33,461,349	3,650,809
Plant services	50,550,135	51,373,073	(822,938)
All other activities	64,587,024	47,873,196	16,713,828
Total Expenses	562,085,965	535,635,461	26,450,504
Increase (decrease) in net position	$ 60,485,893	$ 125,268,932	$ (64,783,039)
Total Net Position	$ 570,329,963	$ 509,844,070	

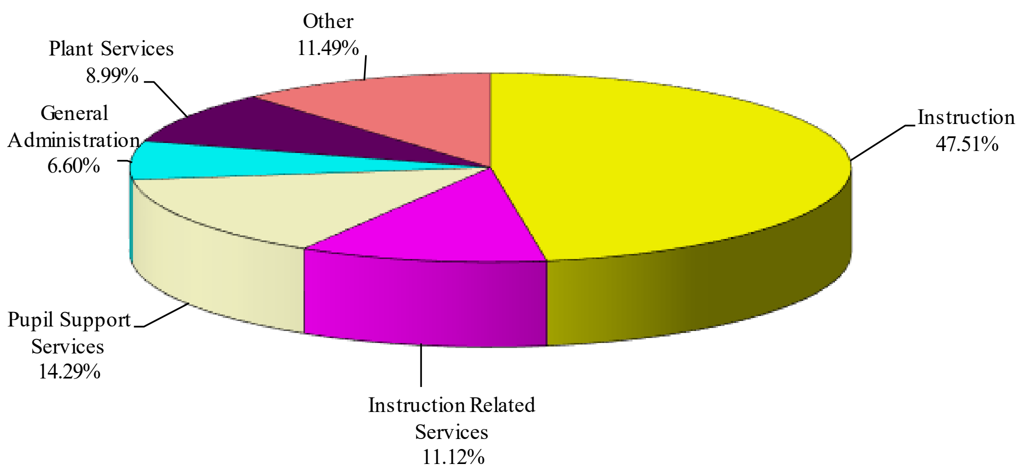
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

As reported in the Statement of Activities, the cost of all of the District's activities this year was $562.1 million. The amount that our local taxpayers financed for these activities through property taxes was $102.7 million. State and Federal aid not restricted to specific purposes totaled $311.7 million. State and Federal Categorical program revenue totaled $185.2 million and covered 33% of the expenses of the entire District.

Sources of Revenue for the 2024-25 Fiscal Year
Figure 1



Expenses for the 2024-25 Fiscal Year
Figure 2



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $379.0 million, which is below last year's ending fund balance of $444.6 million. The primary cause of the decreased fund balance is increased spending on capital projects.

Table A-3: The District's Fund Balances

	Fund Balances				
	July 1, 2024	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2025
Fund					
General Fund	$ 188,382,087	$ 556,080,258	$ 537,341,364	$ (45,192,866)	$ 161,928,115
Student Activity Fund	570,494	1,300,760	1,262,867	-	608,387
Adult Education Fund	1,851,080	4,766,030	5,144,839	(300,000)	1,172,271
Child Development Fund	3,670,135	13,157,674	12,338,240	1,292	4,490,861
Cafeteria Fund	15,991,765	31,052,755	28,529,321	-	18,515,199
Deferred Maintenance Fund	4,124,693	196,032	11,774,141	11,775,000	4,321,584
Special Reserve Fund (Postemployment Benefits)	7,135,457	303,314	-	-	7,438,771
Building Fund	56,036,276	3,048,734	30,943,375	-	28,141,635
Capital Facilities Fund	26,550,313	1,376,888	3,057,827	-	24,869,374
County School Facilities Fund	16,295,475	3,134,421	14,986,501	-	4,443,395
Special Reserve Fund (Capital Outlay)	91,119,737	3,781,979	36,854,369	35,551,500	93,598,847
Bond Interest and Redemption Fund	32,841,034	29,189,556	32,571,136	-	29,459,454
Totals	$ 444,568,546	$ 647,388,401	$ 714,803,980	$ 1,834,926	$ 378,987,893

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased by $58.1 million primarily to reflect federal and state budget actions.
- Salaries and benefits costs – increased $6.4 million to reflect revised cost estimates.
- Other non-personnel expenses – increased $69.3 million to revise operational cost estimates.

While the District's final budget for the General Fund anticipated that revenues would exceed expenditures by about $12.0 million, the actual results for the year show that revenues exceeded expenditures by roughly $18.7 million. Actual revenues were $22.4 million less than anticipated, and expenditures were $29.2 million less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2024-25 the District had acquired $117.7 million in new capital assets, related to land, construction in progress, site improvements, leases, and equipment purchases. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was $20.1 million and amortization was $273,304.

Table A-4: Capital Assets at Year End, Net of Depreciation

	Governmental Activities		
	2025	2024	Net Change
Land	$ 27,870,225	$ 27,870,225	$ -
Land improvements	26,498,873	7,708,388	18,790,485
Buildings and improvements	582,013,969	535,703,424	46,310,545
Machinery and equipment	30,690,415	24,133,162	6,557,253
Construction in progress	213,851,072	189,803,648	24,047,424
Lease assets	1,561,622	-	1,561,622
Total	$ 882,486,176	$ 785,218,847	$ 97,267,329

Long-Term Debt

At year-end the District had $768.7 million in long-term liabilities – a decrease of 5.2% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		
	2025	2024	Net Change
General obligation bonds	$ 409,702,842	$ 425,530,131	$ (15,827,289)
Leases Payable	1,594,392	-	1,594,392
Compensated absences	2,540,550	2,463,084	77,466
Total OPEB liability	47,802,693	48,844,284	(1,041,591)
Net pension liability	307,056,560	333,870,320	(26,813,760)
Total	$ 768,697,037	$ 810,707,819	$ (42,010,782)

FACTORS BEARING ON THE DISTRICT'S FUTURE

California State Budget

The Budget aims to solve a $11.8 billion General Fund deficit for 2025-26 through reductions, borrowing and fund shifts. The 2025-26 Enacted Budget relies on reserves and deferrals to meet its Proposition 98 obligations for the fiscal year, including the scheduled $7.1 billion Budget Stabilization Act (BSA) withdrawal in 2025-26. This will leave a combined reserve balance of $15.7 billion in 2025-26, including $11.2 billion in the BSA and an additional $4.5 billion in the state's discretionary reserve account (the Special Fund for Economic Uncertainties).

TK-12 Education

The Budget includes total funding of $137.6 billion ($80.5 billion General Fund and $57.1 billion other funds) for all TK-12 education programs.

Proposition 98

The Budget revised estimates of General Fund revenues resulting in notable adjustments to the Proposition 98 Guarantee. The revised Guarantee for TK-14 schools is calculated to be $98.5 billion in 2023-24, $119.9 billion in 2024-25, and $114.6 billion in 2025-26. These revised Proposition 98 levels represent an increase of approximately $3.9 billion over the three-year period relative to the 2024 Budget Act. The Budget appropriates the 2024-25 Guarantee at $118 billion, instead of the currently calculated level of $119.9 billion. The difference between the appropriated and the calculated levels is $1.9 billion, which is referred to as "settle-up." The 2024-25 Guarantee level will not be finalized until that fiscal year is certified—a process that will occur throughout 2026.

The Budget shifts the full TK expansion funding to the TK-12 education side of the Proposition 98 budget, beginning in the 2025-26 fiscal year. This shifts $232.9 million in ongoing resources from community colleges to TK-12 schools. The purpose of re-benching Proposition 98 for the cost of TK expansion is to ensure that the implementation of universal TK does not create a fiscal burden on existing TK-12 programs.

The Budget includes a LCFF cost-of-living adjustment of 2.3 percent. When combined with population growth adjustments, these baseline adjustments will increase discretionary funds for local educational agencies (LEAs) by $2.1 billion compared to the 2024 Budget Act. To fully fund the LCFF, the Budget uses $405.3 million from the Proposition 98 Rainy Day Fund to support LCFF costs in 2025-26.

Budgetary deferrals of $246.6 million for TK-12 education from 2024-25 will be fully repaid in 2025-26. However, to fully fund the LCFF and maintain the level of 2025-26 principal apportionments, the Budget defers $1.9 billion in LCFF funding from June 2026 to July 2026.

Funding Results for Education Programs

In the 2025-26 school year, the Budget provides a total of $2.1 billion ongoing Proposition 98 General Fund (inclusive of all prior years' investments) to support the full implementation of universal TK. The Budget also provides an additional $1.2 billion ongoing Proposition 98 General Fund to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

The Budget provides $515.1 million ongoing for the full implementation of the Expanded Learning Opportunities Program by increasing the number of elementary schools that offer universal access to students. Additionally, the Budget includes $10.4 million to increase the minimum grant amount from $50,000 to $100,000 per LEA.

The Budget provides $480 million to support literacy instruction aligned with the ELA/ELD Framework and includes multiple investments intended to support teachers and improve access to the educator pipeline. In addition, the Budget allocates $1.7 billion one-time Proposition 98 General Fund for the Student Support and Professional Development Discretionary Block Grant, as well as numerous one-time grants for various new and ongoing program support.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Federal Implications
Because the State Budget was approved in late June, it does not reflect the impact of the cuts in federal spending included in the federal omnibus tax and spending bill signed in early July. The bill does not make any statutory or direct funding adjustments to TK-12 federal education programs, including Title I and the Individuals with Disabilities Education Act. However, the bill allocates $100 million to the OMB to conduct reviews across the executive branch aimed at identifying "budget and accounting efficiencies."

All of these factors were considered in preparing the Twin Rivers Unified School District budget for the 2025-26 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and 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 any questions about this report or need additional financial information, contact Kate Ingersoll, Executive Director, Fiscal Services at Twin Rivers Unified School District at 5115 Dudley Blvd., McClellan, CA 95652, (916) 566-1600 ext. 31112.

TWIN RIVERS UNIFIED SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Deposits and investments	$ 414,726,216
Accounts receivable	41,113,955
Prepaid expenses	50,054
Inventories	2,533,968
Capital assets:	
Non-depreciable capital assets	241,721,297
Depreciable capital assets	992,780,612
Less accumulated depreciation	(353,577,355)
Lease assets:	1,834,926
Less accumulated amortization	(273,304)
Total Assets	1,340,910,369
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	6,541,934
Deferred outflows related to OPEB	10,555,741
Deferred outflows related to pensions	125,507,825
Total Deferred Outflows of Resources	142,605,500
LIABILITIES	
Accounts payable	71,031,929
Accrued interest payable	4,026,639
Unearned revenue	8,404,371
Noncurrent liabilities:	
Due or payable within one year	22,409,296
Due in more than one year:	
Other than pensions	391,428,488
Total OPEB liability	47,802,693
Net pension liability	307,056,560
Total Liabilities	852,159,976
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	13,557,630
Deferred inflows related to pensions	47,468,300
Total Deferred Inflows of Resources	61,025,930
NET POSITION	
Net investment in capital assets	554,030,376
Restricted for:	
Capital projects	84,461,996
Debt service	29,459,454
Student activities	608,387
Child nutrition programs	18,515,199
Categorical programs	94,496,163
Unrestricted	(211,241,612)
Total Net Position	$ 570,329,963

TWIN RIVERS UNIFIED SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2025

		Program Revenues			Net Revenue (Expense) and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	$ 267,036,717	$ (321,547)	$ 83,607,924	$ 3,134,421	$ (180,615,919)
Instruction-Related Services:					
Supervision of instruction	24,461,429	(115,841)	11,159,130	-	(13,418,140)
Instructional library, media and technology	5,738,308	(26)	28,392	-	(5,709,942)
School site administration	32,297,188	(45)	2,327,177	-	(29,970,056)
Pupil Support Services:					
Home-to-school transportation	12,784,072	(669,164)	7,171,072	-	(6,282,164)
Food services	29,497,142	81,679	30,176,083	-	760,620
All other pupil services	38,021,792	(274,833)	5,277,720	-	(33,018,905)
General Administration Services:					
Data processing services	6,658,094	-	181,432	-	(6,476,662)
Other general administration	30,454,064	(117,915)	5,095,657	-	(25,476,322)
Plant services	50,550,135	(117,829)	4,518,379	-	(46,149,585)
Ancillary services	43,929,281	1,150,611	31,703,988	-	(11,074,682)
Community services	13,036	(389)	2,993	-	(10,432)
Interest on long-term debt	16,960,042	-	-	-	(16,960,042)
Other outgo	3,411,361	-	1,250,136	-	(2,161,225)
Amortization (unallocated)	273,304	-	-	-	(273,304)
Total Governmental Activities	$ 562,085,965	$ (385,299)	$ 182,500,083	$ 3,134,421	(376,836,760)

General Revenues:	
Property taxes	102,707,088
Federal and state aid not restricted to specific purpose	311,657,372
Interest and investment earnings	13,865,702
Interagency revenues	6,172,938
Miscellaneous	2,919,553
Subtotal general revenues	437,322,653
Change in net position	60,485,893
Net position - July 1, 2024	509,844,070
Net position - June 30, 2025	$ 570,329,963

TWIN RIVERS UNIFIED SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2025

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Deposits and investments	$ 206,487,969	$ 94,547,947	$ 113,690,300	$ 414,726,216
Accounts receivable	26,192,080	1,795,798	13,126,077	41,113,955
Due from other funds	667,042	5,593,178	6,092,854	12,353,074
Stores inventories	2,319,228	-	214,740	2,533,968
Prepaid expenditures	47,866	-	2,188	50,054
Total Assets	$ 235,714,185	$ 101,936,923	$ 133,126,159	$ 470,777,267
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 50,955,715	$ 8,324,040	$ 11,752,174	$ 71,031,929
Due to other funds	4,021,019	14,036	8,318,019	12,353,074
Unearned revenue	7,048,981	-	1,355,390	8,404,371
Total Liabilities	62,025,715	8,338,076	21,425,583	91,789,374
Fund Balances				
Nonspendable	2,547,094	-	216,928	2,764,022
Restricted	88,833,542	55,149,227	111,459,255	255,442,024
Committed	20,660,502	-	-	20,660,502
Assigned	13,744,591	38,449,620	24,393	52,218,604
Unassigned	47,902,741	-	-	47,902,741
Total Fund Balances	173,688,470	93,598,847	111,700,576	378,987,893
Total Liabilities and Fund Balances	$ 235,714,185	$ 101,936,923	$ 133,126,159	$ 470,777,267

Total Fund Balances - Governmental Funds			$ 378,987,893
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets less accumulated depreciation and lease assets less accumulated amortization.			
	Capital assets at historical cost	1,234,501,909	
	Accumulated depreciation	(353,577,355)	
	Lease assets at historical cost	1,834,926	
	Accumulated amortization	(273,304)	
	Net:		882,486,176
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:			(4,026,639)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as a deferred outflow. The remaining deferred amounts on refunding at the end of the period were:			6,541,934
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:			
	General obligation bonds payable	409,702,842	
	Leases payable	1,594,392	
	Compensated absences payable	2,540,550	
	Total OPEB liability	47,802,693	
	Net pension liability	307,056,560	
	Total		(768,697,037)
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported. Deferred outflows and inflows relating to OPEB for the period were:			
	Deferred outflows of resources	10,555,741	
	Deferred inflows of resources	(13,557,630)	
	Total		(3,001,889)
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported. Deferred inflows and outflows relating to pensions for the period were:			
	Deferred outflows of resources	125,507,825	
	Deferred inflows of resources	(47,468,300)	
	Total		78,039,525
Total Net Position - Governmental Activities			$ 570,329,963

TWIN RIVERS UNIFIED SCHOOL DISTRICT

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

	General Fund	(Formerly Major Fund) Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 373,934,536		$ -	$ -	$ 373,934,536
Federal sources	40,079,479		-	30,550,466	70,629,945
Other state sources	116,107,837		-	23,598,394	139,706,231
Other local sources	26,457,752		3,781,979	32,877,958	63,117,689
Total Revenues	556,579,604		3,781,979	87,026,818	647,388,401
EXPENDITURES					
Current:					
Instruction	280,650,787		-	10,502,642	291,153,429
Instruction-Related Services:					
Supervision of instruction	21,784,634		-	3,391,721	25,176,355
Instructional library, media and technology	5,314,669		-	-	5,314,669
School site administration	32,387,450		-	1,068,577	33,456,027
Pupil Support Services:					
Home-to-school transportation	16,853,999		-	-	16,853,999
Food services	3,312,366		-	27,747,088	31,059,454
All other pupil services	39,122,427		-	1,049,199	40,171,626
Ancillary services	43,584,721		-	1,262,867	44,847,588
Community services	13,042		-	-	13,042
General Administration Services:					
Data processing services	6,586,437		-	-	6,586,437
Other general administration	27,287,929		-	131,759	27,419,688
Transfers of indirect costs	(1,419,315)		-	1,419,315	-
Plant services	50,157,213		1,272,337	832,942	52,262,492
Capital outlay	19,751,880		35,582,032	48,856,860	104,190,772
Intergovernmental transfers	3,411,361		-	-	3,411,361
Debt service:					
Principal	240,534		-	20,404,900	20,645,434
Interest	75,371		-	12,166,236	12,241,607
Total Expenditures	549,115,505		36,854,369	128,834,106	714,803,980
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,464,099		(33,072,390)	(41,807,288)	(67,415,579)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	370,500		35,622,000	1,292	35,993,792
Interfund transfers out	(35,623,292)		(70,500)	(300,000)	(35,993,792)
Proceeds from leases	1,834,926		-	-	1,834,926
Total Other Financing Sources and Uses	(33,417,866)		35,551,500	(298,708)	1,834,926
Net Change in Fund Balances	(25,953,767)		2,479,110	(42,105,996)	(65,580,653)
Fund Balances, July 1, 2024, as originally reported	199,642,237	56,036,276	91,119,737	97,770,296	444,568,546
Change in financial reporting entity (major to nonmajor fund)	-	(56,036,276)	-	56,036,276	-
Fund Balances, July 1, 2024, as restated	199,642,237	-	91,119,737	153,806,572	444,568,546
Fund Balances, June 30, 2025	$ 173,688,470		$ 93,598,847	$ 111,700,576	$ 378,987,893

Total Net Change in Fund Balances - Governmental Funds		$ (65,580,653)
Amounts reported for governmental *activities* in the statement of activities are different because:		
In governmental funds, the costs of capital assets and lease assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets and lease assets are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:		
Expenditures for capital outlay	115,834,979	
Expenditures for lease assets	1,834,926	
Depreciation expense	(20,116,889)	
Amortization expense	(273,304)	
Net:		97,279,712
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		20,645,434
In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statement of activities, proceeds from debt are reported as an increase to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of premium or discount, were:		(1,834,926)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been deceased. In governmental funds these charges are recognized as an expenditure. However, in the statement of activities these amounts are amortized over the shorter of the life of the refunded bonds or the refunding bonds. The difference between current year amounts and the current year amortization was:		(505,160)
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only theresulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:		(12,383)
In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current resources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. Accreted interest additions less accreted interest paid during the year was:		(6,154,987)
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premiums or discount for the period was:		1,577,376
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:		364,336
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(77,466)
In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		17,230,198
In government funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:		(2,445,588)
Change in Net Position of Governmental Activities		$ 60,485,893

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Twin Rivers Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental 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.

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. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds
The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund. Additionally, the Deferred Maintenance Fund and the Special Reserve for Other Postemployment Benefits Fund have been combined with the General Fund because they do not meet the definition of a Special Revenue Fund under GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definition.*

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* Section 42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49.

Non-Major Governmental Funds
The District maintains the following non-major governmental funds:

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

Student Activity Fund: The District maintains a separate fund for each school that operates an ASB fund, whether it is organized or not.

Adult Education Fund: This fund is used to account for state, federal and local revenues for adult educational programs.

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

Cafeteria Fund: This fund is used to account for state, federal and local revenues to operate the food services program.

Capital Projects Funds: Capital Project Funds are used to account for the acquisition or construction of all major governmental general capital facilities and other capital assets. The District maintains the following non-major capital projects funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Capital Projects Funds (continued):

Capital Facilities Fund: This fund is used to account for resources received from development impact fees assessed under provisions of the California Government Code.

County School Facilities Fund: This fund is used to account for state apportionment provided for the construction and reconstruction of school facilities under SB50.

Debt Service Funds: Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and other debt-related costs. The District maintains the following non-major debt service fund:

Bond Interest and Redemption Fund: This fund is used to account for the accumulation of resources for, and the repayment of, District bonds, interest, and other debt related costs.

2. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

C. 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.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. Inventories and Prepaid Items

Inventories are recorded using the consumption method, in that the cost is recorded as an expenditure at the time individual inventory items are withdrawn from stores inventory for consumption. Inventories in the applicable funds consist primarily 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 expenditures for prepaid items in governmental funds either when paid or during the benefiting period. The District has chosen to report the expenditures during the benefiting period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

3. Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expenses as incurred. Capital assets are depreciated using the straight-line method over 4-30 years depending on asset types.

4. 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 combined balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

6. Compensated Absences

The District has implemented GASB Statement No. 101, Compensated Absences. A liability is reported for unused vacation leave. Although sick leave is not paid out upon separation, a liability is recorded for the portion of sick leave that is more likely than not to be used for paid time off. The liability is measured using current pay rates and includes applicable salary-related costs.

7. Leases

Lessee:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

7. Leases (continued)

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

8. Subscription-Based Information Technology Arrangements
The District recognizes a subscription liability and an intangible right-to-use subscriptions IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the lease liability, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from 2 to 4 years.

9. Postemployment Benefits Other Than Pensions (OPEB)
For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

10. Pensions
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California State Teachers Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Fund Balances
The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

11. Fund Balances (continued)

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

12. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Minimum Fund Balance Policy

Consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Education, the District maintains a Reserve for Economic Uncertainties to safeguard the District's financial stability. The responsibility to operate the District to maintain financial stability resides with the elected Board of Education. The minimum recommended reserve for a District of this size is a minimum of 3% of budgeted general fund expenditures and other financing uses. The District's Board policy is to maintain a minimum unassigned fund balance, which includes a reserve for economic uncertainties, equal to at least two months of General Fund payroll expenditures ($38,000,000) or 10% of the General Fund expenditures and other financing sources.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

F. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

H. Change in Accounting Principle

During the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences.* This standard requires the recognition of accrued compensated absences as a liability in the financial statements. The implementation resulted in no material cumulative effect to beginning net position.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Governmental Funds and Activities	$ 414,726,216

Deposits and investments as of June 30, 2025, consist of the following:

Cash on hand and in banks	$ 917,664
Cash in revolving fund	180,000
Cash with fiscal agent	17,609,047
Cash collections awaiting deposit	1,001,537
Investments	395,017,968
Total Deposits and Investments	$ 414,726,216

Pooled Funds
In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Sacramento County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Sacramento County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Sacramento County Treasurer, which is recorded on the amortized basis.

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2025, $873,501 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

Investments – Interest Rate Risk
The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Trustees.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments - Interest Rate Risk (continued)
Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2025, consist of the following:

			Maturity		
	Rating	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement
Investment maturities:					
Sacramento County Investment Pool	N/A	$ 395,017,968	$ 395,017,968	$ -	Uncategorized

Investments - Credit Risk
The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2025, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

Investments - Concentration of Credit Risk
The District does not place limits on the amount it may invest in any one issuer. At June 30, 2025, the District had no outside investments the County Treasury.

Fair Value Measurements
The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Investments in the Sacramento County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025, consisted of the following:

	Governmental Activities			
	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Federal Government:				
Categorical aid programs	$ 5,943,346	$ -	$ 8,675,275	$ 14,618,621
State Government:				
LCFF sources	775,324	-	-	775,324
Special education	2,337,159	-	-	2,337,159
Lottery	1,730,923	-	-	1,730,923
Categorical aid programs	7,201,522	-	2,549,045	9,750,567
Local:				
Interest	4,386,845	1,705,541	1,853,037	7,945,423
Other local	3,816,961	90,257	48,720	3,955,938
Total	$ 26,192,080	$ 1,795,798	$ 13,126,077	$ 41,113,955

NOTE 4 – INTERFUND TRANSACTIONS

Balances Due To/From Other Funds
Balances due/to other funds at June 30, 2025, consisted of the following:

	Due From Other Funds			
	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-major funds	Total
General Fund	$ -	$ 2,938,873	$ 1,082,146	$ 4,021,019
Special Reserve Fund for Capital Outlay	3,480	-	10,556	14,036
Non-Major Governmental Funds	663,562	2,654,305	5,000,152	8,318,019
Totals	$ 667,042	$ 5,593,178	$ 6,092,854	$ 12,353,074

General Fund due to Child Development Fund to cover First Five and Head Start items	$ 3,486
General Fund due to Cafeteria Fund for nutrition services equipment	874,529
General Fund due to Special Reserve Fund for Capital Outlay Projects to record CMIS expenditures	699,065
Child Development Fund due to General Fund for indirect, mail, print, laptop, and phone charges	131,366
Child Development Fund due to Cafeteria Fund for student snack charges	1,371
Adult Education Fund due to General Fund for for indirect, mail, print, laptop, and phone charges	78,541
Cafeteria Fund due to General Fund for indirect cost reimbursement	453,655
Deferred Maintenance Fund due to Special Reserve Fund for Capital Outlay Projects for facility project costs	2,239,808
Deferred Maintenance Fund due to Building Fund for facility project costs	204,131
Building Fund due to Special Reserve for Capital Outlay Projects for Chipman project costs	350
County School Facilities Fund due to Building Fund for utilizing the project savings funds	4,998,781
County School Facilities Fund due to Special Reserve Fund for Capital Outlay Projects for utilizing the project savings	2,653,955
Special Reserve Fund for Capital Outlay Projects due to General Fund for print shop charges	3,480
Special Reserve Fund for Capital Outlay Projects due to Building Fund for facility project costs	5,745
Special Reserve Fund for Capital Outlay Projects due to Capital Facilities Fund for Northlake project costs	4,811
Total	$ 12,353,074

NOTE 4 – INTERFUND TRANSACTIONS (continued)

Balances Due To/From Other Funds (continued)
The District made interfund borrowings of $1,037,489 between the General Fund and the Deferred Maintenance Fund. This interfund borrowing has been eliminated in the financial statements because the financial activity is reported within the General Fund, in accordance with GASB Statement No. 54.

Transfers To/From Other Funds
Transfers to/from other funds for the year ended June 30, 2025, consisted of the following:

Adult Education Fund transfer to General Fund to cover rent for the facilities	$	300,000
Special Reserve Fund for Capital Outay Projects transfer to General Fund to cover facility project software costs		70,500
General Fund transfer to Child Development Fund to help cover expenditures		1,292
General Fund transfer to Special Reserve Fund for Capital Outlay Projects to cover facility beautification projects and construction		35,622,000
Total	$	35,993,792

The District also made interfund transfers from the General Fund to the Deferred Maintenance Fund of $11,775,000. This transfer has been eliminated in the financial statements because the financial activity is reported within the General Fund, in accordance with GASB Statement No. 54.

NOTE 5 – FUND BALANCES

At June 30, 2025, fund balances of the District's governmental funds were classified as follows:

	General Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total
Nonspendable:				
Revolving cash	$ 180,000	$ -	$ -	$ 180,000
Stores inventories	2,319,228	-	214,740	2,533,968
Prepaid expenditures	47,866	-	2,188	50,054
Total Nonspendable	2,547,094	-	216,928	2,764,022
Restricted:				
Categorical programs	88,833,542	-	-	88,833,542
Student body activities	-	-	608,387	608,387
Adult education program	-	-	1,171,760	1,171,760
Child development programs	-	-	4,490,861	4,490,861
Child nutrition program	-	-	18,298,782	18,298,782
Capital projects	-	55,149,227	57,430,011	112,579,238
Debt service	-	-	29,459,454	29,459,454
Total Restricted	88,833,542	55,149,227	111,459,255	255,442,024
Committed:				
HVAC	10,000,000	-	-	10,000,000
Technology	4,000,000	-	-	4,000,000
Employee recruitment	6,660,502	-	-	6,660,502
Total Committed	20,660,502	-	-	20,660,502
Assigned:				
Deferred maintenance	4,321,584	-	-	4,321,584
Capital projects	-	38,449,620	-	38,449,620
Instructional materials	500,556	-	-	500,556
Site base allocation	184,034	-	-	184,034
Supplemental concentration	1,082,800	-	-	1,082,800
Postemployment benefits	7,438,771	-	-	7,438,771
Other assignments	216,846	-	24,393	241,239
Total Assigned	13,744,591	38,449,620	24,393	52,218,604
Unassigned:				
Reserve for economic uncertainties	47,902,741	-	-	47,902,741
Total Unassigned	47,902,741	-	-	47,902,741
Total	$ 173,688,470	$ 93,598,847	$ 111,700,576	$ 378,987,893

NOTE 6 – CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

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

Capital assets not being depreciated:	Balance, July 1, 2024	Additions	Deletions	Balance, June 30, 2025
Land	$ 27,870,225	$ -	$ -	$ 27,870,225
Construction in progress	189,803,648	72,399,360	48,351,936	213,851,072
Total capital assets not being depreciated	217,673,873	72,399,360	48,351,936	241,721,297
Capital assets being depreciated:				
Land improvements	28,233,977	19,951,232	-	48,185,209
Buildings and improvements	800,952,751	60,204,500	12,383	861,144,868
Machinery and equipment	71,827,022	11,631,823	8,310	83,450,535
Total capital assets being depreciated	901,013,750	91,787,555	20,693	992,780,612
Accumulated depreciation for:				
Land improvements	(20,525,589)	(1,160,747)	-	(21,686,336)
Buildings and improvements	(265,249,327)	(13,881,572)	-	(279,130,899)
Machinery and equipment	(47,693,860)	(5,074,570)	(8,310)	(52,760,120)
Total accumulated depreciation	(333,468,776)	(20,116,889)	(8,310)	(353,577,355)
Total capital assets being depreciated, net	567,544,974	71,670,666	12,383	639,203,257
Capital assets, net	785,218,847	144,070,026	48,364,319	880,924,554
Lease assets:				
Lease assets	-	1,834,926	-	1,834,926
Accumulated amortization	-	(273,304)	-	(273,304)
Lease assets, net	-	1,561,622	-	1,561,622
Total Capital Assets, Net	$ 785,218,847	$ 145,631,648	$ 48,364,319	$ 882,486,176

Depreciation expense was charged to governmental activities as follows:

Depreciation by Function:	Governmental Activities
Instruction	$ 12,078,801
Supervision of instruction	1,096,964
Instructional library, media and technology	289,592
School site administration	1,711,459
Home-to-school transportation	442,486
Food services	78,412
All other pupil services	1,793,263
All other general administration	799,352
Ancillary services	289,649
Centralized data processing	211,989
Plant services	1,324,922
Total Depreciation Expense	$ 20,116,889

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term debt for the year ended June 30, 2025, were as follows:

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025	Amount Due Within One Year
General Obligation Bonds:					
Principal Payments	$ 365,857,226	$ -	$ 20,404,900	$ 345,452,326	$ 20,491,669
Accreted Interest	42,002,878	6,154,987	-	48,157,865	-
Unamortized Issuance Premium	17,670,027	-	1,577,376	16,092,651	1,577,376
Total GO Bonds	425,530,131	6,154,987	21,982,276	409,702,842	22,069,045
Leases Payable	-	1,834,926	240,534	1,594,392	340,251
Compensated Absences	2,463,084	77,466	-	2,540,550	-
Totals	$ 427,993,215	$ 8,067,379	$ 22,222,810	$ 413,837,784	$ 22,409,296

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. Additions and deductions for compensated absences are reported net of their cumulative change in the current year. Lease payments are made from the General Fund.

A. General Obligation Bonds

Election of 2002 (Measure E)
Grant Joint Union High School District received authorization at an election held on March 5, 2002, by an affirmative vote of at least 55% of the votes cast on Measure E to issue bonds of the District in an aggregate principal amount not to exceed $74 million to finance specific construction and modernization projects approved by the voters.

Election of 2006 (Measure G)
Grant Joint Union High School District received authorization at an election held on June 6, 2006, by an affirmative vote of at least 55% of the votes cast on Measure G to issue bonds of the District in an aggregate principal amount not to exceed $230 million to finance specific construction and modernization projects approved by the voters.

Election of 2022 (Measures J and K)
General obligation bonds were authorized at an election of the registered voters of the District held on November 8, 2022. Measure J authorized the issuance of $120 million principal amount of general obligation bonds for middle and high school facility improvements. Measure K authorized the issuance of $150 million principal amount of general obligation bonds for elementary school facility improvements.

Defeasance of Debt
The District has defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2025, there was no principal balance outstanding on the defeased debt.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2025, deferred outflows on refunding were $6,541,934.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

A. General Obligation Bonds (continued)

Summary
The Bonds are general obligations of the District, payable solely from ad valorem property taxes. The County Board is empowered and obligated to annually levy such ad valorem property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due.

A summary of all bonds issued and outstanding at June 30, 2025, follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Refunding Bonds								
Grant 2005 Refunding	4/7/2005	8/1/2028	4.94% - 5.04%	$ 18,793,107	$ 482,608	$ -	$ -	$ 482,608
2016 Refunding, Series A	11/16/2016	2/1/2039	4.00% - 5.00%	62,381,247	46,971,247	-	3,255,000	43,716,247
2016 Refunding, Series B	11/16/2016	8/1/2032	4.00% - 5.00%	49,215,000	34,385,000	-	3,310,000	31,075,000
2020 Refunding, Series A	5/14/2020	8/1/2037	4.00%	27,500,000	27,040,000	-	-	27,040,000
2020 Refunding, Series C	5/14/2020	8/1/2032	4.00%	14,210,000	8,535,000	-	1,555,000	6,980,000
2020 Refunding, Series B	6/18/2020	8/1/2040	0.80% - 3.00%	21,680,000	20,820,000	-	170,000	20,650,000
2023 Refunding, Series A	5/3/2023	8/1/2029	4.00% - 5.00%	21,425,000	21,180,000	-	2,720,000	18,460,000
Sub-Total				215,204,354	159,413,855	-	11,010,000	148,403,855
Election of 2002 (Measure E - Grant Joint UHSD)								
Series 2008	6/11/2008	8/1/2042	2.80% - 6.00%	51,404,756	15,783,990	-	1,274,900	14,509,090
Sub-Total				51,404,756	15,783,990	-	1,274,900	14,509,090
Election of 2006 (Measure G - Grant Joint UHSD)								
Series 2008	6/26/2008	2/1/2033	3.50% - 5.00%	33,998,991	13,263,377	-	-	13,263,377
Series 2016	11/16/2016	8/1/2043	3.375% - 5.00%	49,664,785	49,664,785	-	-	49,664,785
Series 2020	5/14/2020	8/1/2045	1.40% - 4.00%	48,366,219	47,731,219	-	365,000	47,366,219
Sub-Total				132,029,995	110,659,381	-	365,000	110,294,381
Election of 2022 (Elementary - Measure K)								
2022 Elem. SFID, Series A	3/7/2023	8/1/2047	4.00% - 5.00%	40,000,000	40,000,000	-	4,695,000	35,305,000
Sub-Total				40,000,000	40,000,000	-	4,695,000	35,305,000
Election of 2022 (Measure J)								
2022 Series A	3/7/2023	8/1/2047	4.00% - 5.00%	40,000,000	40,000,000	-	3,060,000	36,940,000
Sub-Total				40,000,000	40,000,000	-	3,060,000	36,940,000
				Totals	$ 365,857,226	$ -	$ 20,404,900	$ 345,452,326

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Accreted Interest				
Election of 2002, Series 2008	$ 1,325,384	$ 115,084	$ -	$ 1,440,468
Election of 2006, Series 2008	19,720,978	1,987,604	-	21,708,582
2016 Refunding, Series A	13,601,659	2,283,175	-	15,884,834
Election of 2016, Series 2016	3,147,767	532,472	-	3,680,239
Election of 2016, Series 2020	4,207,090	1,236,652	-	5,443,742
Totals	$ 42,002,878	$ 6,154,987	$ -	$ 48,157,865

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

Fiscal Year	Principal	Interest	Total
2025-2026	$ 20,491,669	$ 11,241,996	$ 31,733,665
2026-2027	12,006,251	13,016,861	25,023,112
2027-2028	12,354,519	13,238,622	25,593,141
2028-2029	12,129,331	12,569,580	24,698,911
2029-2030	12,983,211	12,244,481	25,227,692
2030-2035	51,891,673	82,300,992	134,192,665
2035-2040	84,022,147	81,121,246	165,143,393
2040-2045	107,408,525	80,460,784	187,869,309
2045-2048	32,165,000	1,507,267	33,672,267
Totals	$ 345,452,326	$ 307,701,829	$ 653,154,155

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

B. Leases Payable

The District has entered into agreements to lease copiers. As of June 30, 2025, the District recognized a right-to-use lease asset, net of amortization, of $1,561,622 and a lease liability of $1,594,392 related to these agreements. The District is required to make principal and interest payments through September 2029. The lease agreements have discount rates of 5.84% and 7.95%.

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

Fiscal Year	Principal	Interest	Total
2025-2026	$ 340,251	$ 84,587	$ 424,838
2026-2027	360,779	64,058	424,837
2027-2028	382,549	42,288	424,837
2028-2029	405,635	19,202	424,837
2029-2030	105,178	1,032	106,210
Totals	$ 1,594,392	$ 211,167	$ 1,805,559

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2025, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 46,816,201	$ 10,555,741	$ 13,557,630	$ 6,306,900
MPP Program	986,492	-	-	(153,069)
Totals	$ 47,802,693	$ 10,555,741	$ 13,557,630	$ 6,153,831

The details of each plan are as follows:

District Plan

Plan Description

The District's single-employer defined benefit OPEB plan provides other postemployment health and welfare benefits (medical, prescription drug, dental and vision) for eligible retired employees through the Self-Insured Schools of California (SISC, the Plan). As of June 30, 2025, the District had not established an irrevocable trust or designated a trustee for the payment of plan benefits. As such, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Benefits Provided

Classified unit members, Confidential and Management employees, and Twin Rivers School Police Association (TRSPA) members who have completed at least 10 years of continuous service with the District, and Certificated unit members who have completed at least 15 years of full-time service with the District and/or its predecessors, and are at least age 55 at retirement, are eligible to receive a monthly District contribution equal to 100% of the Single Active employee cap in effect at the time of retirement. For TRSPA Safety, eligibility for 100% of the Single Active employee cap is age 50 and 10 years of full-time service. For TRSPA Miscellaneous, eligibility for 100% of the Single Active employee cap is age of 55 and 10 years of full-time service. As of October 1, 2024, the monthly caps are $904.00 for Classified (CSEA), TRSPA, and Confidential, $858.00 for Management, and $886.00 per month for Certificated (TRUE) retirees. The cap is inclusive of any premiums for dental and vision coverage selected by the retiree. Retirees may elect dependent coverage and must self-pay any excess premium over the cap. District-paid benefits end at age 65. Retirees are subject to the following percentages applied to the District cap, depending on their work schedule prior to retirement, and the bargaining unit or non-represented classification from which they retired:

Classified:	Less than 4 hours/day	0%
	4-5.99 hours/day	50%
	6+ hours/day	100%
Certificated:	Less than .50 FTE	0%
	.50 FTE to <.80 FTE	Prorated
	.80 FTE or more	100%
Management/Confidential:	Less than .50 FTE	0%
	.50 FTE to <.80 FTE	Prorated
	.80 FTE or more	100%

Employees Covered

As of the valuation date, the following inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefit payments	221
Active employees	3,006
Total	3,227

Total OPEB Liability of the District

The District's total OPEB liability of $46,816,201 was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2024, based on the following actuarial methods and assumptions. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Total OPEB Liability of the District (continued)
The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2024
Valuation interest rate	3.93%
Salary increases	3.00%
Healthcare cost trend rates	7.50% for 2024 decreasing to 5.40% for 2029, 5.25% for 2030-2034, 4.60% for 2035-2049, 4.50% for 2050-2064, 4.25% for 2065-2074, and 4.00% for 2070 and later years; Medicare ages: 4.50% for all years.
Inflation	2.50%

The Discount Rate of 3.97% is based on the Fidelity G.O. AA 20 Years Municipal Index. Mortality rates were based on the CalSTRS experience Analysis (2015-2018) for certificated, CalPERS Experience Study (2000-2019) for classified, and CalPERS Experience Study (2000-2019) for safety.

Actuarial assumptions used in the June 30, 2024, valuation were based on a review of plan experience during the period July 1, 2024, to June 30, 2024.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	$ 47,704,724
Changes for the year:	
Service cost	4,828,298
Interest	1,972,354
Differences between expected and actual experience	3,431,632
Changes of assumptions	(8,221,810)
Benefit payments	(2,898,997)
Net changes	(888,523)
Balance at June 30, 2024	$ 46,816,201

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	OPEB Liability
1% decrease	$ 49,826,053
Current discount rate	$ 46,816,201
1% increase	$ 43,911,023

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	$ 42,604,724
Current trend rate	$ 46,816,201
1% increase	$ 51,693,636

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2025, the District recognized OPEB expense of $6,306,900. In addition, at June 30, 2025, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,161,747	$ 2,950,320
Changes of assumptions	2,030,466	10,607,310
District contributions subsequent to the measurement date of the net OPEB liability	2,363,528	-
Totals	$ 10,555,741	$ 13,557,630

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 2,211,315	$ 2,705,067
2027	2,138,615	2,365,143
2028	1,774,469	1,571,971
2029	564,067	1,571,971
2030	385,577	1,571,971
Thereafter	1,118,170	3,771,507
Totals	$ 8,192,213	$ 13,557,630

Medicare Premium Payment (MPP) Program

Plan Description

The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2024, 4,121 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with *Education Code* Section 22950, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability

At June 30, 2025, the District reported a liability of $986,492 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2024, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	Percentage Share of MPP Program		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Net OPEB Liability	0.370099%	0.375551%	(0.005452%)

For the year ended June 30, 2025, the District reported OPEB expense of $(153,069).

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2024
Valuation Date	June 30, 2023
Experience Study	July 1, 2007, through June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method
Investment Rate of Return	3.93%
Healthcare Cost Trend Rates	5.0% for Medicare Part A, and 6.5% for Medicare Part B

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

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

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

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

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2025, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	MPP OPEB Liability
1% decrease	$ 1,064,401
Current discount rate	$ 986,492
1% increase	$ 917,986

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	$ 913,878
Current trend rate	$ 986,492
1% increase	$ 1,067,562

NOTE 9 – PENSION PLANS

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).

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 170,392,811	$ 65,739,501	$ 28,350,224	$ 9,284,744
CalPERS	136,663,749	59,768,324	19,118,076	23,752,546
Totals	$ 307,056,560	$ 125,507,825	$ 47,468,300	$ 33,037,290

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS) (continued)

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

The STRP is a multiple-employer, cost-sharing defined benefit plan composed of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) Program and Replacement Benefits (RB) Program. A Supplemental Benefit Maintenance Account (SBMA) exists within the STRP and provides purchasing power protection for DB Program benefits. The STRP holds assets for the exclusive purpose of providing benefits to members of these programs and their beneficiaries. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

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

	STRP Defined Benefit Program	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

Contributions
The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046.

The contribution rates for each program for the year ended June 30, 2025, are presented above, and the District's total contributions were $34,134,786.

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

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

District's proportionate share of net pension liability	$	170,392,811
State's proportionate share of the net pension liability associated with the District		78,176,808
Total	$	248,569,619

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2025	**Fiscal Year Ending June 30, 2024**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Net Pension Liability	0.253700%	0.253900%	(0.000200%)

For the year ended June 30, 2025, the District recognized pension expense of $9,284,744. In addition, the District recognized pension expense and revenue of $(7,469,378) for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Pension contributions subsequent to measurement date	$	34,134,786	$	-
Net change in proportionate share of net pension liability		11,585,215		8,574,277
Difference between projected and actual earnings on pension plan investments		-		687,528
Changes of assumptions		745,879		11,637,238
Differences between expected and actual experience		19,273,621		7,451,181
Totals	$	65,739,501	$	28,350,224

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period.

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 4,619,317	$ 15,475,517
2027	15,824,538	4,048,850
2028	2,403,786	2,761,350
2029	3,361,309	3,537,673
2030	3,960,042	1,465,871
Thereafter	1,435,723	1,060,963
Totals	$ 31,604,715	$ 28,350,224

Actuarial Methods and Assumptions
The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability as of June 30, 2024, include:

Valuation Date	June 30, 2023
Experience Study	July 1, 2007, through June 30, 2022
Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	7.00%
Inflation	2.75%
Payroll Growth	3.50%

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

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

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	38.0%	8.00%	5.25%
Real Estate	15.0%	6.80%	4.05%
Private Equity	14.0%	9.50%	6.75%
Fixed Income	14.0%	5.20%	2.45%
Risk Mitigating Strategies	10.0%	5.00%	2.25%
Inflation Sensitive	7.0%	6.40%	3.65%
Cash/Liquidity	2.0%	2.80%	0.05%

Discount Rate
The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 303,073,055
Current discount rate (7.10%)	$ 170,392,811
1% increase (8.10%)	$ 59,599,302

On Behalf Payments
The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954, 22955, and 22955.1 of the *Education Code* and *Public Resources Code* Section 6217.5. Under accounting principles generally accepted in the United States of America, these contributions are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $15,785,541.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS)

Plan Description
The District participates in the Schools Pool (the CalPERS Schools Pool Plan) and the Twin Rivers Unified School District Safety Police Plan (CalPERS Safety Plan), cost-sharing multiple-employer public employee retirement system defined benefit pension plans administered by CalPERS, collectively referred to as the CalPERS Plans. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

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

Benefits Provided

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

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

	Schools Pool (CalPERS)	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	27.05%	27.05%

Safety
The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Benefits Provided (continued)

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

	Safety Risk (CalPERS)	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	3% at 50	2.7% at 57
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50	57
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-3.0%	2.0%-2.7%
Required Employer Contribution Rate	Varies	Varies%
Required Employee Contribution Rate	Varies	Varies

Contributions
The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the total District contributions were $22,640,062.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $136,663,749. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of School Risk Pool		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Net Pension Liability	0.372360%	0.377742%	(0.005381%)

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

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

	Percentage Share of Safety Risk Pool		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Total Pension Liability	0.063110%	0.055703%	0.007407%
Proportion of the Fiduciary Net Position	0.067346%	0.057520%	0.009826%

For the year ended June 30, 2025, the District recognized pension expense of $23,752,546. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 22,640,062	$ -
Net change in proportionate share of net pension liability	1,858,380	2,862,125
Difference between projected and actual earnings on pension plan investments	20,682,993	15,291,314
Changes of assumptions	3,054,818	-
Differences between expected and actual experience	11,532,071	964,637
Totals	$ 59,768,324	$ 19,118,076

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 19,001,421	$ 12,314,668
2027	14,807,131	2,692,179
2028	3,319,710	2,089,975
2029	-	2,021,254
2030	-	-
Thereafter	-	-
Totals	$ 37,128,262	$ 19,118,076

Actuarial Methods and Assumptions

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

Valuation Date	June 30, 2023
Experience Study	2000-2019
Actuarial Cost Method	Individual entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)
The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return
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%)

Discount Rate
The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.9%)	$ 197,687,106
Current discount rate (6.9%)	$ 136,663,749
1% increase (7.9%)	$ 79,704,047

C. Accumulation Program for Part-Time and Limited-Service Employees (APPLE)
As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use APPLE as its alternative plan, for substitutes.

D. Payables to the Pension Plans
At June 30, 2025, the District did not have any outstanding payables for outstanding contributions to the CalSTRS and CalPERS pension plans, respectively, required for the fiscal year ended June 30, 2025.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

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

B. Construction Commitments
As of June 30, 2025, the District had commitments with respect to unfinished capital projects of approximately $63.7 million.

C. Litigation
The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2025.

NOTE 11 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWER AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The District participates in one joint venture under a joint powers agreement (JPA) with the Schools Insurance Authority (SIA). The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

SIA arranges for and provide workers' compensation, property and liability insurance coverage for its members. The JPA is governed by a board consisting of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each members districts pay a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

NOTE 12 – SUBSEQUENT EVENTS

General Obligation Bonds
On July 15, 2025, the District issued 2006 Election, Series F General Obligation Bonds in the amount of $3,970,000 and 2022 Election, Series B General Obligation Bonds in the amount of $40,000,000. The 2006 Election, Series F Bonds were issued as serial bonds with interest rates of 5.0% and maturities between August 1, 2026, and August 1, 2028. The 2022 Election, Series B Bonds were issued as $21,000,000 serial bonds with interest rates of 5.0% and maturities between August 1, 2026, and August 1, 2045, and $19,000,000 term bonds with an interest rate of 4.5% maturing August 1, 2049.

SFID Bonds
On July 15, 2025, the District issued Elementary School Facilities Improvement District 2022 Election, Series B Bonds in the amount of $55,000,000. The Bonds were issued as $31,065,000 serial bonds with interest rates of 5.0% and maturities between August 1, 2026, and August 1, 2045, and $23,935,000 term bonds with an interest rate of 4.5% maturing August 1, 2049.

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Required Supplementary Information

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
LCFF Sources	$ 369,880,204	$ 374,091,391	$ 373,934,536	$ (156,855)
Federal	35,349,654	45,010,531	40,079,479	(4,931,052)
Other State	100,813,124	126,984,065	116,107,837	(10,876,228)
Other Local	14,321,376	32,375,726	25,958,406	(6,417,320)
Total Revenues	520,364,358	578,461,713	556,080,258	(22,381,455)
Expenditures				
Current:				
Certificated Salaries	183,556,376	188,170,011	188,104,108	65,903
Classified Salaries	71,539,998	72,280,584	72,194,985	85,599
Employee Benefits	113,641,982	114,668,431	111,808,030	2,860,401
Books and Supplies	27,740,221	51,682,852	26,730,859	24,951,993
Services and Other Operating Expenditures	84,143,192	116,869,619	114,189,134	2,680,485
Transfers of indirect costs	(1,377,638)	(1,463,004)	(1,419,315)	(43,689)
Capital Outlay	7,901,056	20,464,920	22,006,297	(1,541,377)
Other Outgo	3,682,045	3,830,276	3,727,266	103,010
Total Expenditures	490,827,232	566,503,689	537,341,364	29,162,325
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,537,126	11,958,024	18,738,894	6,780,870
Other Financing Sources and Uses				
Interfund Transfers In	320,500	370,500	370,500	-
Interfund Transfers Out	(53,275,000)	(47,398,292)	(47,398,292)	-
Proceeds From Leases	-	-	1,834,926	1,834,926
Total Other Financing Sources and Uses	(52,954,500)	(47,027,792)	(45,192,866)	1,834,926
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(23,417,374)	(35,069,768)	(26,453,972)	8,615,796
Fund Balance, July 1, 2024	189,432,025	188,382,087	188,382,087	-
Fund Balance, June 30, 2025	$ 166,014,651	$ 153,312,319	161,928,115	$ 8,615,796

Other Fund Balances included in the Statement of Revenues, Expenditures and Changes in Fund Balances:

Deferred Maintenance Fund	4,321,584
Special Reserve Fund for Postemployment Benefits	7,438,771
Total reported General Fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balances:	$ 173,688,470

TWIN RIVERS UNIFIED SCHOOL DISTRICT
Schedule of Proportionate Share of the Net Pension Liability-CalSTRS
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year Measurement Period	2024-25 2023-24	2023-24 2022-23	2022-23 2021-22	2021-22 2020-21	2020-21 2019-20
District's proportion of the net pension liability	0.2537%	0.2539%	0.2421%	0.2460%	0.2480%
District's proportionate share of the net pension liability	$ 170,392,811	$ 193,372,885	$ 168,156,120	$ 111,949,680	$ 240,334,320
State's proportionate share of the net pension liability associated with the District	78,176,808	92,650,387	84,252,358	56,408,531	123,946,819
Totals	$ 248,569,619	$ 286,023,272	$ 252,408,478	$ 168,358,211	$ 364,281,139
District's covered payroll	$ 169,759,059	$ 155,652,654	$ 143,143,031	$ 136,692,838	$ 134,939,817
District's proportionate share of the net pension liability as a percentage of its covered payroll	100.37%	124.23%	117.47%	81.90%	178.10%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

Employer's Fiscal Year Measurement Period	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17	2016-17 2015-16	2015-16 2014-15
District's proportion of the net pension liability	0.2460%	0.2710%	0.2420%	0.2490%	0.2550%
District's proportionate share of the net pension liability	$ 222,177,360	$ 249,067,970	$ 223,801,600	$ 201,393,690	$ 171,676,200
State's proportionate share of the net pension liability associated with the District	121,171,620	142,847,282	132,582,821	114,753,366	90,751,924
Totals	$ 343,348,980	$ 391,915,252	$ 356,384,421	$ 316,147,056	$ 262,428,124
District's covered payroll	$ 139,440,079	$ 143,721,330	$ 129,012,069	$ 124,614,804	$ 120,962,849
District's proportionate share of the net pension liability as a percentage of its covered payroll	159.34%	173.30%	173.47%	161.61%	141.92%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalPERS (Schools)
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year **Measurement Period**	**2024-25** **2023-24**	**2023-24** **2022-23**	**2022-23** **2021-22**	**2021-22** **2020-21**	**2020-21** **2019-20**
District's proportion of the net pension liability	0.3724%	0.3777%	0.3727%	0.3848%	0.3579%
District's proportionate share of the net pension liability	$ 136,663,749	$ 140,497,435	$ 131,649,710	$ 79,537,294	$ 118,243,478
District's covered payroll	$ 76,294,325	$ 69,699,405	$ 59,095,302	$ 56,133,011	$ 55,457,202
District's proportionate share of the net pension liability as a percentage of its covered payroll	179.13%	201.58%	222.78%	141.69%	213.22%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

Employer's Fiscal Year **Measurement Period**	**2019-20** **2018-19**	**2018-19** **2017-18**	**2017-18** **2016-17**	**2016-17** **2015-16**	**2015-16** **2014-15**
District's proportion of the net pension liability	0.4010%	0.4080%	0.3967%	0.3810%	0.4160%
District's proportionate share of the net pension liability	$ 118,295,482	$ 110,152,138	$ 96,116,039	$ 76,424,314	$ 62,676,334
District's covered payroll	$ 57,075,409	$ 55,702,244	$ 52,017,945	$ 46,737,861	$ 44,786,294
District's proportionate share of the net pension liability as a percentage of its covered payroll	207.26%	197.75%	184.77%	163.52%	139.95%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Schedule of Pension Contributions-CalSTRS

For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually required contribution	$ 34,134,786	$ 32,423,980	$ 29,729,656	$ 23,913,394	$ 21,903,108
Contributions in relation to the contractually required contribution	34,134,786	32,423,980	29,729,656	23,913,394	21,903,108
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 178,716,158	$ 169,759,059	$ 155,652,654	$ 143,143,031	$ 136,692,838
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.71%	16.02%

Employer's Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually required contribution	$ 23,090,214	$ 22,601,034	$ 20,512,972	$ 16,221,029	$ 13,356,804
Contributions in relation to the contractually required contribution	23,090,214	22,601,034	20,512,972	16,221,029	13,356,804
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 134,939,817	$ 139,440,079	$ 143,721,330	$ 129,012,069	$ 124,614,804
Contributions as a percentage of covered payroll	17.11%	16.21%	14.27%	12.57%	10.72%

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Schedule of Pension Contributions-CalPERS (Schools)
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year	**2024-25**	**2023-24**	**2022-23**	**2021-22**	**2020-21**
Contractually required contribution	$ 22,640,062	$ 20,355,326	$ 17,682,739	$ 14,147,967	$ 12,331,500
Contributions in relation to the contractually required contribution	22,640,062	20,355,326	17,682,739	14,147,967	12,331,500
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 83,697,087	$ 76,294,325	$ 69,699,405	$ 59,095,302	$ 56,133,011
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	23.941%	21.968%

Employer's Fiscal Year	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**
Contractually required contribution	$ 11,494,868	$ 8,943,464	$ 8,878,765	$ 7,517,666	$ 5,857,957
Contributions in relation to the contractually required contribution	11,494,868	8,943,464	8,878,765	7,517,666	5,857,957
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 55,457,202	$ 57,075,409	$ 55,702,244	$ 52,017,945	$ 46,737,861
Contributions as a percentage of covered payroll	20.727%	15.670%	15.940%	14.452%	12.534%

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2025

*Last Ten Fiscal Years**

Employer's Fiscal Year	**2024-25**	**2023-24**	**2022-23**	**2021-22**
Measurement Period	**2023-24**	**2022-23**	**2021-22**	**2020-21**
Service cost	$ 4,828,298	$ 3,812,243	$ 3,928,098	$ 3,278,038
Interest	1,972,354	1,774,972	997,948	1,177,486
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	3,431,632	-	(1,609,805)	-
Changes of assumptions or other inputs	(8,221,810)	(532,019)	(4,080,624)	1,740,253
Benefit payments	(2,898,997)	(3,251,459)	(2,752,942)	(3,101,413)
Net change in total OPEB liability	(888,523)	1,803,737	(3,517,325)	3,094,364
Total OPEB liability - beginning	47,704,724	45,900,987	49,418,312	46,323,948
Total OPEB liability - ending	$ 46,816,201	$ 47,704,724	$ 45,900,987	$ 49,418,312
Covered payroll	$ 232,867,663	$ 213,568,231	$ 191,891,500	$ 186,090,585
Net OPEB liability as a percentage of covered payroll	20.10%	22.34%	23.92%	26.56%

Employer's Fiscal Year	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Measurement Period	**2019-20**	**2018-19**	**2017-18**	**2016-17**
Service cost	$ 2,803,454	$ 2,174,715	$ 2,221,807	$ 1,981,795
Interest	1,107,234	1,116,752	1,239,533	1,213,149
Changes of benefit terms	4,774	-	-	-
Differences between expected and actual experience	8,679,427	-	(9,434,778)	-
Changes of assumptions or other inputs	2,686,924	1,090,540	(423,162)	-
Benefit payments	(3,035,187)	(2,288,042)	(2,424,809)	(2,280,288)
Net change in total OPEB liability	12,246,626	2,093,965	(8,821,409)	914,656
Total OPEB liability - beginning	34,077,322	31,983,357	40,804,766	39,890,110
Total OPEB liability - ending	$ 46,323,948	$ 34,077,322	$ 31,983,357	$ 40,804,766
Covered payroll	$ 184,782,062	$ 188,197,401	$ 185,536,979	$ 172,948,518
Net OPEB liability as a percentage of covered payroll	25.07%	18.11%	17.24%	23.59%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

*Last Ten Fiscal Years**

Employer's Fiscal Year	**2024-25**	**2023-24**
Measurement Period	**2023-24**	**2022-23**
District's proportion of net OPEB liability	0.3701%	0.3756%
District's proportionate share of net OPEB liability	$ 986,492	$ 1,139,560
Covered payroll [1]	N/A	N/A
District's net OPEB liability as a percentage of covered-covered payroll [1]	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)

This liability was not presented in previous audit years, therefore no information is available before the 2022-23 measurement period.

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

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

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

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

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

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

> ***Change in benefit terms*** – There were no changes in benefit terms since the previous valuations for either CalSTRS and CalPERS.
>
> ***Change of assumptions*** – There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.
> in the discount rate.

Schedule of District Contributions

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

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

> ***Change in benefit terms*** – There were no changes in benefit terms since the previous valuation.
>
> ***Change of assumptions*** – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 3.86 percent to 3.97 percent since the previous valuation.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

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

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – The discount rate was changed from 3.65 percent to 3.93 percent since the previous valuation.

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Supplementary Information

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TWIN RIVERS UNIFIED SCHOOL DISTRICT

Combining Balance Sheet - Non-Major Fund

For the Fiscal Year Ended June 30, 2025

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
ASSETS									
Cash	$ 608,387	$ 921,409	$ 4,714,536	$ 8,309,367	$ 31,633,648	$ 25,340,430	$ 13,077,291	$ 29,085,232	$ 113,690,300
Accounts receivable	-	447,173	1,394,156	9,781,478	304,350	487,251	337,447	374,222	13,126,077
Due from other funds	-	-	3,486	875,900	5,208,657	4,811	-	-	6,092,854
Stores inventories	-	-	-	214,740	-	-	-	-	214,740
Prepaid expenditures	-	511	-	1,677	-	-	-	-	2,188
Total Assets	$ 608,387	$ 1,369,093	$ 6,112,178	$ 19,183,162	$ 37,146,655	$ 25,832,492	$ 13,414,738	$ 29,459,454	$ 133,126,159
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	$ -	$ 118,281	$ 133,190	$ 214,308	$ 9,004,670	$ 963,118	$ 1,318,607	$ -	$ 11,752,174
Due to other funds	-	78,541	132,737	453,655	350	-	7,652,736	-	8,318,019
Unearned revenue	-	-	1,355,390	-	-	-	-	-	1,355,390
Total Liabilities	-	196,822	1,621,317	667,963	9,005,020	963,118	8,971,343	-	21,425,583
Fund Balances									
Nonspendable	-	511	-	216,417		-	-	-	216,928
Restricted	608,387	1,171,760	4,490,861	18,298,782	28,117,242	24,869,374	4,443,395	29,459,454	111,459,255
Assigned	-	-	-	-	24,393	-	-	-	24,393
Total Fund Balances	608,387	1,172,271	4,490,861	18,515,199	28,141,635	24,869,374	4,443,395	29,459,454	111,700,576
Total Liabilities and Fund Balances	$ 608,387	$ 1,369,093	$ 6,112,178	$ 19,183,162	$ 37,146,655	$ 25,832,492	$ 13,414,738	$ 29,459,454	$ 133,126,159

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Funds
For the Fiscal Year Ended June 30, 2025

REVENUES	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Federal sources	$ -	$ 874,308	$ 3,877,096	$ 25,799,062	$ -	$ -	$ -	$ -	$ 30,550,466
Other state sources	-	3,836,812	8,952,824	4,712,656	-	-	2,415,537	3,680,565	23,598,394
Other local sources	1,300,760	54,910	327,754	541,037	3,048,734	1,376,888	718,884	25,508,991	32,877,958
Total Revenues	1,300,760	4,766,030	13,157,674	31,052,755	3,048,734	1,376,888	3,134,421	29,189,556	87,026,818
EXPENDITURES									
Current:									
Instruction	-	1,867,293	8,635,349	-	-	-	-	-	10,502,642
Instruction-related services:									
Supervision of instruction	-	1,801,213	1,590,508	-	-	-	-	-	3,391,721
School site administration	-	565,761	502,816	-	-	-	-	-	1,068,577
Pupil Services:									
Food services	-	-	-	27,747,088	-	-	-	-	27,747,088
All other pupil services	-	415,369	633,830	-	-	-	-	-	1,049,199
Ancillary services	1,262,867	-	-	-	-	-	-	-	1,262,867
General Administration:									
All other general administration	-	-	-	-	-	131,759	-	-	131,759
Transfers of indirect costs	-	203,890	508,842	706,583	-	-	-	-	1,419,315
Plant services	-	291,313	460,006	75,650	5,973	-	-	-	832,942
Capital outlay	-	-	6,889	-	30,937,402	2,926,068	14,986,501	-	48,856,860
Debt service:									
Principal	-	-	-	-	-	-	-	20,404,900	20,404,900
Interest	-	-	-	-	-	-	-	12,166,236	12,166,236
Total Expenditures	1,262,867	5,144,839	12,338,240	28,529,321	30,943,375	3,057,827	14,986,501	32,571,136	128,834,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,893	(378,809)	819,434	2,523,434	(27,894,641)	(1,680,939)	(11,852,080)	(3,381,580)	(41,807,288)
OTHER FINANCING SOURCES (USES)									
Interfund transfers in	-	-	1,292	-	-	-	-	-	1,292
Interfund transfers out	-	(300,000)	-	-		-	-	-	(300,000)
Total Other Financing Sources and Uses	-	(300,000)	1,292	-	-	-	-	-	(298,708)
Net Change in Fund Balances	37,893	(678,809)	820,726	2,523,434	(27,894,641)	(1,680,939)	(11,852,080)	(3,381,580)	(42,105,996)
Fund Balances, July 1, 2024, as originally reported	570,494	1,851,080	3,670,135	15,991,765	-	26,550,313	16,295,475	32,841,034	97,770,296
Change in financial reporting entity (major to nonmajor fund)	-	-	-	-	56,035,276	-	-	-	56,035,276
Fund Balances, July 1, 2024, as restated	570,494	1,851,080	3,670,135	15,991,765	56,036,276	26,550,313	16,295,475	32,841,034	153,806,572
Fund Balances, June 30, 2025	$ 608,387	$ 1,172,271	$ 4,490,861	$ 18,515,199	$ 28,141,635	$ 24,869,374	$ 4,443,395	$ 29,459,454	$ 111,700,576

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Combining Balance Sheet – General Fund
For the Fiscal Year Ended June 30, 2025

	General Fund	Deferred Maintenance Fund	Special Reserve Fund For Postemployment Benefits	Adjustments*	Total General Fund
ASSETS					
Cash	$ 191,283,437	$ 7,915,498	$ 7,289,034	$ -	$ 206,487,969
Accounts receivable	25,912,941	129,402	149,737	-	26,192,080
Due from other funds	667,042	1,037,489	-	(1,037,489)	667,042
Stores inventories	2,319,228	-	-	-	2,319,228
Prepaid expenditures	47,866	-	-	-	47,866
Total Assets	$ 220,230,514	$ 9,082,389	$ 7,438,771	$ (1,037,489)	$ 235,714,185
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 48,638,849	$ 2,316,866	$ -	$ -	$ 50,955,715
Due to other funds	2,614,569	2,443,939	-	(1,037,489)	4,021,019
Unearned revenue	7,048,981	-	-	-	7,048,981
Total Liabilities	58,302,399	4,760,805	-	(1,037,489)	62,025,715
Fund Balances					
Nonspendable	2,547,094	-	-	-	2,547,094
Restricted	88,833,542	-	-	-	88,833,542
Committed	20,660,502	-	-	-	20,660,502
Assigned	1,984,236	4,321,584	7,438,771	-	13,744,591
Unassigned	47,902,741	-	-	-	47,902,741
Total Fund Balances *	161,928,115	4,321,584	7,438,771	-	173,688,470
Total Liabilities and Fund Balances	$ 220,230,514	$ 9,082,389	$ 7,438,771	$ (1,037,489)	$ 235,714,185

* The District made an interfund borrowing between the General Fund and the Deferred Maintenance Fund of $1,037,489. This interfund borrowing has been eliminated in the financial statements because the financial activity is reported within the General Fund, in accordance with GASB Statement No. 54.

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Funds
For the Fiscal Year Ended June 30, 2025

REVENUES	General Fund	Deferred Maintenance Fund	Special Reserve Fund For Postemployment Benefits	Adjustments*	Total General Fund
LCFF sources	$ 373,934,536	$ -	$ -	$ -	$ 373,934,536
Federal sources	40,079,479	-	-	-	40,079,479
Other state sources	116,107,837	-	-	-	116,107,837
Other local sources	25,958,406	196,032	303,314	-	26,457,752
Total Revenues	556,080,258	196,032	303,314	-	556,579,604
EXPENDITURES					
Current:					
Instruction	280,650,787	-	-	-	280,650,787
Instruction-related services:					
Supervision of instruction	21,784,634	-	-	-	21,784,634
Instructional library, media and technolo	5,314,669	-	-	-	5,314,669
School site administration	32,387,450	-	-	-	32,387,450
Pupil Services:					
Home-to-school transportation	16,853,999	-	-	-	16,853,999
Food services	3,312,366	-	-	-	3,312,366
All other pupil services	39,122,427	-	-	-	39,122,427
General Administration:					
Data processing	6,586,437	-	-	-	6,586,437
All other general administration	27,287,929	-	-	-	27,287,929
Plant services	49,622,969	534,244	-	-	50,157,213
Ancillary services	43,584,721	-	-	-	43,584,721
Community services	13,042	-	-	-	13,042
Other outgo - transfers between agencies	3,411,361	-	-	-	3,411,361
Transfers of indirect costs	(1,419,315)	-	-	-	(1,419,315)
Capital outlay	8,511,983	11,239,897	-	-	19,751,880
Debt service:					
Principal	240,534	-	-	-	240,534
Interest	75,371	-	-	-	75,371
Total Expenditures	537,341,364	11,774,141	-	-	549,115,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,738,894	(11,578,109)	303,314	-	7,464,099
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	370,500	11,775,000	-	(11,775,000)	370,500
Interfund transfers out	(47,398,292)	-	-	11,775,000	(35,623,292)
Proceeds from leases	1,834,926	-	-	-	1,834,926
Total Other Financing Sources and Uses	(45,192,866)	11,775,000	-	-	(33,417,866)
Net Change in Fund Balances	(26,453,972)	196,891	303,314	-	(25,953,767)
Fund Balances, July 1, 2024	188,382,087	4,124,693	7,135,457	-	199,642,237
Fund Balances, June 30, 2025	$ 161,928,115	$ 4,321,584	$ 7,438,771	$ -	$ 173,688,470

* The District made an interfund transfer from the General Fund to the Deferred Maintenance Fund of $11,775,000. This transfer has been eliminated in the financial statements because the financial activity is reported within the General Fund, in accordance with GASB Statement No. 54.

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Schedule of Average Daily Attendance - District

For the Fiscal Year Ended June 30, 2025

	Second Period Report	Annual Report
Regular ADA & Extended Year:		
Grades TK-3	7,067.73	7,070.19
Grades 4-6	5,056.27	5,043.20
Grades 7-8	2,726.85	2,716.07
Grades 9-12	5,755.08	5,663.94
Total Regular ADA	20,605.93	20,493.40
Special Education, Nonpublic, Nonsectarian Schools:		
Grades TK-3	13.56	16.37
Grades 4-6	10.38	12.05
Grades 7-8	10.69	12.48
Grades 9-12	27.63	32.56
Total Special Education, Nonpublic, Nonsectarian Schools ADA	62.26	73.46
Total ADA	20,668.19	20,566.86

TWIN RIVERS UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance – Charter Schools
For the Fiscal Year Ended June 30, 2025

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Creative Connnections Art Academy				
Grades TK-3	176.82	177.29	177.17	177.56
Grades 4-6	166.69	167.13	166.43	166.76
Grades 7-8	120.00	120.32	118.93	119.20
Grades 9-12	199.39	200.28	198.40	199.11
Total ADA	662.90	665.02	660.93	662.63
Smythe Academy of Arts and Sciences				
Grades TK-3	349.45	350.47	348.52	349.30
Grades 4-6	248.32	248.79	246.73	247.15
Grades 7-8	420.17	420.17	418.31	418.31
Total ADA	1,017.94	1,019.43	1,013.56	1,014.76
Westside Preparatory Charter School				
Grades 7-8	451.23	452.57	450.21	451.32

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Schedule of Instructional Time - District

For the Fiscal Year Ended June 30, 2025

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	55,284	180	Complied
Grade 1	50,400	55,280	180	Complied
Grade 2	50,400	55,280	180	Complied
Grade 3	50,400	55,280	180	Complied
Grade 4	54,000	54,675	180	Complied
Grade 5	54,000	54,675	180	Complied
Grade 6	54,000	54,675	180	Complied
Grade 7	54,000	60,900	180	Complied
Grade 8	54,000	60,900	180	Complied
Grade 9	64,800	66,225	180	Complied
Grade 10	64,800	66,225	180	Complied
Grade 11	64,800	66,225	180	Complied
Grade 12	64,800	66,225	180	Complied

Creative Connections Arts Academy

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	64,860	180	Complied
Grade 1	50,400	55,370	180	Complied
Grade 2	50,400	55,370	180	Complied
Grade 3	50,400	55,370	180	Complied
Grade 4	54,000	56,760	180	Complied
Grade 5	54,000	56,760	180	Complied
Grade 6	54,000	56,760	180	Complied
Grade 7	54,000	60,975	180	Complied
Grade 8	54,000	60,975	180	Complied
Grade 9	64,800	66,225	180	Complied
Grade 10	64,800	66,225	180	Complied
Grade 11	64,800	66,225	180	Complied
Grade 12	64,800	66,225	180	Complied

Smythe Academy of Arts and Sciences

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	62,160	180	Complied
Grade 1	50,400	55,294	180	Complied
Grade 2	50,400	55,294	180	Complied
Grade 3	50,400	55,294	180	Complied
Grade 4	54,000	55,294	180	Complied
Grade 5	54,000	55,294	180	Complied
Grade 6	54,000	55,294	180	Complied
Grade 7	54,000	60,975	180	Complied
Grade 8	54,000	60,975	180	Complied

Westside Preparatory Charter School

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Grade 7	54,000	61,020	180	Complied
Grade 8	54,000	61,020	180	Complied

General Fund	(Budget) 2026 [2]	2025 [3]	2024	2023
Revenues and other financing sources	$ 534,999,962	$ 558,285,684	$ 569,585,828	$ 594,763,769
Expenditures and other financing uses	563,922,038	584,739,656	559,863,425	523,344,860
Change in fund balance (deficit)	(28,922,076)	(26,453,972)	9,722,403	71,418,909
Ending fund balance	$ 133,006,039	$ 161,928,115	$ 188,382,087	178,659,684
Available reserves [1]	$ 48,727,191	$ 47,902,741	$ 54,470,018	$ 43,419,510
Available reserves as a percentage of total outgo	8.64%	8.19%	9.73%	8.30%
Total long-term debt	$ 746,287,741	$ 768,697,037	$ 810,707,819	$ 782,455,204
Average daily attendance at P-2	20,998	20,668	20,228	19,789
Average daily attendance at P-2 Charters	2,159	2,137	2,123	2,004

The General Fund balance has decreased by $16.7 million over the past two years. The fiscal year 2025-26 adopted budget projects a decrease of $28.9 million. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in only one of the past three years, but anticipates incurring an operating deficit during the 2025-26 fiscal year. Long-term debt has decreased by $13.8 million over the past two years.

ADA increased by 1,012 compared to 2022-23. Budgeted ADA projects a further increase of 352 for 2025-26.

[1] Available reserves consist of all unassigned fund balances in the General Fund.

[2] Revised budget September, 2025.

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

TWIN RIVERS UNIFIED SCHOOL DISTRICT

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2025

	General Fund	Bond Interest and Redemption Fund
June 30, 2025, annual financial and budget report (SACS) fund balance	$ 168,056,452	$ 29,427,448
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
Unearned revenue overstated		32,006
Unearned revenue understated	(991,180)	-
Accounts receivable overstated	(5,137,157)	-
Net adjustments and reclassifications	(6,128,337)	32,006
June 30, 2025, audited financial statement fund balance	$ 161,928,115	$ 29,459,454

Charter School		
Name	Number	Inclusion in Financial Statements
California Innovative Career Academy	2072	Not included
Community Collaborative Charter	0699	Not included
Community Outreach Academy	0561	Not included
Futures High School	0560	Not included
Heritage Peak Charter School	0687	Not included
Higher Learning Academy	0862	Not included
Highlands Community Charter School	1674	Not included
Sacramento Academic and Vocational Academy	0878	Not included
Creative Connections Arts Academy	0686	Included
Smythe Academy of Arts & Sciences	0796	Included
Westside Preparatory Charter School	0073	Included

TWIN RIVERS UNIFIED SCHOOL DISTRICT

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Sub-Total Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Especially Needy	10.553	13526	$ 3,715,430	
School Breakfast Program - Basic	10.553	13525	39,908	
National School Lunch Program	10.555	13523	15,357,826	
Local Food for Schools	10.555	15708	64,322	
USDA Donated Foods	10.555	N/A	2,173,627	
Summer Food Service Sponsor Admin	10.559	13006	334,497	
Fresh Fruit and Vegetable Program	10.582	14968	571,195	
Total Child Nutrition Cluster				$ 22,256,805
Passed through California Dept. of Social Services (CDSS):				
Child and Adult Care Food Program:				
Child and Adult Care Food Program	10.558	13393	3,161,273	
Cash in Lieu of Commodities	10.558	N/A	256,668	
Total Child and Adult Care Food Program				3,417,941
Total U.S. Department of Agriculture				25,674,746
U.S. Department of Education:				
Indian Education	84.060	N/A		19,477
Passed through California Dept. of Education (CDE):				
Adult Education - State Grants:				
Adult Basic Education and ESL	84.002A	14508	70,061	
Adult Secondary Education	84.002	13978	23,254	
Total Adult Education - State Grants				93,315
Every Student Succeeds Act (ESSA):				
Title I Grants to Local Educational Agencies:				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329	15,109,234	
ESSA School Improvement Funding for LEAs	84.010	15438	947,157	
Total Title I Grants				16,056,391
Title II, Part A, Supporting Effective Instruction	84.367	14341		1,402,489
English Language Acquisition State Grants:				
Title III, Immigrant Education Program	84.365	15146	108,068	
Title III, Limited English Proficiency	84.365	14346	1,178,995	
Subtotal English Language Acquisition State Grants				1,287,063
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		1,245,820
Title IV, Part B, 21st Century Community Learning Centers (CCLC) - ASSETs Equitable Access	84.287	14603		306,429
Title IX, Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332		179,059
Early Intervention Grants	84.181	23761		55,632
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	10,133,046	
American Rescue Plan-Homeless Children and Youth (ARP-HCY II)	84.425U	15564	112,401	
Subtotal Education Stabilization Fund				10,245,447
Individuals with Disabilities Education Act (IDEA):				
Basic Local Assistance Entitlement	84.027	13379	8,521,020	
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	193,102	
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	368,685	
Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,819	
Total Special Education (IDEA) Cluster				9,084,626
Total U.S. Department of Education				39,975,748
U.S. Department of Health & Human Services:				
Passed through California Dept. of Social Services (CDSS):				
Adult Education: Refugee Employment Social Services, Vocational ESL, and Employment Services (Section 231)	93.566	N/A		928,039
Child Care and Development Block Grant Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	145,425	
COVID-19: ARP California State Preschool Program	93.575	15554	13,413	
COVID-19: ARP California State Preschool Program One-time Stipend	93.575	14552	60,552	
Total Child Development State Preschool Program Cluster				219,390
Passed-Through Sacramento County:				
Head Start Cluster	93.600	10166		3,657,706
Independent Living Program	93.674	N/A		50,000
Total U.S. Department of Health & Human Services				4,855,135
Total Expenditures of Federal Awards				$ 70,505,629

Of the federal expenditures presented in the schedule, the District provided no awards to sub-recipients.

Description	First 5 Grant
Revenues:	
First 5 Sacramento Funds	$ 78,622
Transfers from the District General Fund	1,292
Total Revenues	79,914
Expenditures	
Certificated personnel salaries	37,450
Classified personnel salaries	13,028
Employee benefits	17,353
Services and other operating expdenditures	9,381
Overhead charges	2,702
Total Expenditures	79,914
Excess of Expenditures over Revenues	$ -

NOTE 1 – PURPOSE OF SCHEDULES

Individual Combining Financial Statements
Individual combining balance sheets and statements of revenues, expenditures and changes in fund balance have been presented for the non-major funds and general fund to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to financial statements.

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

Schedule of Instructional Time
This schedule presents information on the number of instructional days offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*.

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual financial report to the audited financial statements.

Schedule of Charter Schools
This schedule lists all charter schools chartered by the District and displays information for each charter school and whether or not the charter school is included in the District audit.

Schedule of Expenditures of Federal Awards
The schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of Expenditures of Federal Awards (continued)
The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		$ 70,629,945
Differences between Federal Revenues and Expenditures:		
Summer Food Service Sponsor Admin	10.559	(73,578)
Child and Adult Care Food Program	10.558	(50,738)
Total Schedule of Expenditures of Federal Awards		$ 70,505,629

Schedule of First 5 Revenues and Expenditures
This schedule provides information about the First 5 Sacramento County Program.

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Other Information

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TWIN RIVERS UNIFIED SCHOOL DISTRICT
Local Educational Agency Organization Structure
For the Fiscal Year Ended June 30, 2025

The Twin Rivers Unified School District was established on July 1, 2008 from the unification of four prior districts. Twin Rivers serves an 82 square mile area covering the communities of Arden Fair, Del Paso Heights, Dos Rios, Elverta, Foothill Farms, Gardenland, McClellan Park, Natomas, Northgate, North Highlands, North Sacramento, Robla, Rio Linda and Woodlake. The District includes 28 elementary schools, 5 middle schools, 4 comprehensive high schools, 3 charters at 7 sites, and 4 alternative schools, along with an adult education program and preschools. There were no changes in the boundaries of the District during the year.

BOARD OF TRUSTEES

Member	Office	Term Expires
Christine Jefferson	President	June 2028
Rebecca Sandoval	Vice President	June 2026
Sascha Vogt	Clerk	June 2028
Michael Baker	Trustee	June 2028
Stacey E. Bastian	Trustee	June 2026
Basim Elkarra	Trustee	June 2028
Sharon Reichelt	Trustee	June 2026

DISTRICT ADMINISTRATORS

Dr. Steven Martinez,
Superintendent

Gina Carreon, J.D.,
Chief Human Resources Official

Ryan DiGiulio,
Chief Business Official

Marci Bernard,
Associate Superintendent School Leadership

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Other Independent Auditors' Reports

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Twin Rivers Unified School District
McClellan, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Twin Rivers Unified School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2025.

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

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

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

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

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
December 11, 2025

NIGRO & NIGRO PC

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE FIRST 5 SACRAMENTO COUNTY PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Twin Rivers Unified School District
McClellan, California

Report on Compliance for First 5 Sacramento County Program

Opinion on Compliance with Requirements for First 5 Sacramento County Program
We have audited Twin River Unified School District's (the District) compliance with the types of compliance described in the Program Guidelines for the First 5 Sacramento County Program that could have a direct and material effect on the District's First 5 Sacramento County program for the year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2025.

Basis for Opinion on Compliance with Requirements for First 5 Sacramento County Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and the audit requirements of the program Guidelines for the First 5 Sacramento County Program are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of the laws, regulations, and terms and conditions of its contracts and grants applicable to the First 5 Sacramento County Program.

Elizabeth Nigro, CPA | *Jeff Nigro, CPA, CFE* | *Shannon Bishop, CPA* | *Peter Glenn, CPA, CFE* | *Paul J. Kaymark, CPA*
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Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Program Guidelines of the Fist 5 Sacramento County Program (Program Guidelines) will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that individually 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 First 5 Sacramento County Program as a whole.

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

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

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

Report on Internal Control over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the First 5 Sacramento County Program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of First 5 Sacramento County Program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of First 5 Sacramento County Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the Program Guidelines requirements of the First 5 Sacramento County Program. Accordingly, this report is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
December 11, 2025

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

Board of Trustees
Twin Rivers Unified School District
McClellan, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Twin Rivers Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Twin Rivers Unified School District's major federal programs for the year ended June 30, 2025. The Twin Rivers Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

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

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

- Obtain an understanding of the Twin Rivers Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Twin Rivers Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters
The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying schedule of findings and questioned costs as Finding 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance
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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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.

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

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

Nigro & Nigro, PC

Murrieta, California
December 11, 2025

NIGRO & NIGRO PC
A Professional Accountancy Corporation

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

Board of Trustees
Twin Rivers Unified School District
McClellan, California

Report on Compliance

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

Qualified Opinion on Certain State Programs
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied in all material aspects with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other State Programs
In our opinion, the District complied in all material aspects with the laws and regulations of the other state programs noted in the table below for the year ended June 30, 2025.

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

Matters Giving Rise to Qualified Opinion on Certain State Programs
As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Classroom Teacher salaries, as described in Finding number 2025-002. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

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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.

Auditors' Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than 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:

Description	**Procedures Performed**
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools (cont.):	
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Yes
Charter School Facility Grant Program	Not Applicable

Areas marked as "Not Applicable" were not operated by the District.

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 in the audit.

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

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

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

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

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

Nigro & Nigro, PC

Murrieta, California
December 11, 2025

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Schedule of Findings and Questioned Costs

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Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516 (a)?	Yes

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.010	Title I

Dollar threshold used to distinguish between Type A and Type B programs:	$ 2,115,169
Auditee qualified as low-risk auditee?	Yes

State Awards

Type of auditors' report issued on compliance for state programs:	Qualified

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.* Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

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

There were no financial statement findings in 2024-25.

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

Finding 2025-001: Annual Report Card, High School Graduation Rate (50000)

Repeat Finding? No

Program Identification:

Federal Agency: U.S. Department of Education
Pass-through Entity: California Department of Education
Program Names: Title I, Part A Grants:
Title I, Part A, Basic Grants Local-Income and Neglected (AL No. 84.010)
ESEA, School Improvement Grant Funding for LEAs (AL No. 84.010)

Criteria: ESEA sections 1111(h)(1)(C)(iii)(II) and 8101(23), (25) (20 USC 6311(h)(1)(C)(iii)(II) and 7801(23), (25))) require a local educational agency to have official written documentation that a student enrolled in another school or in a educational program that culminates in the award of a regular high school diploma in order to remove a student from the graduation cohort. A student who is retained in grade, enrolled in a GED program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort.

Condition: During our testing of compliance and controls over the graduation cohort, we identified two instances in which the District was unable to provide supporting documentation to demonstrate that the students enrolled in another school or in a educational program that culminates in the award of a regular high school diploma.

Context: Exceptions were noted in two out of the fourteen pupils sampled.

Questioned Costs: None.

Cause: Lack of review process to ensure that when a student is removed from the graduation cohort proper documentation is obtained and maintained to support the student's removal from the graduation cohort.

Effect: School sites' graduation rate will be overstated on the school sites' annual report cards.

Recommendation: We recommend the District train school site staff on allowable documentation to remove students from a graduation cohort as well as other cohort codes. Subsequently, the District should assist school sites in developing the record retention process to ensure documentation is available upon request.

Views of Responsible Officials: Annual training is provided to the school office staff at the August enrollment and attendance meeting. Due to this finding, additional reminder training was provided to all school office staff on December 4th and 5th 2025. The policies and procedures related to the training are on a share drive to be accessed at any time.

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

Finding 2025-002: Classroom Techer Salaries (61000)

Repeat Finding? Yes

Criteria: Education Code 41372 states that unified school districts shall expend an amount equal to or greater than 55 percent of the district's current expense of education on classroom teacher salaries.

Condition: The District did not expend 55 percent of its current education expenses for payment of salaries of classroom teachers.

Context: The District reported its "current expense of education" totaling $420,948,603, with $218,427,986, or 51.89%, going toward its classroom teachers' salaries. This is a deficiency of $13,093,745.

Cause: A large portion of the District's expenditures is funded through state and categorical programs that cannot be excluded from the cost of education, resulting in a lower qualifying percentage.

Effect: The District was not in compliance with the requirements of Classroom Teacher Salaries.

Recommendation: We recommend that the District ensure compliance with the compliance requirement in future years.

Views of Responsible Officials: Twin Rivers Unified School District has obtained a waiver with the Sacramento County Office of Education within the required timeline, therefore no additional corrective action is needed. The waiver was granted as the district teacher salaries are in excess of at least three comparable school districts. The District will continue to work towards compliance with the requirement in the future.

Original Finding No.	Finding	Code	Recommendation	Current Status
2024-001: Classroom Teacher Salaries (Repeat Finding of 2023-001)	Education Code Section 41372 (b)(3) – Each fiscal year a unified school district shall expend 55 percent of the District's current education expenses for payment of salaries of classroom teachers. The District did not expend 55 percent of the District's current education expenses for payment of salaries of classroom teachers. This is a repeat finding, as noted in the Status of Prior Year Findings and Recommendations.	61000	We recommend that the District ensure compliance with the compliance requirement in future years.	Not Implemented; See Finding 2025-002
2024-002: Instructional Materials	California Education Code Section 60119 requires the District to hold a public hearing prior to making a determination through a resolution as to the sufficiency of textbooks and instructional materials. The public hearing must be held on or before the 8th week of school. In addition, the District should provide a 10-day notice of the required public hearing. The Notice must include the time, place, and purpose of the hearing and the notice must be posted in a minimum of three public locations in the school district. The District's sufficiency of instructional materials public hearing was held on October 17, 2023, and the public notice was posted on October 13, 2023. As a result, the notice was posted 4 days prior to the required public hearing and held after the 8th week of school.	70000	We recommend that the District implement oversight procedures to ensure the public hearing notice is posted 10 days prior to the actual public hearing meeting and hold a public meeting on or before the 8th week of school.	Implemented.