Financial Statements
June 30, 2024

Palm Springs Unified School District

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Independent Auditor's Report

To the Governing Board
Palm Springs Unified School District
Palm Springs, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Palm Springs Unified School District (the District) as of and for the year ended June 30, 2024, 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 Palm Springs Unified School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability, and the schedule of the District's contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents 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 financial statements. 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 12, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 12, 2024

This section of Palm Springs Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

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

The Primary unit of the government is the Palm Springs Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental Funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

FINANCIAL HIGHLIGHTS

- Total net position increased by $151,936,166 over the prior year for a new net position of $675,337,528.
- Revenues, transfers in, and other financing sources for all funds, totaled $844,531,058. Expenditures, transfers out and other uses totaled $691,142,011.
- The General Fund audited ending fund balance, which includes $27,630,412 of the Special Reserve Fund for Other Than Capital Outlay Projects, totaled $202,507,742. This represents an increase of $32,075,057 from the prior year.
- The District's 2023-2024 P-2 Average Daily Attendance (ADA), excluding charter schools and students in County programs, was reported at 17,672.
- The District filed a positive status with both its First and Second Interim reports in 2023-2024.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $675,337,528 for the fiscal year ended June 30, 2024. Of this amount, $(146,254,752), was unrestricted (deficit). Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities 2024	Governmental Activities 2023
Assets		
Current and other assets	$ 759,885,883	$ 612,733,280
Capital assets	788,762,134	721,949,609
Total assets	1,548,648,017	1,334,682,889
Deferred outflows of resources	123,257,152	95,240,944
Liabilities		
Current liabilities	57,536,800	66,607,304
Long-term liabilities	904,873,457	796,613,617
Total liabilities	962,410,257	863,220,921
Deferred inflows of resources	34,157,384	43,301,550
Net Position		
Net investment in capital assets	479,001,183	407,639,899
Restricted	342,591,097	249,484,340
Unrestricted (deficit)	(146,254,752)	(133,722,877)
Total net position	$ 675,337,528	$ 523,401,362

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 15. Table 2 takes the information from the Statement, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2024	2023
Revenues		
Program revenues		
Charges for services and sales	$ 3,862,537	$ 7,575,422
Operating grants and contributions	160,653,193	137,685,157
Capital grants and contributions	4,968,232	291,394
General revenues		
Federal and State aid not restricted	243,465,699	243,465,699
Property taxes	157,662,593	157,662,593
Other general revenues	87,352,582	71,551,127
Total revenues	657,964,836	618,231,392
Expenses		
Instruction-related	350,733,240	311,043,940
Pupil services	63,347,442	57,193,742
Administration	23,051,829	21,339,366
Plant services	44,537,541	43,488,764
All other services	24,358,618	23,296,910
Total expenses	506,028,670	456,362,722
Change in net position	$ 151,936,166	$ 161,868,670

Governmental Activities

As reported in the *Statement of Activities* on page 15, the cost of all governmental activities this year was $506,028,670. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $157,662,593, because the cost was paid by those who benefited from the programs ($3,862,537), or by other governments and organizations who subsidized certain programs with grants and contributions ($165,621,425). We paid for the remaining public benefit portion of our governmental activities with $243,465,699 in Federal and State aid, and with $87,352,582 other revenue sources such as interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction including, special instruction programs and other instructional programs, pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction-related	$ 350,733,240	$ 311,043,940	$(235,177,766)	$(215,851,554)
Pupil services	63,347,442	57,193,742	(32,790,754)	(28,763,388)
Administration	23,051,829	21,339,366	(18,389,359)	(18,490,212)
Plant services	44,537,541	43,488,764	(42,426,515)	(39,948,414)
All other services	24,358,618	20,297,940	(7,760,314)	(4,758,211)
Total	$ 506,028,670	$ 453,363,752	$(336,544,708)	$(307,811,779)

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $674,513,095, which is an increase of $153,389,047 from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	July 01, 2023	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General	$ 170,432,685	$ 510,701,382	$ 478,626,325	$ 202,507,742
Student Activity Fund	1,748,200	3,164,425	3,236,021	1,676,604
Charter Schools	8,875,570	16,122,399	15,177,628	9,820,341
Adult Education	188,329	355,644	462,406	81,567
Child Development	631,701	4,145,907	3,351,213	1,426,395
Cafeteria	22,336,959	20,119,102	19,396,591	23,059,470
Building	132,636,475	104,713,259	30,579,399	206,770,335
Capital Facilities	41,635,424	9,139,576	15,701,229	35,073,771
County School Facilities	197,119	4,968,231	4,443,621	721,729
Special Reserve Fund for Capital Outlay Projects	55,594,808	30,998,080	13,279,525	73,313,363
Capital Project Fund for Blended Component Unit	-	777,091	39,961	737,130
Bond Interest and Redemption	86,846,778	139,325,962	106,848,092	119,324,648
Total	$ 521,124,048	$ 844,531,058	$ 691,142,011	$ 674,513,095

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 25, 2024. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 69).

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2024, the District had $788,762,134 in a broad range of capital assets (net of depreciation and amortization), including land, buildings, furniture, and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, depreciation, and amortization) of $66,812,525, or 9.25%, from last year (Table 5).

Table 5

	Governmental Activities 2024	Governmental Activities 2023
Land and construction in progress	$ 191,475,119	$ 112,388,365
Buildings and improvements	585,202,918	600,001,197
Equipment	6,643,721	5,592,832
Leased assets	1,728,123	2,780,785
Right-to-use subscription IT assets	3,712,253	1,186,430
Total	$ 788,762,134	$ 721,949,609

We present more detailed information about our capital assets, right-to-use leased assets, and right-to-use subscription-based IT assets in Note 4 to the financial statements.

Long-Term Liabilities

At the end of this year, the District had $904,873,457 in long-term liabilities outstanding versus $796,613,617 last year, an increase of 13.59%. Those long-term liabilities consisted of:

Table 6

	Governmental Activities 2024	Governmental Activities 2023
Long-Term Liabilities		
General obligation bonds	$ 472,225,000	$ 413,675,000
Private placement debt issuances	4,282,735	5,815,242
Unamortized premiums	38,916,060	30,353,945
Leases	1,773,083	2,765,396
Subscription-based IT arrangements	526,292	-
Compensated absences	3,616,158	4,465,224
Claims liability	3,215,383	3,297,522
Net OPEB liability	52,172,961	51,247,463
Aggregate net pension liability	328,145,785	284,993,825
Total	$ 904,873,457	$ 796,613,617

We present more detailed information regarding our long-term liabilities in Note 9, Note 10, Note 12, and Note 13.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2023-2024 ARE NOTED BELOW:

- Phase I modernization at James Workman Middle School continued and is nearing completion.
- Installation of shade structures at eight elementary schools throughout the District were nearing completion.
- Modernization projects commenced at Della S Lindley, Sunny Sands and Landau Elementary Schools.
- Rancho Mirage High School CTE RACE expansion was completed.
- Field Lighting installation was nearing completion at the District's four comprehensive high schools.
- Solar batteries were installed at the four comprehensive high schools as well as the District Office.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2024-2025 year, the governing board and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Local Control Funding Formula (LCFF) per Average Daily Attendance (ADA) Cost of Living Adjustment (COLA) 0.76%.
2. Federal income will be projected at the prior year level with COLA 0.76%.
3. Other State income (categorical projects) will be projected at the prior year level with COLA 0.76%.

Expenditures are based on the following forecasts:

	Staffing Ratio	Enrollment
Grades kindergarten through third	24:1	5,657
Grades four through five	32:1	2,977
Grades six through eight	29:1	4,250
Grades nine through twelve	31:1	6,496

The new items specifically addressed in the budget are:

1. Decreased spending as student enrollment is projected to decline the next three years and the COVID relief funds are going to be fully expended in the early part of 2024-2025. The budget was created under the assumption of a District wide stabilization plan.
2. Increases to the employer contribution rate for CalPERS.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant Superintendent, Business Services, at Palm Springs Unified School District, (760) 883-2700 or e-mail at jsimmons@psusd.us.

	Governmental Activities
Assets	
Deposits and investments	$ 708,752,755
Receivables	48,483,104
Prepaid expense	251,272
Stores inventories	893,226
Lease receivables	1,505,526
Capital assets not depreciated or amortized	191,475,119
Capital assets, net of accumulated depreciation and amortization	597,287,015
Total assets	1,548,648,017
Deferred Outflows of Resources	
Deferred charge on refunding	6,164,780
Deferred outflows of resources related to OPEB	3,147,525
Deferred outflows of resources related to pensions	113,944,847
Total deferred outflows of resources	123,257,152
Liabilities	
Accounts payable	46,787,915
Interest payable	6,234,953
Unearned revenue	4,513,932
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	38,482,951
OPEB liability due in one year	2,505,971
Long-term liabilities other than OPEB and pensions due in more than one year	486,071,760
Net other postemployment benefits liability (OPEB)	49,666,990
Aggregate net pension liability	328,145,785
Total liabilities	962,410,257
Deferred Inflows of Resources	
Deferred charge on refunding	4,972,896
Deferred inflows of resources related to leases	1,505,526
Deferred inflows of resources related to OPEB	10,839,338
Deferred inflows of resources related to pensions	16,839,624
Total deferred inflows of resources	34,157,384
Net Position	
Net investment in capital assets	479,001,183
Restricted for	
Debt service	113,089,695
Capital projects	65,563,116
Educational programs	99,042,345
Other restrictions	64,895,941
Unrestricted (deficit)	(146,254,752)
Total net position	$ 675,337,528

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
Functions/Programs	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	$ 300,046,444	$ 99,567	$ 99,243,848	$ 4,968,232	$ (195,734,797)
Instruction-related activities					
Supervision of instruction	19,916,454	235	8,369,920	-	(11,546,299)
Instructional library, media, and technology	3,946,047	-	245,915	-	(3,700,132)
School site administration	26,824,295	-	2,627,757	-	(24,196,538)
Pupil services					
Home-to-school transportation	7,787,554	-	1,630	-	(7,785,924)
Food services	19,206,156	9,393	19,640,244	-	443,481
All other pupil services	36,353,732	52,134	10,853,287	-	(25,448,311)
Administration					
Data processing	4,799,027	-	27,413	-	(4,771,614)
All other administration	18,252,802	19,839	4,615,218	-	(13,617,745)
Plant services	44,537,541	28,814	2,082,212	-	(42,426,515)
Ancillary services	7,269,269	-	3,270,314	-	(3,998,955)
Community services	484,300	-	-	-	(484,300)
Enterprise services	442	-	-	-	(442)
Interest on long-term liabilities	13,531,472	-	-	-	(13,531,472)
Other outgo	3,073,135	3,652,555	9,675,435	-	10,254,855
Total governmental activities	$ 506,028,670	$ 3,862,537	$ 160,653,193	$ 4,968,232	(336,544,708)
General Revenues and Subventions					
Property taxes, levied for general purposes					79,658,278
Property taxes, levied for debt service					63,710,020
Taxes levied for other specific purposes					14,294,295
Federal and State aid not restricted to specific purposes					243,465,699
Interest and investment earnings					6,457,967
Interagency revenues					22,331
Miscellaneous					80,872,284
Total general revenues and subventions					488,480,874
Change in Net Position					151,936,166
Net Position - Beginning					523,401,362
Net Position - Ending					$ 675,337,528

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Deposits and investments	$ 204,374,598	$ 208,264,094	$ 70,203,212	$ 119,324,648	$ 74,152,057	$ 676,318,609
Receivables	36,472,077	1,846,480	734,116	-	9,038,568	48,091,241
Due from other funds	9,764,799	2,908,897	9,879,878	-	103,539	22,657,113
Prepaid expenditures	200,108	-	51,164	-	-	251,272
Stores inventories	428,998	-	-	-	464,228	893,226
Lease receivables	1,174,030	-	331,496	-	-	1,505,526
Total assets	$ 252,414,610	$ 213,019,471	$ 81,199,866	$ 119,324,648	$ 83,758,392	$ 749,716,987
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	$ 35,917,269	$ 6,212,128	$ 1,015,129	$ -	$ 3,443,546	$ 46,588,072
Due to other funds	9,425,026	37,008	6,539,878	-	6,607,145	22,609,057
Unearned revenue	3,390,543	-	-	-	1,110,694	4,501,237
Total liabilities	48,732,838	6,249,136	7,555,007	-	11,161,385	73,698,366
Deferred Inflows of Resources						
Deferred inflows of resources related to leases	1,174,030	-	331,496	-	-	1,505,526
Fund Balances						
Nonspendable	729,106	-	51,164	-	518,468	1,298,738
Restricted	99,042,345	206,770,335	29,767,616	119,324,648	72,078,539	526,983,483
Committed	27,782,212	-	-	-	-	27,782,212
Assigned	60,610,354	-	43,494,583	-	-	104,104,937
Unassigned	14,343,725	-	-	-	-	14,343,725
Total fund balances	202,507,742	206,770,335	73,313,363	119,324,648	72,597,007	674,513,095
Total liabilities, deferred inflows of resources, and fund balances	$ 252,414,610	$ 213,019,471	$ 81,199,866	$ 119,324,648	$ 83,758,392	$ 749,716,987

Total Fund Balance - Governmental Funds		$ 674,513,095
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 as assets in governmental funds.		
The cost of capital assets is	$ 1,104,232,334	
Accumulated depreciation and amortization is	(315,470,200)	
Net capital assets		788,762,134
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(6,234,953)
An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.		29,350,032
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Debt refundings (deferred charge on refunding)	6,164,780	
Other postemployment benefits (OPEB)	3,147,525	
Net pension liability	113,944,847	
Total deferred outflows of resources		123,257,152
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Debt refundings (deferred charge on refunding)	(4,972,896)	
Net other postemployment benefits (OPEB)	(10,839,338)	
Net pension liability	(16,839,624)	
Total deferred inflows of resources		(32,651,858)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(328,145,785)

The District's net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		$ (52,172,961)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds	$ (472,225,000)	
Private placement debt issuance	(4,282,735)	
Unamortized debt premiums	(38,916,060)	
Leases	(1,773,083)	
Subscription-based IT arrangements	(526,292)	
Compensated absences (vacations)	(3,616,158)	
Total long-term liabilities		(521,339,328)
Total net position - governmental activities		$ 675,337,528

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Local Control Funding Formula (LCFF)	$ 315,747,337	$ -	$ -	$ -	$ 12,273,609	$ 328,020,946
Federal sources	70,058,927	-	-	-	15,800,307	85,859,234
Other State sources	76,947,793	-	-	257,810	15,469,728	92,675,331
Other local sources	39,441,281	6,715,431	20,689,436	73,093,760	14,523,365	154,463,273
Total revenues	502,195,338	6,715,431	20,689,436	73,351,570	58,067,009	661,018,784
Expenditures						
Current						
Instruction	269,592,207	-	-	-	13,069,464	282,661,671
Instruction-related activities						
Supervision of instruction	19,141,432	-	-	-	834,622	19,976,054
Instructional library, media, and technology	3,949,178	-	-	-	7,317	3,956,495
School site administration	25,828,792	-	-	-	1,073,610	26,902,402
Pupil services						
Home-to-school transportation	7,709,635	-	-	-	-	7,709,635
Food services	597,330	-	-	-	18,540,357	19,137,687
All other pupil services	35,686,968	-	-	-	762,298	36,449,266
Administration						
Data processing	7,359,159	-	-	-	-	7,359,159
All other administration	15,853,599	-	-	-	1,739,034	17,592,633
Plant services	43,072,814	-	1,020,134	-	1,065,121	45,158,069
Ancillary services	4,042,089	-	-	-	3,240,300	7,282,389
Community services	483,420	-	-	-	-	483,420
Other outgo	256,793	-	-	-	-	256,793
Facility acquisition and construction	34,723,481	30,434,255	4,916,668	-	16,089,681	86,164,085
Debt service						
Principal	1,407,736	-	54,833	34,532,674	1,652	35,996,895
Interest and other	103,679	145,144	27,341	14,605,418	50,747	14,932,329
Total expenditures	469,808,312	30,579,399	6,018,976	49,138,092	56,474,203	612,018,982
Excess (Deficiency) of Revenues Over Expenditures	32,387,026	(23,863,968)	14,670,460	24,213,478	1,592,806	48,999,802

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Transfers in	$ 7,562,677	$ -	$ 10,308,644	$ -	$ 725,366	$ 18,596,687
Other sources - proceeds from general obligation bonds	-	97,997,828	-	462,172	-	98,460,000
Other sources - proceeds from refunding bonds	-	-	-	50,855,000	-	50,855,000
Other sources - proceeds from premiums on issuance	-	-	-	14,657,220	-	14,657,220
Other sources - proceeds from subscription-based IT arrangements	943,367	-	-	-	-	943,367
Transfers out	(8,818,013)	-	(7,260,549)	-	(5,334,467)	(21,413,029)
Other uses - payment to refunded bonds escrow agent	-	-	-	(57,710,000)	-	(57,710,000)
Net Financing Sources (Uses)	(311,969)	97,997,828	3,048,095	8,264,392	(4,609,101)	104,389,245
Net Change in Fund Balances	32,075,057	74,133,860	17,718,555	32,477,870	(3,016,295)	153,389,047
Fund Balance - Beginning	170,432,685	132,636,475	55,594,808	86,846,778	75,613,302	521,124,048
Fund Balance - Ending	$ 202,507,742	$ 206,770,335	$ 73,313,363	$ 119,324,648	$ 72,597,007	$ 674,513,095

Total Net Change in Fund Balances - Governmental Funds		$ 153,389,047
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities.		
This is the amount by which capital outlay exceeds depreciation and amortization expense in the period.		
Capital Outlay	$ 92,973,625	
Depreciation and amortization expense	(23,915,804)	
Net expense adjustment		69,057,821
Gain on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(2,245,296)
Right-to-use subscription IT assets acquired this year were financed with Subscription-Based IT Arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(943,367)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		849,066
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(1,098,032)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		(1,603,299)

Proceeds received from general obligaton bonds issuance is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	$ (149,315,000)
Deferred charge on refunding (the difference between the reacquisition price and the net carrying amount of the refunded debt) are capitalized and amortized over the remaining life of the new or old debt, whichever is shorter.	(3,966,822)
Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium on issuance recognized	(14,657,220)
Premium amortization	6,095,105
Deferred charge on refunding amortization	(504,692)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	90,765,000
Private placement debt issuances	1,532,507
Leases	992,313
Subscription-based IT arrangements	417,075
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	(222,734)
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	3,394,694
Change in net position of governmental activities	$ 151,936,166

	Governmental Activities - Internal Service Fund
Assets	
Current assets	
Deposits and investments	$ 32,434,146
Receivables	391,863
Due from other funds	44,514
Total assets	32,870,523
Liabilities	
Current liabilities	
Accounts payable	199,843
Due to other funds	92,570
Unearned revenue	12,695
Current portion of claims liabilities	2,602,277
Total current liabilities	2,907,385
Noncurrent liabilities	
Claims liabilities	613,106
Total liabilities	3,520,491
Net Position	
Restricted	$ 29,350,032

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for services	$ 6,197,215
Other local revenues	275,332
Total operating revenues	6,472,547
Operating Expenses	
Payroll costs	198,920
Professional and contract services	5,029,806
Supplies and materials	43,573
Facility rental	82,257
Other operating cost	2,218,222
Total operating expenses	7,572,778
Operating Loss	(1,100,231)
Nonoperating Revenues	
State and local grants	12,052
Interest income	1,398,801
Unrealized loss on investments	267,730
Total nonoperating revenues	1,678,583
Gain before transfers	578,352
Transfers in	2,816,342
Change in Net Position	3,394,694
Total Net Position - Beginning	25,955,338
Total Net Position - Ending	$ 29,350,032

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash receipts from customers	$ 6,458,086
Cash payments to other suppliers of goods or services	(7,552,405)
Cash payments to employees for services	(198,920)
Net Cash From (Used for) Operating Activities	(1,293,239)
Noncapital Financing Activities	
Non-operating grants received	12,052
Transfer in from other funds	2,816,342
Net Cash From (Used for) Noncapital Financing Activities	2,828,394
Investing Activities	
Interest on investments	1,522,868
Unrealized loss on investments	267,730
Net Cash From (Used for) Investing Activities	1,790,598
Net Change in Cash and Cash Equivalents	3,325,753
Cash and Cash Equivalents, Beginning	29,108,393
Cash and Cash Equivalents, Ending	$ 32,434,146
Reconciliation of Operating Loss to Net Cash From (Used for) Operating Activities	
Operating Loss	$ (1,100,231)
Changes in assets and liabilities	
Receivables	(10,118)
Due from other fund	(17,038)
Accounts payable	(111,354)
Unearned revenue	12,695
Due to other fund	14,946
Claims liability	(82,139)
Net Cash Used for Operating Activities	$ (1,293,239)

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Palm Springs Unified School District (the District) was established in 1948 and consists of an area comprising approximately 498 square miles. The District operates fifteen elementary schools, five middle schools, four high schools, one charter school, one continuation, and one adult school. There were no boundary changes during the year.

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

Other Related Entities

Charter School The District has approved a Charter for the Cielo Vista Charter School (the Charter School) pursuant to *Education Code* Section 47605. The Charter School is operated by the District, and its financial activities are presented in the Charter Schools Special Revenue Fund.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

One fund currently defined as special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, is not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as extensions of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of $27,630,412.

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

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

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

Non-Major Governmental Funds

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.

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

- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

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

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary fund:

- **Internal Service Fund** Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates self insurance programs that are accounted for in an internal service fund.

Basis of Accounting - Measurement Focus

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

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

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

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

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

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

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

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

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

Prepaid Expenditures (Expenses)

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

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary funds when consumed rather than when purchased.
Capital Assets, Depreciation, and Amortization

Capital Assets, Depreciation, and Amortization

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

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

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

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

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

Interfund Balances

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

Compensated Absences

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

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums and Discounts

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

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Leases

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

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

Subscriptions

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over shorter of the subscription term or useful life of the underlying asset. The amortization period varies from 1 to 3 years.

Fund Balances - Governmental Funds

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $342,591,097 of restricted net position, restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges to other funds for self-insurance premiums. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Interfund Activity

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

Estimates

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

Property Tax

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

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Governmental funds	$ 676,318,609
Proprietary funds	32,434,146
Total deposits and investments	$ 708,752,755

Deposits and investments as of June 30, 2024, consist of the following:

Cash on hand and in banks	$ 1,578,427
Cash in revolving	154,240
Investments	707,020,088
Total deposits and investments	$ 708,752,755

Policies and Practices

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

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

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool and purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity in Days
Riverside County Investment Pool	$ 707,020,088	465

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California *Government Code*, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Reported Amount	Minimum Legal Rating	Rating as of Year End Moody's Aaa-bf
Riverside County Investment Pool	$ 707,020,088	Not Applicable	$ 707,020,088

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District's bank balance $1,539,474 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 3 - Receivables

Receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total	Internal Service Fund
Federal Government						
Categorical aid	$ 27,925,438	$ -	$ -	$ 3,859,213	$ 31,784,651	$ -
State Government						
LCFF apportionment	-	-	-	94,233	94,233	-
Categorical aid	1,747,945	-	-	4,358,200	6,106,145	-
Lottery	1,200,583	-	-	54,875	1,255,458	-
Local Government						
Interest	2,492,921	1,846,480	734,116	573,390	5,646,907	374,825
Other local sources	3,105,190	-	-	98,657	3,203,847	17,038
Total	$ 36,472,077	$ 1,846,480	$ 734,116	$ 9,038,568	$ 48,091,241	$ 391,863

Note 4 - Capital Assets

Capital assets activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	$ 86,882,142	$ -	$ -	$ 86,882,142
Construction in progress	25,506,223	80,701,147	(1,614,393)	104,592,977
Total capital assets not being depreciated or amortized	112,388,365	80,701,147	(1,614,393)	191,475,119
Capital assets being depreciated and amortized				
Land improvements	29,064,892	2,757,831	-	31,822,723
Buildings and improvements	835,689,477	3,980,584	(3,805,586)	835,864,475
Furniture and equipment	30,650,106	2,055,594	-	32,705,700
Right-to-use leased buildings and improvements	26,358	-	-	26,358
Right-to-use leased furniture and equipment	5,532,574	-	(43,301)	5,489,273
Right-to-use subscription IT assets	1,787,943	5,092,862	(32,119)	6,848,686
Total capital assets being depreciated and amortized	902,751,350	13,886,871	(3,881,006)	912,757,215
Total capital assets	1,015,139,715	94,588,018	(5,495,399)	1,104,232,334
Accumulated depreciation and amortization				
Land improvements	(4,520,500)	(1,378,421)	-	(5,898,921)
Buildings and improvements	(260,232,672)	(17,912,977)	1,560,290	(276,585,359)
Furniture and equipment	(25,057,274)	(1,004,705)	-	(26,061,979)
Right-to-use leased buildings and improvements	(20,951)	(2,703)	-	(23,654)
Right-to-use leased furniture and equipment	(2,757,196)	(1,049,959)	43,301	(3,763,854)
Right-to-use subscription IT assets	(601,513)	(2,567,039)	32,119	(3,136,433)
Total accumulated depreciation and amortization	(293,190,106)	(23,915,804)	1,635,710	(315,470,200)
Net depreciable and amortizable capital assets	609,561,244	(10,028,933)	(2,245,296)	597,287,015
Governmental activities capital assets, net	$ 721,949,609	$ 70,672,214	$ (3,859,689)	$ 788,762,134

Depreciation and amortization expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	$ 19,551,953
Home-to-school transportation	77,534
Food services	52,455
Data processing	2,567,039
All other administration	616,864
Plant services	1,049,959
Total depreciation and amortization expenses governmental activities	$ 23,915,804

Note 5 - Lease Receivables

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

Lease Receivable	Outstanding July 1, 2023	Addition	Deletion	Outstanding June 30, 2024
CCHS Cellular Tower	$ 945,906	$ -	$ (5,126)	$ 940,780
LES/VMES Cellular Tower	272,348	-	(39,098)	233,250
Land Lease	543,033	-	(211,537)	331,496
Total	$ 1,761,287	$ -	$ (255,761)	$ 1,505,526

CCHS Cellular Tower

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are non-cancelable for a period of five years, with five renewal periods of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3.00% annual CPI increases to the license payments. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized $5,126 in lease revenue and $33,027 in interest revenue related to these agreements. At June 30, 2024, the District recorded $940,780 in lease receivables and deferred inflows of resources for these arrangements. The District used an interest rate of 3.50%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

LES/VMES Cellular Tower

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are non-cancelable for a period of five years, with one renewal period of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3.00% annual CPI increases to the license payments. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized $39,098 in lease revenue and $8,909 in interest revenue related to these agreements. At June 30, 2024, the District recorded $233,250 in lease receivables and deferred inflows of resources for these arrangements. The District used an interest rate of 3.50%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

Land Lease

The District licenses (leases) a portion of its facilities for satellite campus site to College of the Desert. These licenses are non-cancelable for a period of five years, with one renewal period of three years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3.00% annual CPI increases to the license payments. At termination, lessees must remove all equipment and facilities, and restore the site to its original state. During the fiscal year, the District recognized $211,537 in lease revenue and $15,634 in interest revenue related to these agreements. At June 30, 2024, the District recorded $331,496 in lease receivables and deferred inflows of resources for these arrangements. The District used an interest rate of 3.50%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

Note 6 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2024, between major and non-major governmental funds and the internal service fund are as follows:

	Due From					
Due To	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	Total
General Fund	$ -	$ 16,496	$ 6,525,378	$ 3,130,355	$ 92,570	$ 9,764,799
Building Fund	2,862,678	-	14,500	31,719	-	2,908,897
Special Reserve Fund for Capital Outlay Projects	6,422,065	12,981	-	3,444,832	-	9,879,878
Non-Major Governmental Funds	96,008	7,531	-	-	-	103,539
Internal Service Fund	44,275	-	-	239	-	44,514
Total	$ 9,425,026	$ 37,008	$ 6,539,878	$ 6,607,145	$ 92,570	$ 22,701,627

A balance of $6,000,000 is due to the Special Reserve Fund for Capital Outlay Projects from the General Fund for capital project costs.

A balance of $1,822,527 is due to the General Fund from the Charter Schools Non-Major Governmental Fund for oversight fees and special education contribution.

The balance of $6,525,378 is due to the General Fund from the Special Reserve Fund for Capital Outlay Projects for deferred maintenance costs.

The balance of $3,444,832 is due to the Special Reserve Fund for Capital Outlay Projects from the County School Facilities Non-Major for reimbursement of costs.

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

Operating Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following:

The General Fund transferred to the Cafeteria Non-Major Governmental Fund for LCFF eligibility processing.	$ 1,459
The General Fund transferred to the Child Development Non-Major Governmental Fund to cover costs.	212
The General Fund transferred to the Internal Service Fund for current year pool contribution.	2,816,342
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for deferred maintenance costs.	6,000,000
The Charter School Non-Major Governmental Fund transferred to the General Fund for special education contribution share.	1,025,823
The Capital Facilities Non-Major Governmental Fund transferred to the General Fund for reimbursement of costs.	4,308,644
The Special Reserve Fund for Capital Outlay Projects transferred to the General Fund for reimbursement of costs.	6,536,854
The Special Reserve Fund for Capital Outlay Projects transferred to the Capital Project Non-Major Governmental Fund for Blended Component Units for capital project costs.	723,695
Total	$ 21,413,029

Note 7 - Accounts Payable

Accounts payable at June 30, 2024, consisted of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total	Internal Service Fund
Vendor payables	$ 7,233,433	$ -	$ -	$ -	$ 7,233,433	$ 199,843
LCFF apportionment	19,544,049	-	-	-	19,544,049	-
Salaries and benefits	4,281,894	-	-	34,689	4,316,583	-
Construction	4,857,893	6,212,128	1,015,129	3,408,857	15,494,007	-
Total	$ 35,917,269	$ 6,212,128	$ 1,015,129	$ 3,443,546	$ 46,588,072	$ 199,843

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total	Internal Service Funds
Federal financial assistance	$ 784,608	$ -	$ 784,608	$ -
State categorical aid	1,093,539	1,101,929	2,195,468	-
Other local	1,512,396	8,765	1,521,161	12,695
Total	$ 3,390,543	$ 1,110,694	$ 4,501,237	$ 12,695

Note 9 - Long-Term Liabilities Other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 413,675,000	$ 149,315,000	$ (90,765,000)	$ 472,225,000	$ 32,840,000
Private placement debt issuances	5,815,242	-	(1,532,507)	4,282,735	1,592,701
Unamortized debt premiums	30,353,945	14,657,220	(6,095,105)	38,916,060	-
Leases	2,765,396	-	(992,313)	1,773,083	1,018,529
Subscription-based IT arrangements	-	943,367	(417,075)	526,292	429,444
Compensated absences	4,465,224	-	(849,066)	3,616,158	-
Claims liability	3,297,522	2,393,516	(2,475,655)	3,215,383	2,602,277
Total	$ 460,372,329	$ 167,309,103	$ (103,126,721)	$ 524,554,711	$ 38,482,951

Payments on general obligation bond debt issuances are made by the Bond Interest and Redemption Fund with local revenues. Payments on the private placement debt issuances are made by the Special Reserve Fund for Capital Outlay Projects and the Bond Interest and Redemption Fund. The lease payments are made by the General Fund and the Charter School Non-Major Governmental Fund. The subscription-based IT arrangements are made by the General Fund. The compensated absences are paid by the General Fund, Charter Schools Non-Major Governmental Fund, Adult Education Non-Major Governmental Fund, Child Development Non-Major Governmental Fund, Cafeteria Non-Major Governmental Fund, and Capital Facilities Non-Major Governmental Fund. Additions and deductions from compensated absences are reported at the net cumulative change in the current year. The claims liability payments are made by the Internal Service Fund.

On August 2, 2023, the District issued $45,540,000 of 2023 General Obligation Refunding Bonds Series A and $5,315,000 of 2023 General Obligation Refunding Bonds Series B. A portion of the bonds were issued to refund certain maturities of the 2008C GOB Refunding and the 2013 Refunding Bonds. As a result, the outstanding obligation of the general obligation bonds will be considered to be defeased and the liability will be removed from the government-wide statement of net position. The refunding resulted in a cumulative cash flow savings of $11,564,888 over the life of the new debt and an economic gain of $8,195,530 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.65%.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Redeemed	Bonds Outstanding June 30, 2024
11/21/13	08/01/37	3.00% - 5.00%	$ 70,000,000	$ 54,305,000	$ -	$ (54,305,000)	$ -
07/30/13	08/01/33	3.00% - 5.00%	20,425,000	6,940,000	-	(6,940,000)	-
07/30/14	08/01/36	0.10% - 5.00%	100,085,000	73,330,000	-	(4,115,000)	69,215,000
07/07/16	08/01/33	4.00% - 5.00%	77,215,000	75,650,000	-	(3,785,000)	71,865,000
07/28/16	08/01/33	2.00% - 4.00%	100,000,000	74,125,000	-	(3,605,000)	70,520,000
10/28/20	08/01/32	0.39% - 2.22%	29,900,000	26,145,000	-	(2,680,000)	23,465,000
04/20/21	08/01/34	1.25% - 4.00%	118,000,000	103,180,000	-	(15,335,000)	87,845,000
08/01/23	08/01/35	5.00%	45,540,000	-	45,540,000		45,540,000
08/01/23	08/01/33	5.00%	5,315,000	-	5,315,000	-	5,315,000
05/22/24	08/01/49	4.00% - 5.00%	98,460,000	-	98,460,000	-	98,460,000
				$ 413,675,000	$ 149,315,000	$ (90,765,000)	$ 472,225,000

Debt Service Requirements to Maturity

The current interest bonds mature as follows:

Private Placement Debt Issuances

The outstanding private placement debt issuances is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Redeemed	Bonds Outstanding June 30, 2024
05/26/10	02/01/26	4.37%	$ 19,539,035	$ 4,612,347	$ -	$ (1,477,674)	$ 3,134,673
07/01/21	06/30/41	2.27%	1,338,684	1,202,895	-	(54,833)	1,148,062
				$ 5,815,242	$ -	$ (1,532,507)	$ 4,282,735

The current interest private placement debt issuances mature as follows:

Year Ending June 30,	Principal	Current Interest to Maturity	Total
2025	$ 1,592,701	$ 163,080	$ 1,755,781
2026	1,655,404	94,655	1,750,059
2027	58,657	23,517	82,174
2028	59,991	22,183	82,174
2029	61,354	20,820	82,174
2030-2034	259,683	69,013	328,696
2035-2039	359,219	51,651	410,870
2040-2041	235,726	10,795	246,521
Total	$ 4,282,735	$ 455,714	$ 4,738,449

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to $3,616,158.

Lease Liability

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

Lease	Leases Outstanding July 1, 2023	Addition	Payments	Leases Outstanding June 30, 2024
Agua Calienta ES copiers	$ 3,449	$ -	$ (3,449)	$ -
Cielo Vista Charter copiers Renewal	8,296	-	(1,652)	6,644
District Wide printers and copiers	589,668	-	(290,477)	299,191
District reprographics - printers	10,592	-	(5,218)	5,374
District reprographics - copiers	1,503,206	-	(486,333)	1,016,873
ERMHS Copier Lease	6,325	-	(1,512)	4,813
Behavioral Health Copier Leases	4,813	-	(1,557)	3,256
Print Shop Mailroom Postage Meter Lease	130,199	-	(32,574)	97,625
Print Shop Cutter Lease	302,697	-	(118,583)	184,114
Space Rental	5,740	-	(2,828)	2,912
Enterprise Vehicle Lease	28,367	-	(7,774)	20,593
Enterprise Vehicle Lease 2	172,044	-	(40,356)	131,688
Total	$ 2,765,396	$ -	$ (992,313)	$ 1,773,083

The District entered into fourteen agreements to lease equipment, vehicles, and facilities space through June 30, 2027. Under the terms of the leases, the District paid the annual lease payments of $1,075,274. At June 30, 2024, the District has recognized a right-to-use leased asset of $1,728,123 and a lease liability of $1,773,083 related to these agreements. During the fiscal year, the District recorded $1,052,662 in amortization expense and $82,962 in interest expense for the right to use leased assets. The District used a discount rate of 3.00%, based on the rates available to finances equipment and facilities leases over the same time periods.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 1,018,529	$ 53,193	$ 1,071,722
2026	668,550	22,637	691,187
2027	81,251	2,581	83,832
Total	$ 1,773,083	$ 78,554	$ 1,851,637

Claims Liability

The District has an outstanding long-term liability for claims for the District's Workers' Compensation Insurance Program in the amount of $3,215,383.

Subscription-Based Information Technology Arrangements (SBITAs)

The District entered into eight SBITA contracts for the use of digital curriculum software, platform as a service, and safety software. At June 30, 2024, the District has recognized a right-to-use subscription IT asset of $3,712,253 and a SBITA liability of $526,292, related to these agreements. During the fiscal year, the District recorded $2,567,039 in amortization expense. The District is required to make annual principal and interest payments through June 2028. The subscription has an interest rate of 3.00%, based on the District's borrowing rate.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 429,444	$ 15,788	$ 445,232
2026	51,755	2,906	54,661
2027	45,093	1,353	46,446
Total	$ 526,292	$ 20,047	$ 546,339

Note 10 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2024, the District reported net OPEB liability, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 51,038,078	$ 3,147,525	$ 10,839,338	$ 1,649,952
Medicare Premium Payment (MPP) Program	1,134,883	-	-	(46,653)
Total	$ 52,172,961	$ 3,147,525	$ 10,839,338	$ 1,603,299

The details of each plan are as follows:

District Plan

Plan Administration

The District's Governing Board administers the Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	167
Active employees	2,304
Total	2,471

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Benefit Payments

The benefit payment requirements of the Plan members and the District are established and may be amended by the District and the Palm Springs Teachers Association (PSTA), the Teamsters, and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, PSTA, CSEA, and the unrepresented groups are based on availability of funds. For the measurement period of June 30, 2024, the District paid $2,274,798 in benefits.

Actuarial Assumptions

The total OPEB liability as of June 30, 2024 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total OPEB liability to June 30, 2024. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75% average, including inflation
Discount rate	3.93%
Healthcare cost trend rates	4.00%

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reeducation. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study for the period July 1, 2022 to June 30, 2023.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2023	$ 50,065,927
Service cost	2,661,826
Interest	1,834,470
Changes of assumptions	(1,249,347)
Benefit payments	(2,274,798)
Net change in total OPEB liability	972,151
Balance, June 30, 2024	$ 51,038,078

No changes to benefits noted from the prior evaluation.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Total OPEB Liability
1% decrease (2.93%)	$ 55,399,130
Current discount rate (3.93%)	51,038,078
1% increase (4.93%)	47,180,072

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one% lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (3.00%)	$ 44,810,157
Current healthcare cost trend rate (4.00%)	51,038,078
1% increase (5.00%)	58,397,388

OPEB Expense and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of $1,649,952. At June 30, 2024, District reported deferred inflows of resources related to the OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 370,278	$ 2,071,841
Changes of assumptions	2,777,247	8,767,497
Total	$ 3,147,525	$ 10,839,338

The deferred outflows/(inflows) of resources for changes of assumptions and differences in expected and actual experience will be amortized over the Expected Average remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 13.1 years, and the deferred outflows/(inflows) of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (571,546)
2026	(571,546)
2027	(536,902)
2028	(532,868)
2029	(617,473)
Thereafter	(4,861,478)
Total	$ (7,691,813)

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of $1,134,883 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.3740%, and 0.3587%, resulting in a net increase in the proportionate share of 0.0153%.

For the year ended June 30, 2024, the District recognized OPEB expense of $(46,653).

Actuarial Methods and Assumptions

The June 30, 2023 net OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the net OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2019
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.65%	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2022, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population (138,780).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (2.65%)	$ 1,233,384
Current discount rate (3.65%)	1,134,883
1% increase (4.65%)	1,049,235

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.5% Part A and 4.4% Part B)	$ 1,044,205
Current Medicare costs trend rate (4.5% Part A and 5.4% Part B)	1,134,883
1% increase (5.5% Part A and 6.4% Part B)	1,237,255

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable						
Revolving cash	$ 100,000	$ -	$ -	$ -	$ 54,240	$ 154,240
Stores inventories	428,998	-	-	-	464,228	893,226
Prepaid expenditures	200,108	-	51,164	-	-	251,272
Total nonspendable	729,106	-	51,164	-	518,468	1,298,738
Restricted						
Legally restricted programs	99,042,345	-	-	-	35,545,909	134,588,254
Capital projects	-	206,770,335	29,767,616	-	36,532,630	273,070,581
Debt services	-	-	-	119,324,648	-	119,324,648
Total restricted	99,042,345	206,770,335	29,767,616	119,324,648	72,078,539	526,983,483
Committed						
Structural deficit	27,782,212	-	-	-	-	27,782,212
Total committed	27,782,212	-	-	-	-	27,782,212
Assigned						
Budget contingency	14,100,246	-	-	-	-	14,100,246
Deferred maintenance	1,384,118	-	13,352,533	-	-	14,736,651
Energy rebates	-	-	4,404,523	-	-	4,404,523
Operational expectations	18,691,463	-	-	-	-	18,691,463
Program enhancements	14,001,254	-	-	-	-	14,001,254
Scanning services contract	709,667	-	-	-	-	709,667
Site carryover	503,462	-	-	-	-	503,462
State match for OPSC projects	-	-	25,737,527	-	-	25,737,527
Textbooks	5,605,674	-	-	-	-	5,605,674
Time furniture replacement	1,346,551	-	-	-	-	1,346,551
Transportation	3,636,974	-	-	-	-	3,636,974
Other assigned	630,945	-	-	-	-	630,945
Total assigned	60,610,354	-	43,494,583	-	-	104,104,937
Unassigned						
Reserve for economic uncertainties	14,343,725	-	-	-	-	14,343,725
Total	$202,507,742	$206,770,335	$ 73,313,363	$119,324,648	$ 72,597,007	$674,513,095

Note 12 - Risk Management

Description

The District's risk management activities are recorded in the General and Self-Insurance Funds. Employee life, health, vision, dental, disability, and workers' compensation programs are administered by the District. The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The District purchases commercial insurance through Southern California Regional Liability Excess Fund Joint Powers Authority for first party damage with coverage up to a maximum of $250 million, subject to Member Retained Limits ranging from $250 to $5,000 per occurrence. The District also purchases commercial insurance for general liability claims with coverage up to $1 million per occurrence with excess liability coverage up to $24 million per occurrence and $52 million aggregate, all subject to a $5,000 Member Retained Limit per occurrence. The District self-insures workers' compensation coverage up to $1,000,000 per occurrence with excess coverage up to $10,000,000.

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2022, the District contracted with Southern California Regional Liability Excess Fund (SoCal ReLiEF) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Employee Medical Benefits

The District has contracted with Self-Insured Schools of California (SISC) to provide employee medical benefits. SISC is a shared risk pool comprised of 32 member Districts and Inland Empire region. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

The District has contracted with Teamsters Miscellaneous Security Trust (TMST) to provide employee health benefits. TMST represents 23 Teamster Unions Locals located in Southern California, Southern Nevada, Guam, Saipan, and Hawaii. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

Claims Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2022 to June 30, 2024:

	Workers' Compensation
Liability Balance, July 1, 2022	$ 1,891,520
Claims and changes in estimates	4,728,771
Claims payments	(3,322,769)
Liability Balance, June 30, 2023	3,297,522
Claims and changes in estimates	2,393,516
Claims payments	(2,475,655)
Liability Balance, June 30, 2024	$ 3,215,383
Assets available to pay claims at June 30, 2024	$ 32,870,523

Note 13 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 192,579,084	$ 61,636,481	$ 14,733,424	$ 27,953,691
CalPERS	135,566,701	52,308,366	2,106,200	24,382,557
Total	$ 328,145,785	$ 113,944,847	$ 16,839,624	$ 52,336,248

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were $32,089,323.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 192,579,084
State's proportionate share of the net pension liability	92,270,054
Total	$ 284,849,138

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.2529% and 0.2390%, resulting in a net increase in the proportionate share of 0.0139%.

For the year ended June 30, 2024, the District recognized pension expense of $27,953,691. In addition, the District recognized pension expense and revenue of $12,551,276 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 32,089,323	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	12,474,195	4,429,465
Differences between projected and actual earnings on pension plan investments	824,316	-
Differences between expected and actual experience in the measurement of the total pension liability	15,133,544	10,303,959
Changes of assumptions	1,115,103	-
Total	$ 61,636,481	$ 14,733,424

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (6,058,687)
2026	(9,495,024)
2027	15,603,649
2028	774,378
Total	$ 824,316

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 1,940,082
2026	1,754,319
2027	1,119,744
2028	1,529,194
2029	3,516,108
Thereafter	4,129,971
Total	$ 13,989,418

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

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. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Fixed income	15%	4.05%
Real estate	14%	6.75%
Private equity	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 323,036,046
Current discount rate (7.10%)	192,579,084
1% increase (8.10%)	84,219,371

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.680%	26.680%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were $19,148,893.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $135,566,701. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.3745% and 0.3456%, resulting in a net increase in the proportionate share of 0.0289%.

For the year ended June 30, 2024, the District recognized pension expense of $24,382,557. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 19,148,893	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	7,486,294	24,094
Differences between projected and actual earnings on pension plan investments	14,480,463	-
Differences between expected and actual experience in the measurement of the total pension liability	4,947,212	2,082,106
Changes of assumptions	6,245,504	-
Total	$ 52,308,366	$ 2,106,200

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 2,701,172
2026	1,600,242
2027	9,728,405
2028	450,644
Total	$ 14,480,463

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 6,877,543
2026	6,541,348
2027	3,153,919
Total	$ 16,572,810

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 195,994,408
Current discount rate (6.90%)	135,566,701
1% increase (7.90%)	85,624,577

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $14,758,729 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 14 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

Construction Commitments

As of June 30, 2024, the District had committed under various capital expenditure purchase agreements for various projects totaling approximately $302.2 million, to be completed by June 30, 2027, to be funded through general obligation bonds and capital project apportionments from California Department of General Services.

Note 15 - Joint Powers Authorities and Other Related Party Transactions

The District is a member of the Southern California Regional Liability Excess Fund (SoCal ReLiEF), Self-Insured Schools of California (SISC), Teamsters Miscellaneous Security Trust (TMST), and the Riverside Schools Risk Management Authority (RSRMA) a joint powers authority (JPA). The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

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

During the year ended June 30, 2024, the District made payments of $2,264,109, $24,278,179, $14,519,558, and $547,382 to SoCal ReLiEF, SISC, TMST, and RSRMA, respectively, for its health coverage, property liability and workers' compensation.

Required Supplementary Information
June 30, 2024

Palm Springs Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 309,968,342	$ 314,691,438	$ 315,747,337	$ 1,055,899
Federal sources	55,742,214	97,171,374	70,058,927	(27,112,447)
Other State sources	44,366,322	76,523,208	76,947,793	424,585
Other local sources	21,849,528	40,893,323	39,441,281	(1,452,042)
Total revenues [1]	431,926,406	529,279,343	502,195,338	(27,084,005)
Expenditures				
Current				
Certificated salaries	160,842,097	165,994,912	165,797,298	197,614
Classified salaries	65,556,882	68,843,510	68,324,734	518,776
Employee benefits	119,602,154	121,043,211	120,407,468	635,743
Books and supplies	21,912,242	44,798,428	17,489,545	27,308,883
Services and operating expenditures	42,191,013	67,369,900	57,583,769	9,786,131
Other outgo	(1,110,255)	(1,319,854)	(1,885,977)	566,123
Capital outlay	22,685,922	49,185,333	40,580,060	8,605,273
Debt service - principal	-	-	1,407,736	(1,407,736)
Debt service - interest and other	-	-	103,679	(103,679)
Total expenditures [1]	431,680,055	515,915,440	469,808,312	46,107,128
Excess (Deficiency) of Revenues Over Expenditures	246,351	13,363,903	32,387,026	19,023,123
Other Financing Sources (Uses)				
Transfers in	9,428,250	10,971,985	7,562,677	(3,409,308)
Other sources - subscription-based IT arrangements	-	-	943,367	943,367
Transfers out	(4,296,073)	(9,351,593)	(8,818,013)	533,580
Net financing sources (uses)	5,132,177	1,620,392	(311,969)	(1,932,361)
Net Change in Fund Balances	5,378,528	14,984,295	32,075,057	17,090,762
Fund Balance - Beginning	170,432,685	170,432,685	170,432,685	-
Fund Balance - Ending	$ 175,811,213	$ 185,416,980	$ 202,507,742	$ 17,090,762

[1] Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however, are not included in the original and final General Fund budgets.

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	$ 2,661,826	$ 2,662,250	$ 3,293,122	$ 3,094,993
Interest	1,834,470	1,668,098	1,086,343	1,197,997
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	341,687	-	(2,822,929)
Changes of assumptions	(1,249,347)	307,576	(5,984,065)	(3,903,921)
Benefit payments	(2,274,798)	(1,407,932)	(1,096,530)	(2,555,380)
Net change in total OPEB liability	972,151	3,571,679	(2,701,130)	(4,989,240)
Total OPEB Liability - Beginning	50,065,927	46,494,248	49,195,378	54,184,618
Total OPEB Liability - Ending	$ 51,038,078	$ 50,065,927	$ 46,494,248	$ 49,195,378
Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 3,004,848	$ 2,517,617	$ 2,563,184
Interest	1,192,239	1,851,832	1,680,193
Changes of benefit terms	(1,058,918)	-	-
Difference between expected and actual experience	13,862	63,979	181,335
Changes of assumptions	4,090,852	1,251,556	(1,055,121)
Benefit payments	(2,400,649)	(2,551,740)	(2,357,253)
Net change in total OPEB liability	4,842,234	3,133,244	1,012,338
Total OPEB Liability - Beginning	49,342,384	46,209,140	45,196,802
Total OPEB Liability - Ending	$ 54,184,618	$ 49,342,384	$ 46,209,140
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

Year ended June 30,	2024	2023	2022	2021
Proportion of the net OPEB liability	0.3740%	0.3587%	0.3542%	0.4153%
Proportionate share of the net OPEB liability	$ 1,134,883	$ 1,181,536	$ 1,412,778	$ 1,760,166
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.3729%	0.3625%	0.3625%
Proportionate share of the net OPEB liability	$ 1,388,630	$ 1,387,493	$ 1,743,573
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

CalSTRS	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.2529%	0.2390%	0.2356%	0.2384%	0.2413%
Proportionate share of the net pension liability	$ 192,579,084	$ 166,067,381	$ 107,233,655	$ 230,999,055	$ 217,900,290
State's proportionate share of the net pension liability	92,270,054	83,165,895	53,955,816	119,080,040	118,879,155
Total	$ 284,849,138	$ 249,233,276	$ 161,189,471	$ 350,079,095	$ 336,779,445
Covered payroll	$ 156,807,623	$ 140,239,309	$ 131,157,282	$ 131,966,058	$ 131,111,296
Proportionate share of the net pension liability as a percentage of its covered payroll	122.81%	118.42%	81.76%	175.04%	166.19%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.2305%	0.2289%	0.2308%	0.2203%	0.0750%
Proportionate share of the net pension liability	$ 211,855,128	$ 211,702,726	$ 186,675,227	$ 148,312,147	$ 116,093,098
State's proportionate share of the net pension liability	121,296,969	125,241,544	106,286,523	78,440,566	70,102,025
Total	$ 333,152,097	$ 336,944,270	$ 292,961,750	$ 226,752,713	$ 186,195,123
Covered payroll	$ 124,947,685	$ 122,773,402	$ 113,836,850	$ 98,694,989	103,962,473
Proportionate share of the net pension liability as a percentage of its covered payroll	169.56%	172.43%	163.98%	150.27%	111.67%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

CalPERS	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.3745%	0.3456%	0.3369%	0.3359%	0.3281%
Proportionate share of the net pension liability	$ 135,566,701	$ 118,926,444	$ 68,500,255	$ 103,062,273	$ 95,635,221
Covered payroll	$ 65,193,843	$ 53,500,637	$ 48,741,531	$ 48,591,618	$ 45,824,731
Proportionate share of the net pension liability as a percentage of its covered payroll	207.94%	222.29%	140.54%	212.10%	208.70%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.3293%	0.3267%	0.3258%	0.3013%	0.2952%
Proportionate share of the net pension liability	$ 87,807,338	$ 77,989,257	$ 64,353,119	$ 44,414,852	$ 33,509,892
Covered payroll	$ 43,606,980	$ 41,678,190	$ 40,021,930	$ 32,838,170	34,228,832
Proportionate share of the net pension liability as a percentage of its covered payroll	201.36%	187.12%	160.79%	135.25%	97.90%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

CalSTRS	2024	2023	2022	2021	2020
Contractually required contribution	$ 32,089,323	$ 29,950,256	$ 23,728,491	$ 21,181,901	$ 22,566,196
Less contributions in relation to the contractually required contribution	32,089,323	29,950,256	23,728,491	21,181,901	22,566,196
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 168,006,927	$ 156,807,623	$ 140,239,309	$ 131,157,282	$ 131,966,058
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 21,344,919	$ 18,029,951	$ 15,444,894	$ 12,214,694	$ 8,764,115
Less contributions in relation to the contractually required contribution	21,344,919	18,029,951	15,444,894	12,214,694	8,764,115
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 131,111,296	$ 124,947,685	$ 122,773,402	$ 113,836,850	$ 98,694,989
Contributions as a percentage of covered payroll	16.28%	14.43%	12.58%	10.73%	8.88%

CalPERS	2024	2023	2022	2021	2020
Contractually required contribution	$ 19,148,893	$ 16,539,678	$ 12,256,996	$ 10,089,497	$ 9,582,753
Less contributions in relation to the contractually required contribution	19,148,893	16,539,678	12,256,996	10,089,497	9,582,753
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 71,772,463	$ 65,193,843	$ 53,500,637	$ 48,741,531	$ 48,591,618
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 8,276,863	$ 6,772,600	$ 5,788,267	$ 4,741,398	$ 3,865,381
Less contributions in relation to the contractually required contribution	8,276,863	6,772,600	5,788,267	4,741,398	3,865,381
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 45,824,731	$ 43,606,980	$ 41,678,190	$ 40,021,930	$ 32,838,170
Contributions as a percentage of covered payroll	18.062%	15.531%	13.888%	11.847%	11.771%

Note 1 - Purpose of Schedules

Budgetary Comparison Schedules

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

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

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

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

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* - Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the average working life. In addition, the discount rate was changed from 3.65% to 3.93%.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

Schedule of the District's Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Supplementary Information
June 30, 2024

Palm Springs Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education			
Education Stabilization Fund			
COVID 19 GEER II	84.425C	15619	$ 615,602
COVID-19 Elementary and Secondary School Relief II (ESSER II) Fund	84.425D	15547	1,139,338
COVID-19 ESSER II State Reserve	84.425D	15618	2,467,767
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	6,467,073
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	31,630,248
COVID-19 ESSER III State Reserve Emergency Needs	84.425U	15620	1,451,960
COVID-19 ESSER III State Reserve Learning Loss	84.425U	15621	2,682,626
COVID-19 American Rescue Plan-Homeless Children and Youth (ARP - Homeless I)	84.425W	15564	35,021
COVID-19 American Rescue Plan – Homeless Children and Youth II (ARP HCY II)	84.425W	15566	99,044
Subtotal			46,588,679
Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	10,221,711
School Improvement Funding for LEAs	84.010	15438	339,942
Subtotal			10,561,653
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Section 131	84.048	14894	328,192
Title IX, Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332	96,496
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	253,375
Title III, English Learner Student Program	84.365	14346	962,723
Title III, Immigrant Education Program	84.365	15146	78,917
Subtotal			1,041,640
Title II, Part A, Supporting Effective Instruction	84.367	14341	1,182,467
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	1,194,739
Passed through Riverside County Special Education Local Plan Area			
Special Education Cluster (IDEA)			
Local Assistance, Part B, Sec 611, Private School Individual Service Plans	84.027	10115	18,100
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	3,524,925
COVID-19 ARP Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	119,227
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	237,469
Subtotal			3,899,721
Preschool Grants, Part B, Sec 619	84.173	13430	56,512
Preschool Capacity Building, Part B, Sec 619	84.173A	13839	642
Subtotal			57,154
Subtotal Special Education Cluster (IDEA)			3,956,875
Total U.S. Department of Education			65,204,116

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through California Department of Education			
Child Nutrition Cluster			
School Breakfast Basic	10.553	13525	$ 28,819
School Breakfast Needy	10.553	13526	2,628,886
Subtotal			2,657,705
School Lunch - Section 4	10.555	13523	1,092,853
Commodities	10.555	13524	909,280
School Lunch - Section 11	10.555	13524	8,409,490
Local Food for Schools	10.555	15708	147,087
Subtotal			10,558,710
Fresh Fruit and Vegetable Program	10.582	14968	88,574
Subtotal Child Nutrition Cluster			13,304,989
Passed through California Department of Social Services			
Child and Adult Care Food Program (CACFP)			
CACFP Claims - Centers and Family Day Care Homes	10.558	13529	2,068,683
Cash in Lieu of Commodities	10.558	13534	143,591
Subtotal			2,212,274
Passed through Riverside County Office of Education			
Forest Service Schools and Roads Cluster			
Forest Reserve	10.665	10044	10,052
Subtotal Forest Service Schools and Roads Cluster			10,052
Total U.S. Department of Agriculture			15,527,315
U.S. Department of Defense			
Junior Reserve Officer Training Corps - Air Force	12.UNK	[1]	153,159
Total U.S. Department of Defense			153,159
U.S. Department of Health and Human Services			
Passed through Riverside County Superintendent of Schools			
Head Start Cluster			
Head Start	93.600	10016	4,974,644
Subtotal Head Start Cluster			4,974,644
Total U.S. Department of Health and Human Services			4,974,644
Total Federal Financial Assistance			$ 85,859,234

[1] Direct funded award

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	5,210.27	5,233.21
Fourth through sixth	4,027.61	4,014.54
Seventh and eighth	2,546.15	2,526.69
Ninth through twelfth	5,872.31	5,804.09
Total Regular ADA	17,656.34	17,578.53
Extended Year Special Education		
Transitional kindergarten through third	3.21	3.21
Fourth through sixth	3.95	3.95
Seventh and eighth	1.43	1.43
Ninth through twelfth	6.34	6.34
Total Extended Year Special Education	14.93	14.93
Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.11	-
Seventh and eighth	0.33	0.44
Ninth through twelfth	0.56	0.85
Total Special Education, Nonpublic, Nonsectarian Schools	1.00	1.29
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Ninth through twelfth	0.08	0.08
Total ADA	17,672.35	17,594.83

Cielo Vista Charter School

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	321.31	321.87
Fourth through sixth	277.26	277.52
Seventh and eighth	202.45	202.55
Total Charter School ADA	801.02	801.94
Classroom Based ADA		
Regular ADA		
Transitional kindergarten through third	321.31	321.87
Fourth through sixth	277.26	277.52
Seventh and eighth	202.45	202.55
Total Classroom Based ADA	801.02	801.94

					Traditional Calendar			Multitrack Calendar			
Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A*	Total Minutes Offered	Number of Actual Days	Number of Days Credited Form J-13A*	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Status
Kindergarten	36,000	54,340	890	55,230	178	3	181	-	-	-	Complied
Grades 1 - 3	50,400										
Grade 1		54,340	890	55,230	178	3	181	-	-	-	Complied
Grade 2		54,340	890	55,230	178	3	181	-	-	-	Complied
Grade 3		54,340	890	55,230	178	3	181	-	-	-	Complied
Grades 4 - 8	54,000										
Grade 4		55,660	910	56,570	178	3	181	-	-	-	Complied
Grade 5		55,660	910	56,570	178	3	181	-	-	-	Complied
Grade 6		60,540	960	61,500	178	3	181	-	-	-	Complied
Grade 7		60,540	960	61,500	178	3	181	-	-	-	Complied
Grade 8		60,540	960	61,500	178	3	181	-	-	-	Complied
Grades 9 - 12	64,800										
Grade 9		64,194	994	65,188	178	3	181	-	-	-	Complied
Grade 10		64,194	994	65,188	178	3	181	-	-	-	Complied
Grade 11		64,194	994	65,188	178	3	181	-	-	-	Complied
Grade 12		64,194	994	65,188	178	3	181	-	-	-	Complied

* The District received an approved J-13A for three days, for 890 minutes for kindergarten, 890 minutes for grades 1-3, 910 minutes for grades 4-5, 960 minutes for grades 6-8, and 994 minutes for grades 9-12.

Cielo Vista Charter School

					Traditional Calendar			Multitrack Calendar			
Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A*	Total Minutes Offered	Number of Actual Days	Number of Days Credited Form J-13A*	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Status
Kindergarten	36,000	54,630	905	55,535	178	3	181	-	-	-	Complied
Grades 1 - 3	50,400										
Grade 1		55,910	925	56,835	178	3	181	-	-	-	Complied
Grade 2		55,910	925	56,835	178	3	181	-	-	-	Complied
Grade 3		55,910	925	56,835	178	3	181	-	-	-	Complied
Grades 4 - 8	54,000										
Grade 4		57,190	945	58,135	178	3	181	-	-	-	Complied
Grade 5		57,190	945	58,135	178	3	181	-	-	-	Complied
Grade 6		61,500	1,020	62,520	178	3	181	-	-	-	Complied
Grade 7		61,500	1,020	62,520	178	3	181	-	-	-	Complied
Grade 8		61,500	1,020	62,520	178	3	181	-	-	-	Complied

* The Charter received an approved J-13A for three days, for 905 minutes for kindergarten, 925 minutes for grades 1-3, 945 minutes for grades 4-5, and 1,020 minutes for grades 6-8.

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2024.

	(Budget) 2025 [1]	2024	2023 [1]	2022 [1]
General Fund				
Revenues	$ 403,022,641	$ 502,195,338	$ 487,344,863	$ 372,997,886
Other sources and transfers in	20,893,074	8,506,044	11,045,735	7,984,342
Total Revenues and Other Sources	423,915,715	510,701,382	498,390,598	380,982,228
Expenditures	427,849,755	469,808,312	413,810,673	345,795,174
Other uses and transfers out	3,284,035	8,818,013	10,883,055	2,633,512
Total Expenditures and Other Uses	431,133,790	478,626,325	424,693,728	348,428,686
Increase/(Decrease) in Fund Balance	(7,218,075)	32,075,057	73,696,870	32,553,542
Ending Fund Balance	$ 195,289,667	$ 202,507,742	$ 170,432,685	$ 96,735,815
Available Reserves [2]	$ 29,289,130	$ 14,343,725	$ 25,430,577	$ 23,161,066
Available Reserves as a Percentage of Total Outgo	6.79%	3.00%	5.99%	6.65%
Long-Term Liabilities	N/A	$ 904,873,457	$ 796,613,617	$ 717,297,286
K-12 Average Daily Attendance at P-2	19,111	18,473	18,598	17,546

The General Fund balance has increased by $105,771,927 over the past two years. The fiscal year 2024-2025 budget projects a decrease of $7,218,075 (3.56%). For a district this size, the State recommends available reserves of at least 3.00% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in all of the past three years but anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by $187,576,171 over the past two years.

Average daily attendance has increased by 927 over the past two years. An increase of 638 ADA is anticipated during fiscal year 2024-2025.

[1] Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects.

Name of Charter School	Charter Number	Included in Audit Report
Cielo Vista Charter	1173	Yes

	Student Activity Fund	Charter School Fund	Adult Education Fund	Child Development Fund
Assets				
Deposits and investments	$ 1,582,667	$ 11,612,192	$ 194,807	$ 3,650,071
Receivables	-	456,541	30,031	128,397
Due from other funds	-	238	-	64,707
Stores inventories	93,937	-	-	-
Total assets	$ 1,676,604	$ 12,068,971	$ 224,838	$ 3,843,175
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 116,055	$ 143,271	$ 430,790
Due to other funds	-	1,931,699	-	1,084,938
Unearned revenue	-	200,876	-	901,052
Total liabilities	-	2,248,630	143,271	2,416,780
Fund Balances				
Nonspendable	98,177	50,000	-	-
Restricted	1,578,427	9,770,341	81,567	1,426,395
Total fund balances	1,676,604	9,820,341	81,567	1,426,395
Total liabilities and fund balances	$ 1,676,604	$ 12,068,971	$ 224,838	$ 3,843,175

	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund for Blended Component Units	Total Non-Major Governmental Funds
Assets					
Deposits and investments	$ 18,670,634	$ 36,931,620	$ 744,843	$ 765,223	$ 74,152,057
Receivables	4,493,242	468,289	3,453,437	8,631	9,038,568
Due from other funds	31,063	7,531	-	-	103,539
Stores inventories	370,291	-	-	-	464,228
Total assets	$ 23,565,230	$ 37,407,440	$ 4,198,280	$ 773,854	$ 83,758,392
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 383,762	$ 2,332,944	$ -	36,724	$ 3,443,546
Due to other funds	113,232	725	3,476,551	-	6,607,145
Unearned revenue	8,766	-	-	-	1,110,694
Total liabilities	505,760	2,333,669	3,476,551	36,724	11,161,385
Fund Balances					
Nonspendable	370,291	-	-	-	518,468
Restricted	22,689,179	35,073,771	721,729	737,130	72,078,539
Total fund balances	23,059,470	35,073,771	721,729	737,130	72,597,007
Total liabilities and fund balances	$ 23,565,230	$ 37,407,440	$ 4,198,280	$ 773,854	$ 83,758,392

	Student Activity Fund	Charter School Fund	Adult Education Fund	Child Development Fund
Revenues				
Local Control Funding Formula	$ -	$ 12,273,609	$ -	$ -
Federal sources	-	283,044	-	-
Other State sources	-	2,966,178	343,401	3,969,005
Other local sources	3,164,425	599,568	12,243	176,690
Total revenues	3,164,425	16,122,399	355,644	4,145,695
Expenditures				
Current				
Instruction	-	10,582,488	209,107	2,277,869
Instruction-related activities				
Supervision of instruction	-	285,813	64	548,745
Instructional library, media, and technology	-	7,317	-	-
School site administration	-	1,073,610	-	-
Pupil services				
Food services	-	-	-	-
All other pupil services	-	447,072	214,100	101,126
Administration				
All other administration	-	747,161	13,490	140,821
Plant services	-	803,887	25,645	72,331
Ancillary services	3,236,021	4,279	-	-
Facility acquisition and construction	-	198,277	-	210,321
Debt service				
Principal	-	1,652	-	-
Interest and other	-	249	-	-
Total expenditures	3,236,021	14,151,805	462,406	3,351,213
Excess (Deficiency) of Revenues Over Expenditures	(71,596)	1,970,594	(106,762)	794,482
Other Financing Sources (Uses)				
Transfers in	-	-	-	212
Transfers out	-	(1,025,823)	-	-
Net Financing Sources (Uses)	-	(1,025,823)	-	212
Net Change in Fund Balances	(71,596)	944,771	(106,762)	794,694
Fund Balance - Beginning	1,748,200	8,875,570	188,329	631,701
Fund Balance - Ending	$ 1,676,604	$ 9,820,341	$ 81,567	$ 1,426,395

	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund for Blended Component Units	Total Non-Major Governmental Funds
Revenues					
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ 12,273,609
Federal sources	15,517,263	-	-	-	15,800,307
Other State sources	3,243,180	-	4,947,964	-	15,469,728
Other local sources	1,357,200	9,139,576	20,267	53,396	14,523,365
Total revenues	20,117,643	9,139,576	4,968,231	53,396	58,067,009
Expenditures					
Current					
Instruction	-	-	-	-	13,069,464
Instruction-related activities					
Supervision of instruction	-	-	-	-	834,622
Instructional library, media, and technology	-	-	-	-	7,317
School site administration	-	-	-	-	1,073,610
Pupil services					
Food services	18,540,357	-	-	-	18,540,357
All other pupil services	-	-	-	-	762,298
Administration					
All other administration	556,850	280,712	-	-	1,739,034
Plant services	117,889	40,906	-	4,463	1,065,121
Ancillary services	-	-	-	-	3,240,300
Facility acquisition and construction	181,495	15,364,611	134,977	-	16,089,681
Debt service					
Principal	-	-	-	-	1,652
Interest and other	-	15,000	-	35,498	50,747
Total expenditures	19,396,591	15,701,229	134,977	39,961	56,474,203
Excess (Deficiency) of Revenues Over Expenditures	721,052	(6,561,653)	4,833,254	13,435	1,592,806
Other Financing Sources (Uses)					
Transfers in	1,459	-	-	723,695	725,366
Transfers out	-	-	(4,308,644)	-	(5,334,467)
Net Financing Sources (Uses)	1,459	-	(4,308,644)	723,695	(4,609,101)
Net Change in Fund Balances	722,511	(6,561,653)	524,610	737,130	(3,016,295)
Fund Balance - Beginning	22,336,959	41,635,424	197,119	-	75,613,302
Fund Balance - Ending	$23,059,470	$35,073,771	$ 721,729	$ 737,130	$ 72,597,007

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Palm Springs Unified School District (the District) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to subrecipients.

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

Food Donation
Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the District had no food commodities in inventory.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

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

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

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

Other Information
June 30, 2024

Palm Springs Unified School District

ORGANIZATION

The District was established in 1948 and consists of an area comprising approximately 498 square miles. The District operates fifteen elementary schools, five middle schools, four high schools, one charter school, one continuation, and one adult school. There were no boundary changes during the year.

Governing Board

Member	Office	Term Expires
Madonna Gerrell	President	2026
Karen Cornett	Clerk	2024
John Gerardi	Member	2026
Sergio Espericueta	Member	2024
Charlie E. Ervin Jr.	Member	2026

Administration

Name	Title
Tony Signoret Ed. D.	Superintendent
Jeffery Simmons	Assistant Superintendent, Business Services
Simone Kovats, Ed. D	Assistant Superintendent, Educational Services
Clayton Hill	Assistant Superintendent, Human Resources
Tony Carrillo	Director of Fiscal Services

Independent Auditor's Reports
June 30, 2024

Palm Springs Unified School District

EideBailly

CPAs & BUSINESS ADVISORS

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 Governing Board
Palm Springs Unified School District
Palm Springs, California

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 (*Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Palm Springs Unified School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2024.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Eide Bailly LLP

Rancho Cucamonga, California
December 12, 2024

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

To the Governing Board
Palm Springs Unified School District
Palm Springs, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Palm Springs Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2024.

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 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 12, 2024

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

To the Governing Board
Palm Springs Unified School District
Palm Springs, California

Report on Compliance

Opinion on State Compliance

We have audited Palm Springs Unified School District's (the District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

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 (*Government Auditing Standards)*, and the *2023-2024 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 District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 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:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
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	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 12, 2024

Schedule of Findings and Questioned Costs
June 30, 2024

Palm Springs Unified School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
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 Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Title I Grants to Local Educational Agencies	84.010
COVID-19 Education Stabilization Fund	84.425C, 84.425D, 84.425U, 84.425W

Dollar threshold used to distinguish between type A and type B programs	$2,575,357
Auditee qualified as low-risk auditee?	Yes

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

State Compliance Findings

2023-001 40000 – Transitional Kindergarten (Noncompliance)

Criteria or Specific Requirements

As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to Education Code Section 46300, a school district or charter school shall maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each school site. In accordance with requirements of Education Code Section 48000.1 (b)(1)(C), for school districts and charter schools that fail to maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each school site, as required pursuant to paragraph (1) of subdivision (g) of Section 48000, the amount determined by multiplying the then-current fiscal year's average daily attendance reported for the second principal apportionment period in transitional kindergarten by the amount of the current fiscal year's K-3 Grade Span Adjustment rate is required to be reported.

Condition

For the current year, Cielo Vista Charter School (the Charter) did not meet the class enrollment of not more than 24 pupils as required by as required pursuant to paragraph (1) of subdivision (g) of Section 48000.

Cause

As of the start of the current fiscal year, the class size at the Charter was greater than 24 pupils, which was identified by the District and the class size was adjusted to down to 24 pupils in the transitional kindergarten class. After the class enrollment adjustments had been made to the class size to meet 24 pupils, the average enrollment was greater than 24 pupils at the second principal apportionment period.

Effect

As a result of our testing, the Charter does not appear to be in compliance with the transitional kindergarten average class enrollment requirement of not more than 24 pupils as set forth by Education Code Section 46300.

Questioned Costs

The questioned cost identified was $21,223.

Recommendation

It is recommended that the District implement procedures to ensure that the average transitional kindergarten class enrollment is not more than 24 pupils, as required by Education Code Section 48000(g)(1).

Current Status

Implemented.