Norris Elementary School District
County of Kern
Bakersfield, California
June 30, 2025

Independent Auditor's Report
and Financial Statements

LPS
Certified Public Accountants

Norris Elementary School District
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June 30, 2025

Independent Auditor's Report

To the Board of Trustees
Norris Elementary School District
Bakersfield, California 93312

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Norris Elementary School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2, *Code of Federal Regulations,* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F–Audit Requirements (Uniform Guidance), and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025 on our consideration of Norris Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Norris Elementary School District's internal control over financial reporting and compliance.

Respectfully submitted,

Linger, Peterson & Shrum
Fresno, California
December 1, 2025

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Norris Elementary School District
Management's Discussion and Analysis
For the Year Ended June 30, 2025

The discussion and analysis of Norris Elementary School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the attached financial statements, charts, and spreadsheets to enhance their understanding of the District's financial performance.

The Norris District was considered rural just 30 years ago. Over the past 25 years farmland has been converted to single-family housing, and the District's property tax base and student enrollment has increased substantially. In that time the District has seen a period of very rapid growth followed by steady moderate growth during the State's last recession. Prior to the start of the pandemic enrollment was seeing a steady climb and housing projections indicated the Norris Elementary School District will experience rapid growth in the next few years. The pandemic has slowed that growth considerably and pushed back the need for a new elementary into the foreseeable future.

The District's goal of educating students remains of utmost importance and the primary focus. The District has achieved and maintained high test scores at all schools as a result of continuing efforts by staff, administrators, and the parents of the District to establish alignment of the curriculum with State standards. The District is proactive in its development of programs for students with special needs. Students with low test scores or students at risk of not passing grade-level benchmark requirements are quickly identified and offered assistance in after school programs. Also, an approach to Special Education called a "Learning Center" is also incorporated that allows children with the greatest need to receive services.

Financial Highlights

- The District's financial status continues to remain solid. The District is able to meet all of the current needs and maintains a more than adequate reserve.
- Overall revenues and other financing sources in all governmental funds totaled $75,690,638 which was $3,749,546 more than expenses and other financing uses of $71,941,092.
- The General Fund's fund balance increased by $1,167,571.

Overview of the Financial Statements

The full annual financial report is a product of three separate parts: The basic financial statements, supplementary information, and this section, Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives, District-wide and funds.

District-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

District-Wide Financial 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. Net position (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

In the District-wide financial statements, the District's activities are reported in two categories:

- Governmental Activities – The District's basic services are included here, such as regular and special education, transportation, food services, and administration. Federal and State aid, operating grants and contributions, and property taxes finance most of these activities.
- Business-Type Activities – The District charges fees to help cover the costs of certain services it provides. Childcare services that are beyond the scope of normal District operations are included in this type of activity.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's various 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 has two kinds of funds:

Governmental Funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Proprietary Funds – The Proprietary Fund category includes Enterprise and Internal Service Funds. One type of Proprietary Fund, an Enterprise Fund, is the same as the business-type activities, but provides more detail and additional information, such as cash flows. Internal Service Funds (the other type of Proprietary Fund) report activities that provide supplies and services for the other programs and activities of the District. Proprietary Funds are reported in the same way as the District-wide statements.

- The District's Enterprise Fund currently consists of childcare services. The Enterprise Fund reports activities that provide childcare services outside of the normal operation of the District.
- Currently, the District has no Internal Service Funds.

Financial Analysis of the District as a Whole

Net Position

The District's combined net position was $88,499,652 on June 30, 2025. (See Table A-1) That figure represents a 11.36% increase from the prior year restated net position of $79,473,538.

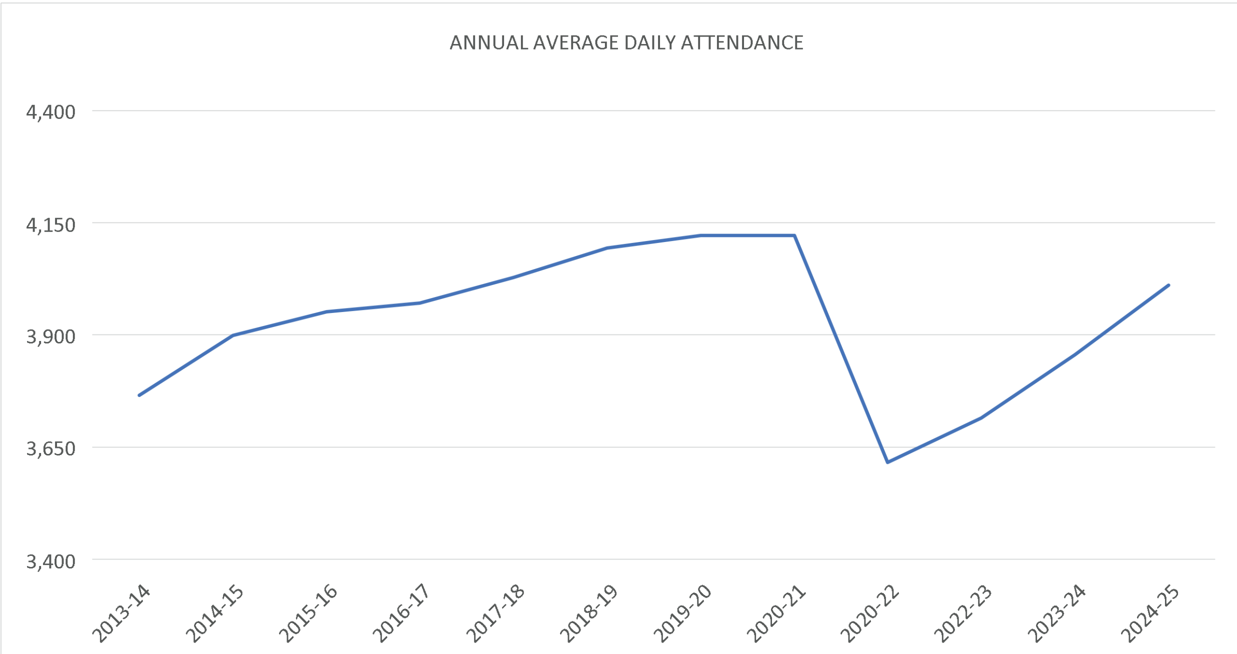
TABLE A-1
Net Position
As of June 30, 2025 and 2024

	Fiscal Year Ended June 30, 2025			Fiscal Year Ended June 30, 2024			
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Percentage Change
Assets							
Current and other assets	$104,477,113	$2,326,939	$106,804,052	$96,035,524	$2,948,944	$98,984,468	7.90%
Capital assets	93,402,925	-	93,402,925	91,693,499	-	91,693,499	1.86%
Total Assets	$197,880,038	$2,326,939	$200,206,977	$187,729,023	$2,948,944	$190,677,967	5.00%
Deferred Outflows of Resources	$12,143,584	$-	$12,143,584	$11,830,469	$-	$11,830,469	2.65%
Liabilities							
Current liabilities	$9,255,490	$40,518	$9,296,008	$4,583,149	$41,173	$4,624,322	101.02%
Long-term liabilities	31,865,694	-	31,865,694	32,370,276	-	32,370,276	-1.56%
Total Liabilities	$41,121,184	$40,518	$41,161,702	$36,953,425	$41,173	$36,994,598	11.26%
Deferred Inflows of Resources	$2,538,462	$-	$2,538,462	$1,498,254	$-	$1,498,254	69.43%
Net Position							
Net investment in capital assets	$15,501,460	$-	$15,501,460	$12,090,262	$-	$12,090,262	28.21%
Restricted	50,815,219	-	50,815,219	49,786,014	-	49,786,014	2.07%
Unrestricted	19,896,552	2,286,421	22,182,973	14,689,491	2,907,771	17,597,262	26.06%
Total Net Position	$86,213,231	$2,286,421	$88,499,652	$76,565,767	$2,907,771	$79,473,538	11.36%

At the close of fiscal year 2024-25, the District had $200,206,977 in assets, including cash, investments, receivables, stores, prepaid expenses, and capital assets net of depreciation. Capital assets include land, site improvements, buildings, equipment, leased assets and work in progress. The District started the year with $190,677,967 in total assets and ended the year with $200,206,977 in total assets. The District had $41,161,702 in liabilities including current accounts payable, unearned revenue, accrued compensated absences (earned sick and vacation), and long-term bond debt.

Chart A-1 shows the annual ADA trend from the 2012-13 fiscal year. The District contracted with a consulting firm that specializes in projecting student population growth, based on housing development plans, to complete a master plan for the District. That firm's cohort calculations indicate the need for a total of ten elementary and three middle schools, once all land within the Norris Elementary School District's boundaries has been developed.

Chart A-1



The Board of Trustees and the Superintendent have actively encouraged developers to include their land in the Mello-Roos Community Facilities District (CFD). Fees assessed to new housing within the Mello- Roos CFD have been used to build classrooms necessary to meet the student population growth caused by the new housing. The revenue from the Mello-Roos fees and sale of Mello-Roos bonds has allowed the District to fund 'up front' the costs of school facility construction until State funding becomes available. That revenue also allows the District to meet the State SB-50 matching funds requirement.

The District continues to fund routine maintenance through the General Fund although not required by the State at this time. Typical routine maintenance projects completed over the past several years include roofing, electrical, plumbing, painting, network infrastructure wiring, and replacement of HVAC systems.

Changes in Net Position

Table A-2 identifies the net position beginning balance, revenues, expenses, and the end of the year net position.

TABLE A-2
Changes in Net Position
For the Years Ending June 30, 2025 and 2024

	Fiscal Year Ended June 30, 2025			Fiscal Year Ended June 30, 2024			
	Governmental Activities	Business-type Activities	Total	Government al Activities	Business-type Activities	Total	Percentage Change
Revenues							
Program revenues:							
Charges for services	$18,477	$-	$18,477	$61,936	$-	$61,936	-70.17%
Operating grants and contributions	13,950,560	10,417	13,960,977	15,232,775	10,409	15,243,184	-8.41%
General revenues:							
LCFF sources	47,016,482	-	47,016,482	44,391,676	-	44,391,676	5.91%
State revenues	3,411,059	-	3,411,059	7,616,451	-	7,616,451	-55.21%
Local revenues	12,065,552	1,549,581	13,615,133	10,502,668	1,595,073	12,097,741	12.54%
Transfers	750,000	(750,000)	-	-	-	-	
Total Revenues	$77,212,130	$809,998	$78,022,128 -	$77,805,506	$1,605,482	$79,410,988	-1.75%
Expenses							
Program expenses:							
Instruction	$36,248,882	$-	$36,248,882	$40,213,479	$-	$40,213,479	-9.86%
Instruction-related services	5,162,553	-	5,162,553	5,359,766	-	5,359,766	-3.68%
Pupil services	7,011,803	-	7,011,803	6,858,223	-	6,858,223	2.24%
Ancillary services	9,072	-	9,072	11,005	-	11,005	-17.56%
Community services	44,862	-	44,862	43,363	-	43,363	3.46%
Enterprise	3,433	1,431,348	1,434,781	63,843	-	63,843	2147.36%
General administration	3,840,811	-	3,840,811	4,485,551	1,373,255	5,858,806	-34.44%
Plant services	5,685,271	-	5,685,271	5,631,834	-	5,631,834	0.95%
Other	6,151,480	-	6,151,480	7,093,418	-	7,093,418	-13.28%
Interest on long-term obligations	3,406,499	-	3,406,499	3,425,160	-	3,425,160	-0.54%
Total Expenses	$67,564,666	$1,431,348	$68,996,014	$73,185,642	$1,373,255	$74,558,897	-7.46%
Changes in Net Position	$9,647,464	$(621,350)	$9,026,114	$4,619,864	$232,227	$4,852,091	86.03%

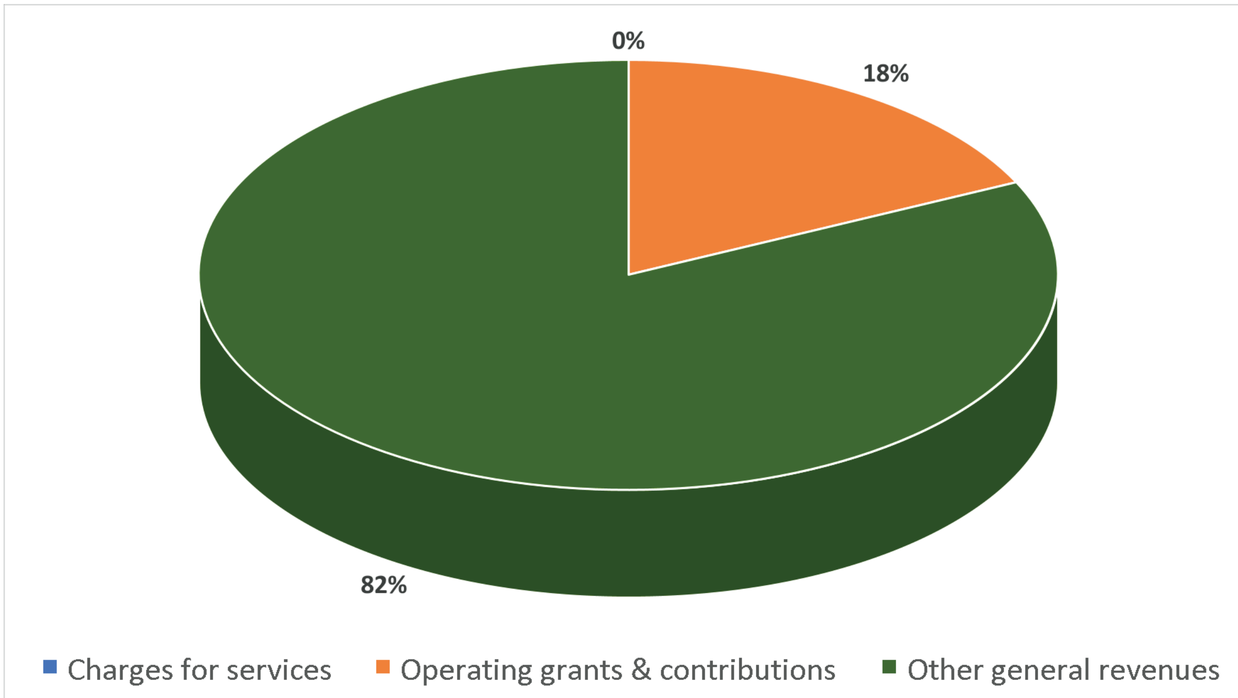
Table A-3 presents the cost of the major District activities: Instruction, instruction-related services, pupil services, general administration, plant services, enterprise activities, community services, interest on long-term debt and other outgo. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the sources of funding.

TABLE A-3
Net Cost of Governmental and Business-Type Activities
For the Years Ending June 30, 2025 and 2024

	2025		2024	
	Total Cost of Services	Net Costs of Services	Total Cost of Services	Net Costs of Services
Instruction	$ 36,248,882	$ 29,633,575	$ 40,213,479	$ 33,344,206
Instruction-related services	5,162,553	3,971,280	5,359,766	4,449,396
Pupil services	7,011,803	3,371,951	6,858,223	3,327,085
Ancillary services	9,072	9,072	11,005	11,005
Community services	44,862	44,862	43,363	43,363
Enterprise activities	3,433	3,433	63,843	63,843.00
General Administration	3,840,811	3,633,333	4,485,551	4,327,781
Plant Services	5,685,271	5,557,144	5,631,834	4,041,386
Other outgo	6,151,480	4,113,440	7,093,418	4,857,706
Interest on Long-Term Debt	3,406,499	3,406,499	3,425,160	3,425,160
Totals-Governmental Activities	67,564,666	53,744,589	73,185,642	57,890,931
Business-type activities	1,431,348	1,420,931	1,373,255	1,362,846
Totals	$ 68,996,014	$ 55,165,520	$ 74,558,897	$ 59,253,777

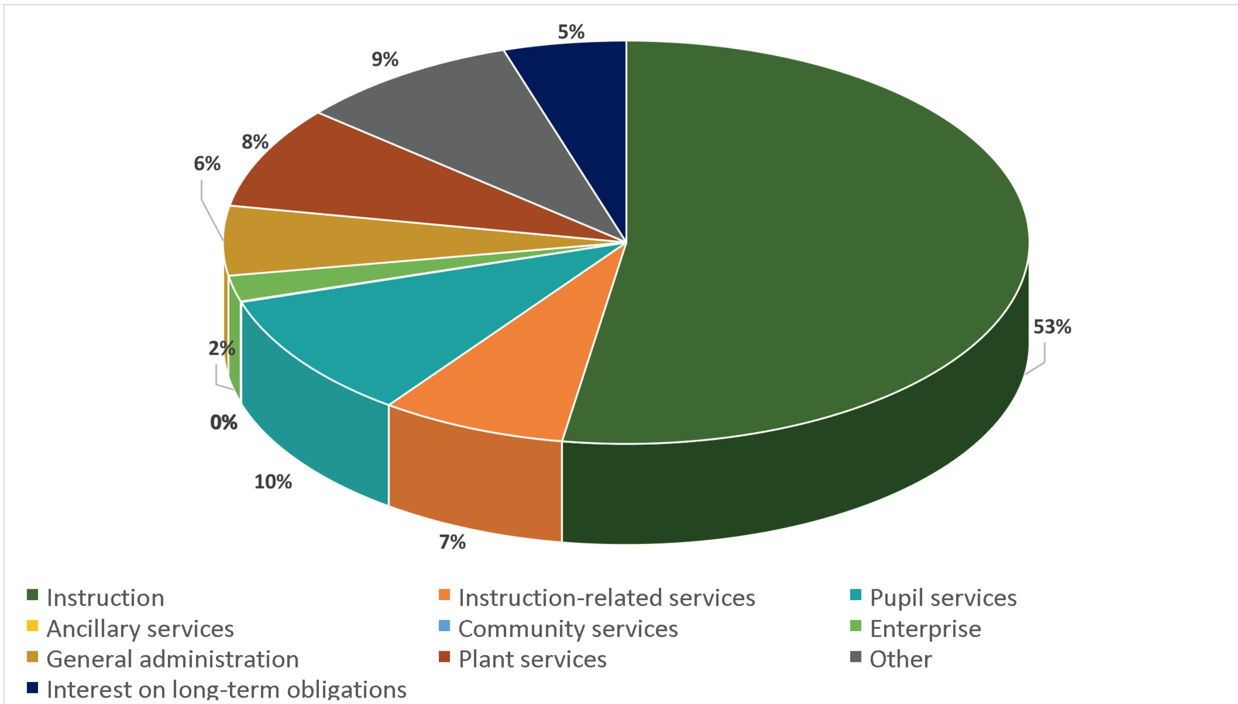
Federal and State aid accounts for most of the District's revenue. The next largest revenue source is from property taxes. Chart A-2 presents the revenue by percent.

Chart A-2
2024-25 Revenue by Percent Based
On Government-Wide Statement of Activities



Based on the Government-Wide Statement of Activities, the District's expenses are predominantly related to instruction. Chart A-3 presents the total Government-Wide Statement of Activities by percent.

Chart A-3
2024-25 Expenses by Percent Based
On Governmental and Business-Type Activities

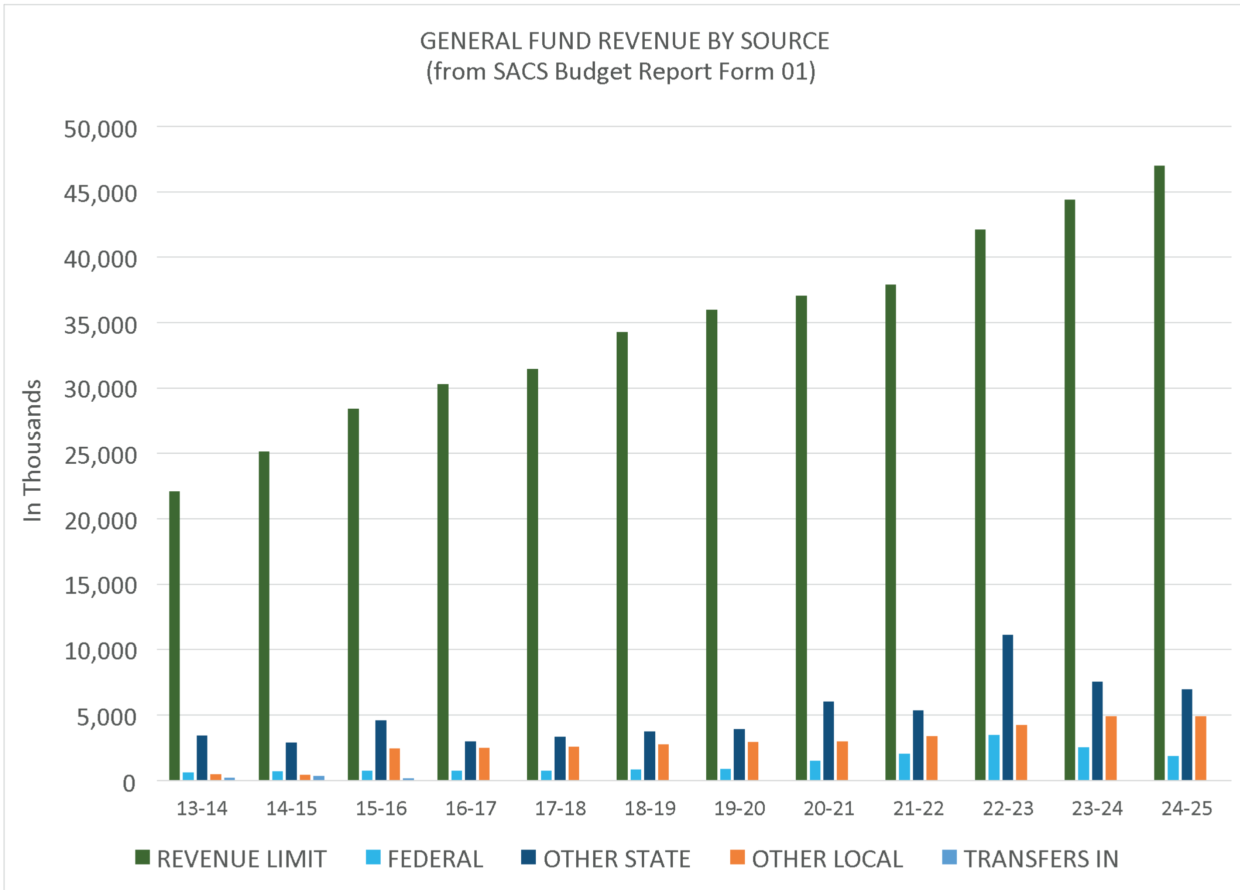


A stable student population has resulted in school expenditures for the Norris Elementary School District, i.e., teachers, administrators, counselors, nurse, psychological services, custodial, maintenance, office support, noon aides, utilities, insurance, supplies, and various other operating expenses, remaining relatively the same as compared to the prior year. Salary and benefit costs were 76% of the total General Fund expenses in 2024-25 and have averaged around 76% of the total General Fund expense budget over the past 10 years. The District is diligent in communicating with the community and bargaining units that the financial health of the District combined with a balanced budget and forward planning are in everyone's best interest.

Fund Analysis

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the 2024-25 fiscal year, its governmental funds reported a total fund balance of $95,811,470. This amount represents an increase of $3,749,546 over the previous year's ending balance. The District expects to maintain a sound financial picture.

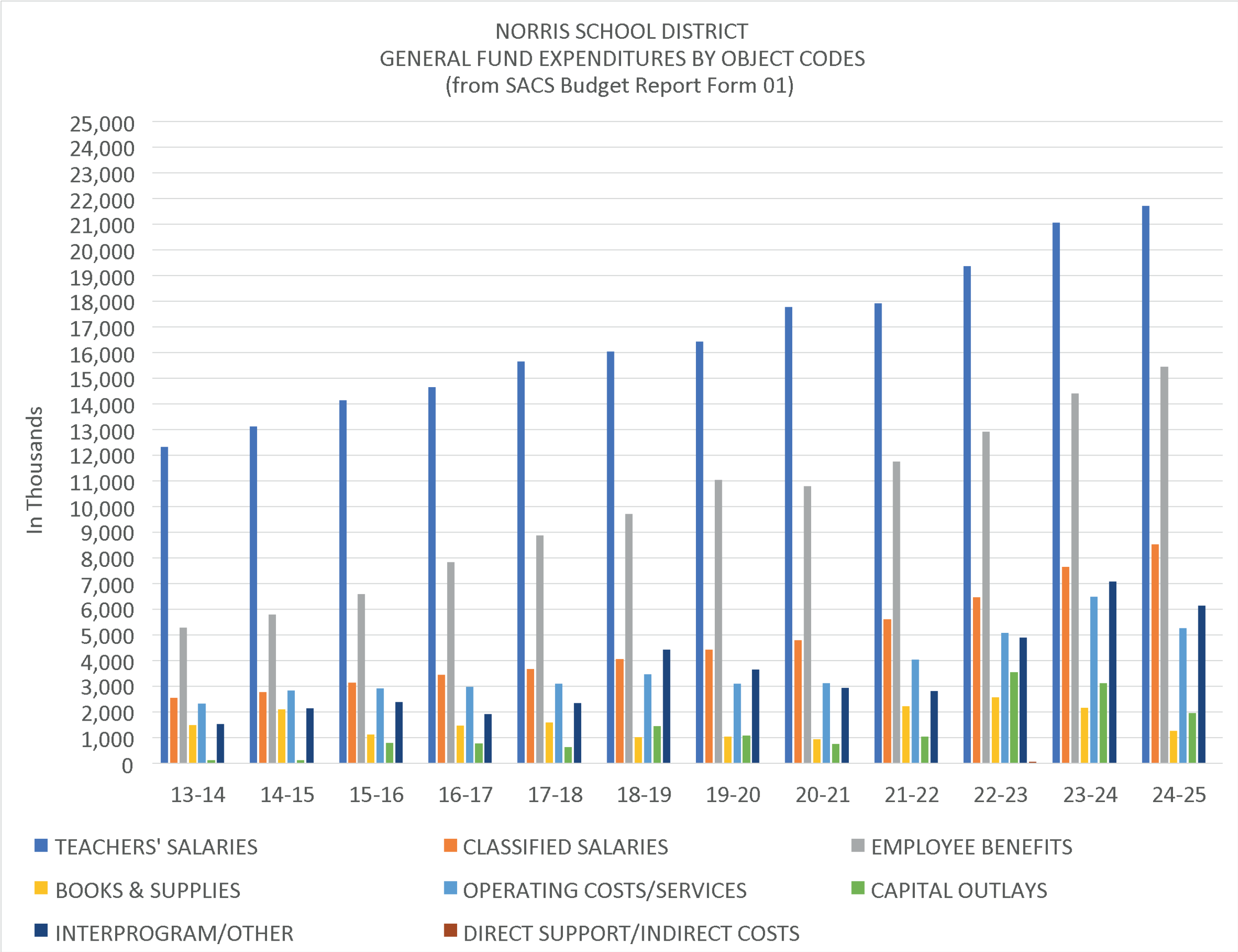
Revenue and expenditures related to the education of students and the routine operations of school business are tracked in the General Fund. The General Fund has always met the State requirement for reserves for economic uncertainty, and the District has never filed a qualified or negative budget report.



The LCFF, the single most important dollar amount that drives school district budgets, continues to be controlled by the State with little control by local decisions. In fiscal year 2024-25, approximately 60.3% of the Norris Elementary School District's revenue came from the LCFF that is apportioned to the District based on average daily attendance. This percentage is lower than the prior five-year average of 61% due to a decrease in student enrollment for the 2024-25 year and a decrease in gap funding provided by the LCFF.

Although the Norris Elementary School District has historically been the lowest funded school district in Kern County and among the lowest in the State, the newly implemented LCFF should equalize the District's funding over the next ten years. In addition to the LCFF, the General Fund receives revenue from federally- funded and state programs (approximately 9.8% of the total annual revenue), and other local funds (approximately 4.4% of the total annual revenue).

All expenditures are governed by the California Education Code and District policy. The District receives restricted categorical money from various different State and Federally funded program resources and locally funded restricted resources such as parent teacher clubs and associated student bodies.



The above-mentioned revenues, salaries, benefits, supplies, services, utilities, and other operating costs are accounted for within the General Fund. Other funds are required by the California Education Code and are used to account for revenue and expenditures as follows:

- **Student Body Fund** - Money generated through student activity funds
- **Cafeteria Fund** - Operation of the State and Federally required school lunch programs
- **Capital Facilities Fund** - Money collected from developer fees to be used exclusively for necessary school facilities construction for student population growth generated as a result of housing and commercial development
- **Special Reserve Fund for Capital Outlay Projects** - Money set aside for capital purchases such as land for new school sites
- **Capital Projects Fund for Blended Component Units** - This money is generated from fees and taxes collected on housing and commercial developments within the RNR Mello-Roos Community Facilities District. This money is to be used exclusively for necessary school facilities as a result of housing and commercial developments and related student population growth
- **Bond Interest and Redemption Fund** - Used to track tax revenues and payments related to general obligation bonds

- **Debt Service Fund for Blended Component Units** - Used to track Mello-Roos tax revenues and payments related to Mello-Roos bonds
- **Enterprise Fund** - Used to account for the revenues and expenditures of the childcare program

The following is a summary of major activity for 2024-25 in various District Governmental Funds:

- **Special Reserve Fund for Capital Outlay Projects (Fund 40)** – Funds from this Fund are invested in the Self-Insured Schools of Kern Investment Pool and are used for capital outlay projects
- **Capital Projects Fund for Blended Component Units (Fund 49)** – the Mello-Roos Project Fund) – Mello-Roos Community Facility District (CFD) and Mello-Roos bond revenues are placed in this Fund for the purpose of funding major construction projects. Increased student population generated by housing developments within the Mello-Roos CFD makes school facility construction projects necessary

General Fund Budgetary Highlights

The summary below shows the difference between the original adopted budget for 2024-25 and the year- end unaudited actuals:

2024-25 Budget Summary

	Adopted Budget	Unaudited Actuals	Variance
Average Daily Attendance	3,942	4,011	69
Revenues	$ 57,054,813	$ 60,761,614	$ 3,706,801
Expenditures	61,568,803	60,344,043	(1,224,760)
Transfers In and Out	750,000	750,000	-
Increase (Decrease) in Fund Balance	$ (3,763,990)	$ 1,167,571	$ 4,931,561

During the course of fiscal year 2025, the District amended its General Fund budget as needed. The District uses a site-based budget. The budgeting systems are designed to tightly control total site budgets, but provide flexibility for site management.

Categorical Program Analysis

The following table outlines the Federal categorical expenditures incurred by the District:

Federal Programs	Federal ALN	Resource Code	2024-25 Federal Expenditures	2023-24 Federal Expenditures
U.S. Department of Education:				
E.S.E.A.--Title I	84.010	3010	$ 492,404	$ 405,589
E.S.E.A.--Title II	84.367	4035	64,717	94,352
E.S.E.A.--Title IV	84.367	4127	25,966	-
Special Education--Basic Local Assistance	84.027	3310/3311	930,902	943,213
Special Education--I.D.E.A. (Preschool)	84.173	3315/3320	27,063	25,860
Elem & Second Schl Emerg Relief (ESSER III)	84.425	3213	-	501,116
Elem & Second Schl Emerg Relief (ESSER III) Learning Loss	84.425U	3214	-	243,121
Expanded Learning Opportunities Grant (ELO) ESSER II	84.425	3216	-	308,925
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	3218	58,794	-
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	3219	250,855	-
Total U.S. Department of Education			1,850,701	2,522,176
U.S. Department of Agriculture:				
National School Lunch Program	10.555	5310	1,166,465	1,216,702
Total Expenditures of Federal Awards			$ 3,017,166	$ 3,738,878

Capital Assets

The District established a $5,000 threshold for identifying capital assets. Capital assets are categorized by land, improvement of sites, buildings, equipment, leased assets, and work in progress. Table A-4 presents these categories (at cost) and the amount associated with each one, less accumulated depreciation. The total of capital assets for governmental activities as of June 30, 2025 was $93,402,925, which shows a increase of $1,709,426 from the prior year. The following table outlines the capital asset activity for the year, net of accumulated depreciation/amortization.

TABLE A-4
Capital Assets - Governmental Activities

	2025	2024	Percentage Change
Land	$ 6,405,148	$ 6,405,148	0.00%
Work-in-Progress	6,579,261	3,179,942	106.90%
Land improvements	3,096,592	3,577,857	-13.45%
Buildings	74,074,920	75,213,632	-1.51%
Leased assets	78,018	99,791	-21.82%
Equipment	3,168,986	3,217,129	-1.50%
Total capital assets	$ 93,402,925	$ 91,693,499	1.86%

Long-Term Debt

At the end of fiscal year 2024-25, the District had $31,865,694 in long-term outstanding debt. That is $504,582 decreased than at the end of the prior fiscal year, as shown in Table A-5.

TABLE A-5
Outstanding Long-Term Debt

	2025	2024	Percentage Change
Special tax bonds payable	$ 45,920,745	$ 47,136,046	-2.58%
Net pension liability	34,230,000	37,406,000	-8.49%
General obligation bonds payable	30,434,794	30,555,273	-0.39%
Accreted interest	874,187	1,199,574	-27.13%
Compensated absences payable	444,821	432,634	2.82%
Lease liability	81,892	102,795	-20.33%
Early retirement incentives-Other	30,000	80,000	-62.50%
Total long-term debt	$ 31,865,694	$ 32,370,276	-1.56%

Factors Bearing on the District's Future

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

- With the current Governor’s interest in supporting school facility funding, there is hope for additional funding. With the challenges that are currently faced at Norris Elementary School District we will continue to explore and advocate for any possible funding sources to update and improve facilities. The District is committed to remaining fiscally conservative while making certain we address our facilities updates in an organized and informed fashion.
- Although there was moderate ADA decrease in the current year, the District will continue to budget for stagnant growth in the future as a result of current economic uncertainty. In anticipation of future growth, there will still be a strong need for State assistance although no current funding is planned. The availability of State matching funds will play a major role in future construction and the District’s finances.

Contacting the District's Management

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

Cy Silver, Superintendent
Norris Elementary School District
6940 Calloway Drive, Bakersfield, California 93312

Phone: 661-387-7000
Fax: 661-399-9750

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Basic Financial Statements

Norris Elementary School District
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 95,829,452	$ 3,066,214	$ 98,895,666
Investments	3,694,484	-	3,694,484
Accounts receivable	989,675	10,725	1,000,400
Due from grantor governments	2,558,629	-	2,558,629
Internal balances	750,000	(750,000)	-
Stores inventories	2,250	-	2,250
Prepaid expenses	172,519	-	172,519
Unamortized issuance costs	480,104	-	480,104
Capital assets not depreciated	12,984,409	-	12,984,409
Capital assets, net of accumulated depreciation and amortization	80,418,516	-	80,418,516
Total assets	197,880,038	2,326,939	200,206,977
Deferred Outflows of Resources:			
Deferred outflows of resources - Pensions	12,143,584	-	12,143,584
Total deferred outflows of resources	12,143,584	-	12,143,584
Liabilities:			
Accounts payable	5,404,709	40,518	5,445,227
Due to grantor governments	3,340,057	-	3,340,057
Unearned revenue	510,724	-	510,724
Long-term liabilities			
Other than pensions due within one year	1,423,775	-	1,423,775
Other than pensions due after one year	76,362,664	-	76,362,664
Net pension liability	34,230,000	-	34,230,000
Total liabilities	121,271,929	40,518	121,312,447
Deferred Inflows of Resources:			
Deferred inflows of resources - Pensions	2,538,462	-	2,538,462
Total deferred inflows of resources	2,538,462	-	2,538,462
Net Position:			
Net investment in capital assets	15,501,460	-	15,501,460
Restricted for:			
Debt service	5,383,400	-	5,383,400
Capital projects	35,037,791	-	35,037,791
Other purposes	10,394,028	-	10,394,028
Unrestricted	19,896,552	2,286,421	22,182,973
Total net position	$ 86,213,231	$ 2,286,421	$ 88,499,652

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Statement of Activities
Year Ended June 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:						
Governmental Activities:						
Instruction	$ 36,248,882	$ 25,286	$ 6,672,413	$ (29,551,183)		$ (29,551,183)
Instruction-related services	5,162,553	664	1,226,819	(3,935,070)		(3,935,070)
Pupil services	7,011,803	(7,518)	3,668,760	(3,350,561)		(3,350,561)
Ancillary services	9,072	-	-	(9,072)		(9,072)
Community services	44,862	-	-	(44,862)		(44,862)
Enterprise	3,433	-	-	(3,433)		(3,433)
General administration	3,840,811	45	225,193	(3,615,573)		(3,615,573)
Plant services	5,685,271	-	119,335	(5,565,936)		(5,565,936)
Other outgo	6,151,480	-	2,038,040	(4,113,440)		(4,113,440)
Interest on long-term obligations	3,406,499	-	-	(3,406,499)		(3,406,499)
Total governmental activities	67,564,666	18,477	13,950,560	(53,595,629)		(53,595,629)
Business-type Activities:						
Enterprise activities	1,431,348	-	10,417	-	$ (1,420,931)	(1,420,931)
Total business-type activities	1,431,348	-	10,417	-	(1,420,931)	(1,420,931)
Total primary government	$ 68,996,014	$ 18,477	$ 13,960,977	(53,595,629)	(1,420,931)	(55,016,560)
General Revenues:						
LCFF sources				47,016,482	-	47,016,482
State revenues				3,411,059	-	3,411,059
Local revenues				12,065,552	1,549,581	13,615,133
Transfers				750,000	(750,000)	-
Total general revenues and transfers				63,243,093	799,581	64,042,674
Change in Net Position				9,647,464	(621,350)	9,026,114
Net Position - Beginning				76,565,767	2,907,771	79,473,538
Net Position - Ending				$ 86,213,231	$ 2,286,421	$ 88,499,652

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Balance Sheet - Governmental Funds
June 30, 2025

	General Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash in County Treasury	$ 38,230,486	$ 13,038,225	$ 18,476,872	$ 5,073,540	$ 74,819,123
Cash on hand and in banks	114,454	-	88,200	994,320	1,196,974
Cash in revolving fund	20,100	-	-	550	20,650
Cash with a fiscal agent/trustee	-	-	15,391,973	4,400,732	19,792,705
Investments	-	2,649,245	1,045,239	-	3,694,484
Accounts receivable	416,204	177,344	345,271	50,856	989,675
Due from grantor governments	2,558,629	-	-	-	2,558,629
Due from other funds	749,950	-	-	29,766	779,716
Stores inventories	-	-	-	2,250	2,250
Prepaid expenditures	165,973	-	-	6,546	172,519
Total assets	42,255,796	15,864,814	35,347,555	10,558,560	104,026,725
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 2,795,142	$ 10,594	$ 1,490,694	$ 38,328	$ 4,334,758
Due to grantor governments	3,340,057	-	-	-	3,340,057
Due to other funds	29,766	-	(50)	-	29,716
Unearned revenue	510,724	-	-	-	510,724
Total liabilities	6,675,689	10,594	1,490,644	38,328	8,215,255
Fund Balance:					
Nonspendable fund balances:					
Revolving cash	20,100	-	-	550	20,650
Stores inventories	-	-	-	2,250	2,250
Prepaid items	165,973	-	-	6,546	172,519
Restricted fund balances	6,447,422	-	33,856,911	10,510,886	50,815,219
Assigned fund balances	-	15,854,220	-	-	15,854,220
Other unassigned	28,946,612	-	-	-	28,946,612
Total fund balance	35,580,107	15,854,220	33,856,911	10,520,232	95,811,470
Total liabilities and fund balances	$ 42,255,796	$ 15,864,814	$ 35,347,555	$ 10,558,560	$ 104,026,725

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Reconciliation of the Balance Sheet - Governmental Funds, to the Statement of Net Position
June 30, 2025

Total Fund Balances - Balance Sheet, Governmental Funds	$ 95,811,470
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	150,509,953
Accumulated depreciation/amortization	(57,107,028)
Certain debt issue costs are recognized in the funds as expenditures in the period the debt was incurred, whereas in the government-wide statements, they are amortized over the life of the debt:	
Unamortized prepaid insurance related to debt	480,104
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(1,069,951)
General obligation bonds payable	(30,434,794)
Accreted interest	(874,187)
Special tax bonds payable	(45,920,745)
Net pension liability	(34,230,000)
Compensated absences payable	(444,821)
Leases payable	(81,892)
Early Retirement Incentives-Other	(30,000)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:	
Deferred outflows of resources related to pensions	12,143,584
Deferred inflows of resources related to pensions	(2,538,462)
Total Fund Balance of Governmental Activities - Statement of Net Position	$ 86,213,231

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2025

	General Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units	Other Governmental Funds	Total Governmental Funds
Revenues:					
LCFF sources:					
State apportionment or State aid	$ 27,087,582	$ -	$ -	$ -	$ 27,087,582
Education protection account funds	13,646,025	-	-	-	13,646,025
Local sources	6,282,875	-	-	-	6,282,875
Federal revenue	1,850,701	-	-	1,166,465	3,017,166
Other State revenue	6,976,831	-	-	1,873,060	8,849,891
Other local revenue	4,917,600	536,645	3,287,010	7,315,793	16,057,048
Total revenues	60,761,614	536,645	3,287,010	10,355,318	74,940,587
Expenditures:					
Current:					
Instruction	33,107,240	-	-	-	33,107,240
Instruction-related services	5,117,380	-	-	-	5,117,380
Pupil services	4,693,369	-	-	2,058,398	6,751,767
Ancillary services	-	-	-	9,072	9,072
General administration	3,810,171	-	-	455	3,810,626
Plant services	5,495,440	-	35,653	-	5,531,093
Other outgo	6,151,480	-	-	-	6,151,480
Capital outlay	1,968,963	419,577	3,912,975	64,874	6,366,389
Debt service:					
Principal	-	-	-	1,335,780	1,335,780
Interest and other service charges	-	-	-	3,751,588	3,751,588
Total expenditures	60,344,043	419,577	3,948,628	7,220,167	71,932,415
Excess (Deficiency) of Revenues Over (Under) Expenditures	417,571	117,068	(661,618)	3,135,151	3,008,172
Other Financing Sources (Uses):					
Transfers in	750,000	-	-	-	750,000
Other sources	-	-	-	51	51
Other uses	-	-	-	(8,677)	(8,677)
Total other financing sources (uses)	750,000	-	-	(8,626)	741,374
Net Change in Fund Balance	1,167,571	117,068	(661,618)	3,126,525	3,749,546
Fund Balance, July 1	34,412,536	15,737,152	34,518,529	7,393,707	92,061,924
Fund Balance, June 30	$ 35,580,107	$ 15,854,220	$ 33,856,911	$ 10,520,232	$ 95,811,470

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 3,749,546
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Expenditures for capital outlay	6,382,930
Depreciation and amortization expense	(4,673,504)
Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	1,356,683
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:	
Change in accrued interest payable and accreted interest	345,089
Compensated absences	(12,187)
Early Retirement Incentives-STRS	50,000
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:	2,448,907
Change in Net Position of Governmental Activities - Statement of Activities	$ 9,647,464

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Balance Sheet - Proprietary Funds
June 30, 2025

		Extended Day Class Fund
Assets:		
Cash in County Treasury	$	8,257
Cash on hand and in banks		3,057,957
Accounts receivable		10,725
Total assets		3,076,939
Liabilities and Fund Balance:		
Liabilities:		
Accounts payable	$	40,518
Due to other funds		750,000
Total liabilities		790,518
Fund Balance:		
Other unassigned		2,286,421
Total fund balance		2,286,421
Total liabilities and fund balances	$	3,076,939

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Proprietary Funds
Year Ended June 30, 2025

	Extended Day Class Fund
Revenues:	
Other State revenue	$ 10,417
Other local revenue	1,549,581
Total revenues	1,559,998
Expenditures:	
Current:	
Enterprise	1,431,348
Total expenditures	1,431,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	128,650
Other Financing Sources (Uses):	
Transfers out	(750,000)
Total other financing sources (uses)	(750,000)
Net Change in Fund Balance	(621,350)
Fund Balance, July 1	2,907,771
Fund Balance, June 30	$ 2,286,421

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Statement of Cash Flows - Proprietary Funds
June 30, 2025

	Extended Day Class Fund
Cash Flows from Operating Activities:	
Cash received from customers	$ 1,558,489
Cash payments to employees for services	(1,432,003)
Net cash provided by operating activities	126,486
Net increase in cash and cash equivalents	126,486
Cash and cash equivalents at beginning of year	2,939,728
Cash and cash equivalents at end of year	$ 3,066,214
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating loss	$ (621,350)
Adjustments to reconcile operating income to net cash	
Reconciliation of operating income to net cash provided by operating activities:	
Change in assets and liabilities	
Increase in receivables	(1,509)
Decrease in accounts payable	(655)
Increase in due to other funds	750,000
Total adjustments	747,836
Net cash provided by operating activities	$ 126,486

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Special Reserve Fund for Capital Projects is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code 42840 et seq.

Capital Projects Fund for Blended Component Units is used to account for the District’s interest in Capital Projects Fund of a Community Facilities District.

The District reports the following nonmajor governmental funds:

Student Body Fund is used to account for revenues received and expenditures made related to student activity funds.

Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's cafeterias.

Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

Bond Interest and Redemption Fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of bonds issued by the District.

Debt Service Fund for Blended Component Units is used to account for the District’s interest in the Debt Service Fund of a Community Facilities District, which is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of the Special Tax Bonds issued by the Community Resource Facilities District for projects at the District.

The District reports the following major enterprise funds:

Enterprise Fund is financed and operated in a manner similar to that employed by private business enterprises; that is, the governing board's intent is that the costs of providing continuous goods or services can be through charges to users.

Measurement Focus, Basis of Accounting

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

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

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

Encumbrances

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

Assets, Liabilities, and Equity

Deposits and Investments

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

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

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

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

Stores Inventories and Prepaid Expenditures

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

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

Capital Assets

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

Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation, air conditioning systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical / plumbing		30
Sprinkler / fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tools	15
Kitchen equipment	Appliance	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating, and printing equipment	10
Copiers		5
Communications equipment	Mobile, portable radios, noncomputerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 20
Computer software	Administrative or long-term	10 to 20
Audiovisual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors' equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressors	10
Grounds equipment	Mowers, tractors, attachments	15

Receivable and Payable Balances

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

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

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Unearned Revenue

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

Interfund Activity

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

Amounts due to and due from other funds as of June 30, 2025, consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	$ 749,950	$ 29,766
Cafeteria Special Revenue Fund	29,766	-
Capital Project Fund for Blended Component Units	-	(50)
Extended Day Class Fund	-	750,000
Total	$ 779,716	$ 779,716

Transfers to and from other funds during the year ended June 30, 2025, consisted of the following:

Transfers From	Transfers To	Amount	Reason
Extended Day Class Fund	General Fund	$ 750,000	Reimburse the General Fund for Extended Day Class Funds

Property Taxes

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

Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows.

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

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

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

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

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

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

Deferred Inflows and Deferred Outflows of Resources

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

GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve Fund for Postemployment Benefits) are merged with the General Fund for purposes of presentation in the audit report, if applicable.

Pensions

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

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

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

Use of Estimates

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

Fair Value Measurements

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

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

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

Excess Sick Leave

The District did not authorize or accrue any excess sick leave as that term is defined in subdivision (c) of Education Code Section 22170.5 for the District's employees who are members of the California State Teachers' Retirement System (CalSTRS).

Implementation of New Standards

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

GASB Statement No. 101, Compensated Absences

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

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

GASB Statement No. 102, Certain Risk Disclosures

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

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

Future Standards

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

GASB Statement No. 103, Financial Reporting Model Improvements

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

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

GASB Statement No. 104, Disclosure of Certain Capital Assets

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

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

Note 2 - Cash and Investments

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Kern County Treasury as part of the common investment pool ($7,382,531,024 as of June 30, 2025). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $74,819,123. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on hand, in banks, and in revolving fund

Cash balances on hand and in banks ($1,196,974 as of June 30, 2025) and in the revolving fund $20,650 are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

The District's cash and investments balances at June 30, 2025 are as follows:

		Fair Value
Cash in County Treasury	$	74,819,123
Cash on hand and in banks		1,196,974
Cash in revolving fund		20,650
Cash with a fiscal agent/trustee		19,792,705
Total cash and cash equivalents	$	95,829,452
Investments		3,694,484
Total cash and investments	$	99,523,936

Analysis of Specific Deposit and Investment Risks

Credit Risk

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

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to significant custodial credit risk.

Concentration of Credit Risk

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

Interest Rate Risk

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

Foreign Currency Risk

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

Investment Accounting Policy

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

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

Note 3 - Accounts Receivable

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

	General Fund (Combined)	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units	All Other Governmental Funds	Total Governmental Funds
Federal programs	$ 1,551,212	$ -	$ -	$ 34,611	$ 1,585,823
State categorical aid programs	673,967	-	-	-	673,967
Other local receivables	749,654	177,344	345,271	16,245	1,288,514
Total	$ 2,974,833	$ 177,344	$ 345,271	$ 50,856	$ 3,548,304

Note 4 - Capital Assets

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

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 6,405,148	$ -	$ -	$ 6,405,148
Work in progress	3,179,942	5,264,685	(1,865,366)	6,579,261
Total capital assets not being depreciated	9,585,090	5,264,685	(1,865,366)	12,984,409
Capital assets being depreciated:				
Buildings	111,071,791	2,170,892	-	113,242,683
Improvements of sites	14,498,711	140,698	-	14,639,409
Equipment	8,862,568	672,021	-	9,534,589
Leased assets	108,863	-	-	108,863
Total capital assets being depreciated	134,541,933	2,983,611	-	137,525,544
Less: Accumulated depreciation/amortization for:				
Buildings	(35,858,159)	(3,309,604)	-	(39,167,763)
Improvements of sites	(10,920,854)	(621,963)	-	(11,542,817)
Equipment	(5,645,439)	(720,164)	-	(6,365,603)
Leased assets amortization	(9,072)	(21,773)	-	(30,845)
Total accumulated depreciation/amortization	(52,433,524)	(4,673,504)	-	(57,107,028)
Total capital assets being depreciated/amortized, net	82,108,409	(1,689,893)	-	80,418,516
Total governmental activities capital assets, net	$ 91,693,499	$ 3,574,792	$(1,865,366)	$ 93,402,925

Depreciation/amortization was charged to functions as follows:

Instruction	$ 4,031,323
Instructional library, media, and technology	62,170
School site administration	62,615
Home-to-school transportation	119,435
Food services	62,963
All other pupil services	131,737
Community services	44,862
All other general administration	4,298
Data processing	22,444
Plant services	131,657
Total	$ 4,673,504

Note 5 - Accounts Payable

Accounts payable at June 30, 2025 consisted of the following:

	General Fund (Combined)	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units	All Other Governmental Funds	Total Governmental Funds
Vendor payables	$ 1,294,586	$ 10,594	$ 1,490,694	$ 38,328	$ 2,834,202
Salaries and benefits	1,500,557	-	-	-	1,500,557
Other	3,340,056	-	-	-	3,340,056
Total	$ 6,135,199	$ 10,594	$ 1,490,694	$ 38,328	$ 7,674,815

Note 6 - Unearned Revenue

The District has received revenues for programs as advances, or before program expenditures were incurred. Such revenues are reported in these statements as "unearned," and will be recognized in subsequent periods as program expenditures are made.

	General Fund (Combined)
Every Student Succeeds Act (ESSA): Title I, Part A, Basic Grants Low Income and Neglected	$ 108,310
Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	176,352
Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants	17,418
ESSA: Title II, Part A, Supporting Effective Instruction	2,182
Child Dev: California Prekindergarten Planning and Implementation Grant Program – California Universal Prekindergarten Planning Grants	201,443
Other	5,019
Total	$ 510,724

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

Long-Term Obligation Activity

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 30,555,273	$ -	$ (120,479)	$ 30,434,794	$ 30,000
Special tax bonds	47,136,046	-	(1,215,301)	45,920,745	1,342,036
Accreted interest	1,199,574	109,134	(434,521)	874,187	-
Net pension liability	37,406,000	-	(3,176,000)	34,230,000	-
Compensated absences	432,634	12,187	-	444,821	-
Leases liability	102,795	-	(20,903)	81,892	21,739
Early retirement incentives-Other	80,000	-	(50,000)	30,000	30,000
Total governmental activities	$ 116,912,322	$ 121,321	$ (5,017,204)	$ 112,016,439	$ 1,423,775

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Special tax bonds	Governmental	Bond Interest and Redemption
Accreted interest	Governmental	General
Net pension liability	Governmental	General
Compensated absences	Governmental	General
Leases liability	Governmental	General
Early retirement incentives-Other	Governmental	General

General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2025, is as follows:

Bond	Date of Issue	Maturity Date	Interest Rate %
1987 D	6/20/00	5/1/25	5.125-6.25
2012 A	9/19/12	11/1/42	3.00-5.74
2021 Refunding	4/7/21	8/1/42	1.74-5.07

Bond	Original Issue	Bond Outstanding 06/30/2024	Issued During Year	Redeemed During Year	Bond Outstanding 06/30/2025
1987 D	$ 1,749,801	$ 120,479	$ -	$ (120,479)	$ -
2012 A	16,507,908	3,179,794	-	-	3,179,794
2021 Refunding	27,255,000	27,255,000	-	-	27,255,000
	$ 45,512,709	$ 30,555,273	$ -	$ (120,479)	$ 30,434,794

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2025 are as follows:

	General Obligation Bonds		
Year Ending June 30,	Principal	Interest	Total
2026	$ 30,000	$ 1,011,281	$ 1,041,281
2027	65,000	1,010,543	1,075,543
2028	140,000	1,008,952	1,148,952
2029	285,000	1,005,440	1,290,440
2030	470,000	998,460	1,468,460
2031-2035	5,815,000	4,699,600	10,514,600
2036-2040	11,988,797	5,288,352	17,277,149
2041-2043	11,640,997	745,976	12,386,973
Totals	$ 30,434,794	$ 15,768,604	$ 46,203,398

Year Ending June 30,	Accreted Interest
2036-2040	$ 783,160
2041-2043	91,027
Totals	$ 874,187

Special Tax Bonds

Special tax bonds payable of the RNR School Financing Authority (a blended component unit) are neither general nor special obligations of Kern County, the Authority, or the RNR member school districts, nor are they general obligations of the Community Facilities District. These bonds are payable solely from special tax revenues and from amounts in certain of the funds created under the RNR Fiscal Agent Agreement and the earnings thereon. The District's utilized share in the outstanding limited obligation bonded debt of the RNR School Financing Authority at June 30, 2025 is as follows:

The outstanding general obligation bond debt of the District at June 30, 2025 is as follows:

Bond	Date of Issue	Maturity Date	Interest Rate %
2014B	7/3/14	9/1/35	2.00-5.00
2015A	4/16/15	9/1/36	3.00-5.00
2017A	2/16/17	9/1/41	3.00-5.00
2021 Refunding	5/24/22	9/1/30	4.00

Bond	Original Issue	Bond Outstanding 06/30/2024	Issued During Year	Redeemed During Year	Bond Outstanding 06/30/2025
2014B	$ 14,335,000	$ 11,795,000	$ -	$ (475,000)	$ 11,320,000
2015A	11,275,000	9,735,000	-	(330,000)	9,405,000
2017A	23,650,000	23,325,000	-	(145,000)	23,180,000
2021 Refunding	2,781,904	2,281,046	-	(265,301)	2,015,745
	$ 52,041,904	$ 47,136,046	$ -	$ (1,215,301)	$ 45,920,745

The annual requirements to amortize special tax bonds, payable and outstanding, as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 1,342,036	$ 2,164,661	$ 3,506,697
2027	1,466,725	2,103,246	3,569,971
2028	1,611,756	2,030,788	3,642,543
2029	1,762,652	1,953,459	3,716,111
2030	1,918,814	1,869,495	3,788,308
2031-2035	12,383,762	7,728,983	20,112,746
2036-2040	17,880,000	4,203,384	22,083,384
2041-2042	7,555,000	346,125	7,901,125
Totals	$ 45,920,745	$ 22,400,141	$ 68,320,885

Early Retirement Incentives - Other

The District adopted an early retirement incentive program. The District entered into contracts with certain eligible employees whereby the District agreed to make annual contributions towards their preferred retirement accounts.

The annual requirements to amortize early retirement incentives as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 30,000	$ -	$ 30,000

Compensated Absences

Compensated absences at June 30, 2025 consisted of:

	Compensated Absences	Benefits	Total
Classified	$ 328,136	$ 116,685	$ 444,821

All amounts are due after one year.

Leases

The District has leasing arrangements outstanding at year end with an implied interest rate of 4.0 percent. Variable payments not included in the measurement of the leases are estimated by the District and payable upon lease expiration.

Future lease payment obligations are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 21,739	$ 3,276	$ 25,015
2027	22,609	2,406	25,015
2028	23,513	1,502	25,015
2029	14,031	561	14,592
Total	$ 81,892	$ 7,745	$ 89,637

Note 8 - Pension

General Information About the Pension Plans

Plan Descriptions

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

Benefits Paid

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

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

	CalSTRS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%
Required Employee Contribution Rates	10.25%	10.21%
Required Employer Contribution Rates	19.10%	19.10%
Required State Contribution Rates	10.83%	10.83%

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 55	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0-2.5%
Required Employee Contribution Rates	7.00%	8.00%
Required Employer Contribution Rates	26.68%	26.68%

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

Contributions

CalSTRS

For the fiscal year ended June 30, 2025 (measurement date June 30, 2024), California Education Code Section 22950 requires members to contribute monthly to the system 10.21% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2025. For fiscal year June 30, 2025 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2025 (measurement date June 30, 2024), employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 8.00% of annual pay, and the contribution rate was 26.68% of covered payroll.

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2025 (measurement date June 30, 2024) the State contributed 10.83% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements. The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District. Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

	CalSTRS	
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount
2022	10.83%	$ 1,589,351
2023	10.83%	1,855,846
2024	10.83%	1,950,997

Contributions Recognized

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

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 4,152,238	$ 2,308,873	$ 6,461,111
Contributions - State On Behalf Payments	1,950,997	-	1,950,997
Total Contributions	$ 6,103,235	$ 2,308,873	$ 8,412,108

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

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

	Proportionate Share of Net Pension Liability
CalSTRS	$ 21,060,000
CalPERS	13,170,000
Total Net Pension Liability	$ 34,230,000

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

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

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2024	0.032%	0.015%	0.047%	0.036%
Proportion June 30, 2025	0.031%	0.014%	0.045%	0.037%
Change in Proportion	-0.001%	-0.001%	-0.002%	0.001%

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

<u>Pension Expense</u>

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	$ (3,156,000)	$ (20,000)	$ (3,176,000)
On Behalf Contribution Amount	1,950,997	-	1,950,997
Employer Contributions to Pension Plan	3,934,101	1,939,235	5,873,336
Change in Other Outflows/Inflows of Resources	587,115	139,978	727,093
Total Pension Expense	$ 3,316,213	$ 2,059,213	$ 5,375,426

Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	$ 5,453,576	$ 2,308,873	$ 7,762,449
Differences between actual and expected experience	2,382,118	1,104,134	3,486,252
Changes in assumptions	92,187	291,107	383,294
Net difference between projected and actual earnings	-	511,589	511,589
Total Deferred Outflows of Resources	$ 7,927,881	$ 4,215,703	$ 12,143,584

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	$ (920,927)	$ (94,259)	$ (1,015,186)
Changes in assumptions	(1,438,301)	-	(1,438,301)
Net difference between projected and actual earnings	(84,975)	-	(84,975)
Total Deferred Inflows of Resources	$ (2,444,203)	$ (94,259)	$ (2,538,462)

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2025. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect
Year Ended June 30	CalSTRS	CalPERS	CalSTRS	CalPERS	on Expenses
2026	$ 4,647,507	$ 3,041,702	$ (2,003,212)	$ (94,259)	$ 5,591,738
2027	495,269	1,207,055	1,192,251	-	2,894,575
2028	449,175	128,821	(604,388)	-	(26,392)
2029	449,175	(161,875)	(549,420)	-	(262,120)
2030	449,018	-	(239,717)	-	209,301
Thereafter	1,437,737	-	(239,717)	-	1,198,020
Total	$ 7,927,881	$ 4,215,703	$ (2,444,203)	$ (94,259)	$ 9,605,122

Actuarial Assumptions

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

	CalSTRS	CalPERS
Fiscal Year	June 30, 2025	June 30, 2025
Measurement Date	June 30, 2024	June 30, 2024
Valuation Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2007-2022 and 2017-2022	2000-2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

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

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The current mortality assumption uses a base year of 2023 and projected improvement is based on the MP–2021 Ultimate Projection Scale.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.30% thereafter.

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

Discount Rate

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

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

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM May 2023 with new policies in effect on July 1, 2023. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

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

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

CalSTRS

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

*20-30 year geometric average
** Real rates of return are net of assumed 2.75% inflation

CalPERS

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

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

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

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

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	$ 37,458,236	$ 19,564,544
Current Discount Rate	7.10%	6.90%
Net Pension Liability	$ 21,060,000	$ 13,170,000
1% Increase	8.10%	7.90%
Net Pension Liability	$ 7,366,160	$ 7,888,088

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

Note 9 - Other Retirement Plans

Section 457 Deferred Compensation Plan

Plan Description

The District's Board of Trustees previously authorized the establishment of a qualified Internal Revenue Code Section 457 deferred compensation plan for the exclusive benefit of all employees of the District.

Funding Policy

All eligible employees electing to participate in this plan choose the amount of monthly compensation deferrals up to the maximums allowed by the Internal Revenue Code and its regulations and rulings. The District does not contribute to the plan on behalf of participating employees. For the fiscal year ended June 30, 2025, there were 282 employees that had elected to participate, with total compensation deferrals of $862,609.

Note 10 - Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

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

Pending Assessment for Disputed Tax Revenues

The Kern County Auditor-Controller's Office has impounded disputed revenues of school district taxes on secured and unsecured property based on claims or actions filed for the return of such tax revenues. The claims and actions are regarding the valuation of mineral rights that could trigger repayment of property taxes. Revenues are impounded until the final disposition of the claim or action. The Kern County Auditor-Controller has estimated the contingent liability as of June 30, 2025 as follows:

Pending appeals for taxes	$ 67,278
Pending appeals for interest	1,648
Total	68,926
Less amount held by Kern County Auditor-Controller	(27,072)
Net contingent liability	$ 41,854

Litigation

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

Construction Commitments

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

	Project Authorization	Expended to June 30, 2025	Remaining Commitment
Olive Drive and Veterans TK Modulars-Pre-Construction	$ 203,993	$ 91,890	$ 112,103
Olive Drive Elementary TK Modular Building-Construction	569,315	199,856	369,459
Olive Drive Elementary TK Modular Building-Plumbing	69,000	41,800	27,200
Olive Drive Elementary TK Modular Building-Electrical	550,788	197,543	353,245
Veterans Elementary TK Modulars-Construction	612,110	244,373	367,737
Veterans Elementary TK Modulars-Plumbing	157,000	107,350	49,650
Veterans Elementary TK Modulars-Electrical	591,700	192,180	399,520
Total	$ 2,162,206	$ 882,812	$ 1,279,394

Note 11 - Restricted Fund Balances

Restricted fund balances at June 30, 2025 are as follows:

Expanded Learning Opportunities Program	$ 2,263,529
Educator Effectiveness, FY 2021-22	251,654
Special Education Early Intervention Preschool Grant	740,382
Arts, Music, and Instructional Materials Discretionary Block Grant	568,461
Arts and Music in Schools (AMS)-Funding Guarantee and Accountability Act (Prop 28)	515,514
Child Nutrition: Kitchen Infrastructure and Training Funds - 2022 KIT Funds	185,177
Classified School Employee Professional Development Block Grant	17,577
Other Restricted State	24,323
Ongoing & Major Maintenance Account (RMA: Education Code Section 17070.75)	1,784,441
Other Restricted Local	96,364
Student Body Fund	14,658
Cafeteria Special Revenue Fund	3,931,948
Capital Facilities Fund	1,180,880
Capital Project Fund for Blended Component Units	33,856,911
Bond Interest and Redemption Fund	943,604
Debt Services Fund for Blended Component Units	4,439,796
Total	$ 50,815,219

Note 12 - Joint Power Agreements

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

- RNR School Financing Authority
  (financing)

- Schools Legal Services
  (legal services)

- Self-Insured Schools of California I (SISC I)
  (workers' compensation insurance)

- Self-Insured Schools of California II (SISC II)
  (property and liability insurance)

- Self-Insured Schools of California III (SISC III)
  (health insurance)

The relationship between the District and RNR School Financing Authority is described in Footnote 1. RNR School Financing Authority is considered a component unit of Norris Elementary School District.

The relationships between the District and the other JPAs are such that none of the other JPAs are component units of the District for financial reporting purposes.

The JPAs provide insurance and services as noted for member organizations.

Each JPA is governed by a board consisting of a representative from each member organization. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board.

Each member organization pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA.

Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records.

The District's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

Condensed financial information for the above JPAs for the year ended June 30, 2025 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below.

RNR School Financing Authority	C/O Rosedale Union School District 553 Old Farm Road Bakersfield, CA 93312

Schools Legal Services	Kern County Superintendent of Schools 1300 17th St., No. 7 Bakersfield, CA 93301
SISC I, II and III	Self-Insured Schools of California Kern County Superintendent of Schools P. O. Box 1847 Bakersfield, CA 93303-1847

Note 13 - Subsequent Events

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

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Required Supplementary Information

Norris Elementary School District
General Fund (Combined)
Budgetary Comparison Schedule
June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
LCFF sources:				
State apportionment or State aid	$ 26,472,094	$ 27,087,582	$ 27,087,582	$ -
Education protection account funds	13,003,062	13,646,025	13,646,025	-
Local sources	5,601,407	6,282,875	6,282,875	-
Federal revenue	1,655,193	1,850,701	1,850,701	-
Other State revenue	6,315,779	6,976,831	6,976,831	-
Other local revenue	4,007,278	4,917,600	4,917,600	-
Total revenues	57,054,813	60,761,614	60,761,614	-
Expenditures:				
Current:				
Certificated salaries	21,044,463	22,104,292	21,706,282	(398,010)
Classified salaries	7,844,158	8,576,598	8,524,981	(51,617)
Employee benefits	14,997,732	16,241,834	15,443,682	(798,152)
Books and supplies	1,880,082	1,300,627	1,270,309	(30,318)
Services and other	5,972,066	5,677,423	5,278,345	(399,078)
Other outgo	7,497,873	6,151,480	6,151,480	-
Direct support / indirect costs	-	1	1	-
Capital outlay	2,332,429	2,071,220	1,968,963	(102,257)
Total expenditures	61,568,803	62,123,475	60,344,043	(1,779,432)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,513,990)	(1,361,861)	417,571	1,779,432
Other Financing Sources (Uses):				
Transfers in	750,000	750,000	750,000	-
Total other financing sources (uses)	750,000	750,000	750,000	-
Net Change in Fund Balance	(3,763,990)	(611,861)	1,167,571	1,779,432
Fund Balance, July 1	34,412,536	34,412,536	34,412,536	-
Fund Balance, June 30	$ 30,648,546	$ 33,800,675	$ 35,580,107	$ 1,779,432

Norris Elementary School District
Special Reserve Fund for Capital Outlay Projects
Budgetary Comparison Schedule
June 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other local revenue	$ -	$ 536,645	$ 536,645
Total revenues	-	536,645	536,645
Expenditures:			
Current:			
Capital outlay	419,577	419,577	-
Total expenditures	419,577	419,577	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(419,577)	117,068	536,645
Other Financing Sources (Uses):			
Total other financing sources (uses)	-	-	-
Net Change in Fund Balance	(419,577)	117,068	536,645
Fund Balance, July 1	15,737,152	15,737,152	-
Fund Balance, June 30	$ 15,317,575	$ 15,854,220	$ 536,645

Norris Elementary School District
Capital Project Fund for Blended Component Units
Budgetary Comparison Schedule
June 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other local revenue	$ 3,287,010	$ 3,287,010	$ -
Total revenues	3,287,010	3,287,010	-
Expenditures:			
Current:			
Services and other	35,653	35,653	-
Capital outlay	3,912,975	3,912,975	-
Total expenditures	3,948,628	3,948,628	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(661,618)	(661,618)	-
Other Financing Sources (Uses):			
Total other financing sources (uses)	-	-	-
Net Change in Fund Balance	(661,618)	(661,618)	-
Fund Balance, July 1	34,518,529	34,518,529	-
Fund Balance, June 30	$ 33,856,911	$ 33,856,911	$ -

Norris Elementary School District
Schedule of the District's Proportionate Share of the Net Pension Liability
California State Teachers' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's portion of the net pension liability (asset)	0.031%	0.032%	0.028%	0.031%	0.031%	0.030%	0.029%	0.028%	0.028%	0.028%
District's proportionate share of the net pension liabiliy (asset)	21,060,000	24,216,000	19,783,000	14,115,671	29,560,152	26,726,778	26,380,064	25,245,367	22,826,241	19,024,000
State's proportionate share of the net pension liability (asset) associated with the District	9,662,414	11,602,564	9,907,251	7,102,606	15,238,139	15,072,592	15,160,060	15,245,367	12,541,134	10,062,000
Total	$30,722,414	$35,818,564	$29,690,251	$21,218,277	$44,798,291	$41,799,370	$41,540,124	$40,490,734	$35,367,375	$29,086,000
District's covered-employee payroll	$21,822,353	$21,188,048	$19,484,956	$18,029,260	$17,874,560	$16,529,731	$16,126,447	$15,403,590	$14,715,426	$14,122,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	96.51%	114.29%	101.53%	78.29%	165.38%	161.69%	163.58%	163.89%	155.12%	134.71%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.57%	72.31%	72.56%	70.99%	69.46%	69.95%	74.02%

Norris Elementary School District
Schedule of the District's Proportionate Share of the Net Pension Liability
California Public Employees' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's portion of the net pension liability (asset)	0.037%	0.036%	0.034%	0.032%	0.032%	0.030%	0.029%	0.028%	0.028%	0.027%
District's proportionate share of the net pension liabiliy (asset)	$13,170,000	$13,190,000	$11,766,000	$6,472,450	$9,655,350	$8,766,593	$7,642,459	$6,565,454	$5,079,022	$3,507,000
District's covered-employee payroll	$ 9,921,082	$ 9,100,706	$ 7,762,221	$6,716,582	$5,873,262	$ 593,184	$4,976,779	$3,852,946	$3,532,265	$3,417,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	132.75%	144.93%	151.58%	96.37%	164.40%	165.55%	153.56%	170.40%	143.79%	102.63%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	80.97%	80.69%	69.64%	70.05%	70.85%	71.87%	73.61%	79.43%

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	3,934,101	3,651,310	3,153,757	2,871,890	2,769,408	2,815,293	2,613,622	2,222,738	1,851,578	1,515,287
Contributions in relation to the contractually required contribution	(3,934,101)	(3,651,310)	(3,153,757)	(2,871,890)	(2,769,408)	(2,815,293)	(2,613,622)	(2,222,738)	(1,851,578)	(1,515,287)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$21,822,353	$21,188,048	$19,484,956	$18,029,260	$17,874,560	$16,529,731	$16,126,447	$15,403,590	$14,718,426	$14,122,000
Contributions as a percentage of covered-employee payroll	18.03%	17.23%	16.19%	15.93%	15.49%	17.03%	16.21%	14.43%	12.58%	10.73%

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	1,939,235	1,600,342	1,200,725	1,219,856	945,777	894,865	768,639	598,401	490,561	404,782
Contributions in relation to the contractually required contribution	(1,939,235)	(1,600,342)	(1,200,725)	(1,219,856)	(945,777)	(894,865)	(768,639)	(598,401)	(490,561)	(404,782)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 9,921,082	$ 9,100,706	$ 7,762,221	$ 6,716,582	$5,873,262	$5,393,184	$4,976,779	$3,852,946	$3,532,265	$3,417,000
Contributions as a percentage of covered-employee payroll	19.55%	17.58%	15.47%	18.16%	16.10%	16.59%	15.44%	15.53%	13.89%	11.85%

Supplementary Information

Norris Elementary School District
Schedule of Average Daily Attendance
Year Ended June 30, 2025

	Second Period Report	Annual Report
Grades TK-3:		
Regular ADA	1,729.41	1,735.84
Extended Year Special Education	12.21	12.21
Grades TK-3 Total	1,741.62	1,748.05
Grades 4-6:		
Regular ADA	1,308.54	1,308.01
Extended Year Special Education	7.22	7.22
Grades 4-6 Total	1,315.76	1,315.23
Grades 7 and 8:		
Regular ADA	946.44	945.93
Extended Year Special Education	7.13	7.13
Grades 7 and 8 Total	953.57	953.06
ADA Grand Total	4,010.95	4,016.34

There were no audit findings which resulted in necessary revisions to attendance.

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

Norris Elementary School District
Schedule of Instructional Time
Year Ended June 30, 2025

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2024-25 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Transitional Kindergarten	36,000	N/A	46,930	180	N/A	Complied
Kindergarten	36,000	N/A	46,930	180	N/A	Complied
Grade 1	50,400	N/A	51,720	180	N/A	Complied
Grade 2	50,400	N/A	51,720	180	N/A	Complied
Grade 3	50,400	N/A	51,720	180	N/A	Complied
Grade 4	54,000	N/A	57,715	180	N/A	Complied
Grade 5	54,000	N/A	57,715	180	N/A	Complied
Grade 6	54,000	N/A	57,715	180	N/A	Complied
Grade 7	54,000	N/A	63,761	180	N/A	Complied
Grade 8	54,000	N/A	63,761	180	N/A	Complied

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

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

Norris Elementary School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2025

General Fund (Combined)	Budget 2026 (see note a)	2025	2024	2023
Revenue and other financial sources	$ 62,030,149	$ 61,511,614	$ 61,157,282	$ 61,016,181
Expenditures	63,116,235	60,344,043	62,038,020	54,889,161
Other uses and transfers out	-	-	-	-
Total outgo	63,116,235	60,344,043	62,038,020	54,889,161
Change in fund balance (deficit)	(1,086,086)	1,167,571	(880,738)	6,127,020
Ending fund balance	$ 34,494,021	$ 35,580,107	$ 34,412,536	$ 35,293,274
Available reserves (see note b)	$ 29,003,433	$ 28,946,612	$ 26,359,673	$ 25,864,421
Available reserves as a percentage of total outgo	46.0%	48.0%	42.5%	47.1%
Total long-term debt	$110,592,664	$112,016,439	$116,912,322	$112,578,298
Average daily attendance at P-2	4,047	4,011	3,856	3,715

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

The fund balance of the General Fund (combined) has increased by $286,833 (0.8%) over the past two years. The fiscal year 2025-2026 budget projects a decrease of $1,086,086 (3.1%). For an organization of this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in one of the past two years, and projects a decrease during the 2025-2026 fiscal year. Total long-term debt has decreased by $561,859 over the past two years.

Average daily attendance has increased by 296 over the past two years. The District anticipates average daily attendance to increase by 36 during fiscal year 2025-2026.

Notes:

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

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

	Student Body Fund	Capital Project Fund for Blended Component Units	Debt Services Fund for Blended Component Units
June 30, 2025, annual financial and budget report fund balances	$ 19,230	$ 33,866,997	$ 4,160,201
Adjustments and reclassifications:			
To record activity for the year	(4,572)	(10,086)	279,595
Net adjustments and reclassifications	(4,572)	(10,086)	279,595
June 30, 2025, audited financial statement fund balances	$ 14,658	$ 33,856,911	$ 4,439,796

Charter Schools

The following charter schools are chartered by the Norris Elementary School District.

Charter Schools	Included in Audit
None	Not applicable

Norris Elementary School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - passed through California Department of Education			
Child Nutrition Cluster			
Child Nutrition: School Programs	10.555	13523	$ 1,166,465
Total Child Nutrition Cluster			1,166,465
Total U.S. Department of Agriculture			1,166,465
U.S. Department of Education - passed through California Department of Education			
Special Education Cluster			
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	930,902
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	27,063
Total Special Education Cluster			957,965
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	492,404
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	58,794
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	250,855
Subtotal (84.425)			309,649
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	64,717
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	25,966
Total U.S. Department of Education			1,850,701
Total Federal Programs			$ 3,017,166

The accompanying notes are an integral part of this statement.

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Norris Elementary School District. The information in the Schedule is presented in accordance with the requirements of Title 2, *Code of Federal Regulations,* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F–Audit Requirements (Uniform Guidance). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

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

Norris Elementary School District did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The District did not participate in any loan or loan guarantee programs as described in Title 2, *Code of Federal Regulations,* Part 200.502(b) during the year ended June 30, 2025.

The District did not provide any awards to subrecipients.

Norris Elementary School District
Combining Balance Sheet - Nonmajor Funds
June 30, 2025

	Total Nonmajor Special Revenue Funds	Capital Project Fund - Capital Facilities Fund	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Assets:				
Cash in County Treasury	$ 2,926,237	$ 1,165,455	$ 981,848	$ 5,073,540
Cash on hand and in banks	994,320	-	-	994,320
Cash in revolving fund	550	-	-	550
Cash with a fiscal agent/trustee	-	-	4,400,732	4,400,732
Accounts receivable	34,611	15,425	820	50,856
Due from other funds	29,766	-	-	29,766
Stores inventories	2,250	-	-	2,250
Prepaid expenditures	6,546	-	-	6,546
Total assets	3,994,280	1,180,880	5,383,400	10,558,560
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ 38,328	$ -	$ -	$ 38,328
Total liabilities	38,328	-	-	38,328
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	550	-	-	550
Stores inventories	2,250	-	-	2,250
Prepaid items	6,546	-	-	6,546
Restricted fund balances	3,946,606	1,180,880	5,383,400	10,510,886
Total fund balance	3,955,952	1,180,880	5,383,400	10,520,232
Total liabilities and fund balances	$ 3,994,280	$ 1,180,880	$ 5,383,400	$ 10,558,560

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds
Year Ended June 30, 2025

	Total Nonmajor Special Revenue Funds	Capital Project Fund - Capital Facilities Fund	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Federal revenue	$ 1,166,465	$ -	$ -	$ 1,166,465
Other State revenue	1,863,718	-	9,342	1,873,060
Other local revenue	68,703	58,151	7,188,939	7,315,793
Total revenues	3,098,886	58,151	7,198,281	10,355,318
Expenditures:				
Current:				
Pupil services	2,058,398	-	-	2,058,398
Ancillary services	9,072	-	-	9,072
General administration	-	455	-	455
Capital outlay	64,874	-	-	64,874
Debt service:				
Principal	-	-	1,335,780	1,335,780
Interest and other service charges	-	-	3,751,588	3,751,588
Total expenditures	2,132,344	455	5,087,368	7,220,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	966,542	57,696	2,110,913	3,135,151
Other Financing Sources (Uses):				
Other sources	-	-	51	51
Other uses	-	-	(8,677)	(8,677)
Total other financing sources (uses)	-	-	(8,626)	(8,626)
Net Change in Fund Balance	966,542	57,696	2,102,287	3,126,525
Fund Balance, July 1	2,989,410	1,123,184	3,281,113	7,393,707
Fund Balance, June 30	$ 3,955,952	$ 1,180,880	$ 5,383,400	$ 10,520,232

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2025

	Student Body Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Assets:			
Cash in County Treasury	$ -	$ 2,926,237	$ 2,926,237
Cash on hand and in banks	14,658	979,662	994,320
Cash in revolving fund	-	550	550
Accounts receivable	-	34,611	34,611
Due from other funds	-	29,766	29,766
Stores inventories	-	2,250	2,250
Prepaid expenditures	-	6,546	6,546
Total assets	14,658	3,979,622	3,994,280
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	$ -	$ 38,328	$ 38,328
Total liabilities	-	38,328	38,328
Fund Balance:			
Nonspendable fund balances:			
Revolving cash	-	550	550
Stores inventories	-	2,250	2,250
Prepaid items	-	6,546	6,546
Restricted fund balances	14,658	3,931,948	3,946,606
Total fund balance	14,658	3,941,294	3,955,952
Total liabilities and fund balances	$ 14,658	$ 3,979,622	$ 3,994,280

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended June 30, 2025

	Student Body Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Revenues:			
Federal revenue	$ -	$ 1,166,465	$ 1,166,465
Other State revenue	-	1,863,718	1,863,718
Other local revenue	4,500	64,203	68,703
Total revenues	4,500	3,094,386	3,098,886
Expenditures:			
Current:			
Pupil services	-	2,058,398	2,058,398
Ancillary services	9,072	-	9,072
Capital outlay	-	64,874	64,874
Total expenditures	9,072	2,123,272	2,132,344
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,572)	971,114	966,542
Net Change in Fund Balance	(4,572)	971,114	966,542
Fund Balance, July 1	19,230	2,970,180	2,989,410
Fund Balance, June 30	$ 14,658	$ 3,941,294	$ 3,955,952

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2025

	Bond Interest and Redemption Fund	Debt Services Fund for Blended Component Units	Total Nonmajor Debt Service Funds
Assets:			
Cash in County Treasury	$ 943,604	$ 38,244	$ 981,848
Cash with a fiscal agent/trustee	-	4,400,732	4,400,732
Accounts receivable	-	820	820
Total assets	943,604	4,439,796	5,383,400
Liabilities and Fund Balance:			
Liabilities:			
Total liabilities	-	-	-
Fund Balance:			
Restricted fund balances	943,604	4,439,796	5,383,400
Total fund balance	943,604	4,439,796	5,383,400
Total liabilities and fund balances	$ 943,604	$ 4,439,796	$ 5,383,400

The accompanying notes are an integral part of this statement.

Norris Elementary School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds
Year Ended June 30, 2025

	Bond Interest and Redemption Fund	Debt Services Fund for Blended Component Units	Total Nonmajor Debt Service Funds
Revenues:			
Other State revenue	$ 9,342	$ -	$ 9,342
Other local revenue	1,392,200	5,796,739	7,188,939
Total revenues	1,401,542	5,796,739	7,198,281
Expenditures:			
Current:			
Debt service:			
Principal	120,479	1,215,301	1,335,780
Interest and other service charges	1,448,406	2,303,182	3,751,588
Total expenditures	1,568,885	3,518,483	5,087,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	(167,343)	2,278,256	2,110,913
Other Financing Sources (Uses):			
Other sources	51	-	51
Other uses	(8,677)	-	(8,677)
Total other financing sources (uses)	(8,626)	-	(8,626)
Net Change in Fund Balance	(175,969)	2,278,256	2,102,287
Fund Balance, July 1	1,119,573	2,161,540	3,281,113
Fund Balance, June 30	$ 943,604	$ 4,439,796	$ 5,383,400

The accompanying notes are an integral part of this statement.

Other Information

The District was established on September 30, 1880, and is comprised of an area of approximately 15 square miles, located in Kern County, northwest of Bakersfield, California. There were no changes in the boundaries of the District during the year ended June 30, 2025. The District is currently operating four elementary schools and one middle school.

Governing Board

Name	Office	Term Expiration
Sue Dodgin	President	2026
Amanda Frank	Clerk	2026
Jim Bowles	Member	2028
Don Bertrand	Member	2026
Steph Thisius	Member	2026

Administration

Cy Silver
Superintendent

Chantel Mebane
Assistant Superintendent

Russellyn Sullivan
Assistant Superintendent

Daniel Weirather
Assistant Superintendent

Katye Cummins
Chief Business Official

Other Independent Auditor Reports

LPS
Certified Public Accountants

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

To the Board of Trustees
Norris Elementary School District
Bakersfield, California 93312

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Norris Elementary School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Norris Elementary School District's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Norris Elementary School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Norris Elementary School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Norris Elementary School District's internal control. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 1, 2025

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

To the Board of Trustees
Norris Elementary School District
Bakersfield, California 93312

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Norris Elementary 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 Norris Elementary School District's major federal programs for the year ended June 30, 2025**.** Norris Elementary 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, Norris Elementary School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Norris Elementary 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 Norris Elementary 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 Norris Elementary School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regardingNorris Elementary 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 Norris Elementary 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 Norris Elementary School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

Purpose of This Report

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

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 1, 2025

LPS
Certified Public Accountants

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

To the Board of Trustees
Norris Elementary School District
Bakersfield, California 93312

Report on Compliance

Opinion

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

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

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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 GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above 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:

2024-25 K-12 Audit Guide Procedures	Procedures Performed?
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	No
Continuation Education	Not applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Not applicable
Expanded Learning Opportunities Grant (ELO-G)	Not applicable
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools:	
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

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

We did not perform procedures for Independent Study as the District ADA was considered immaterial and not required per state testing guidance.

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

Report on Internal Control over Compliance

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

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

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

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *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.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 1, 2025

Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, *Code of Federal Regulations*, Part 200, paragraph 200.516(a)?	No

Identification of major programs:

Name of federal program or cluster	Assistance Listing Number (ALN)
Child Nutrition Cluster	10.555

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

State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*?	No
Type of auditor's report issued on compliance for state programs:	Unmodified

Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *"Government Auditing Standards."*

There were no financial statement findings or questioned costs.

Federal Award Findings and Questioned Costs

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

There were no federal award findings or questioned costs.

State Award Findings and Questioned Costs

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

There were no state award findings or questioned costs.

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented

There were no prior year findings or questioned costs.

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