

CUTTEN ELEMENTARY SCHOOL DISTRICT
BOARD OF TRUSTEES
BOARD MEETING AGENDA
January 12, 2026 6 pm
Ridgewood Commons
2060 Ridgewood Drive Cutten, CA 95503

- 1.0 CALL TO ORDER/FLAG SALUTE**
- 2.0 CONSENT AGENDA**
 - 2.1 Approval of Minutes-December 8, 2025
 - 2.2 Approval of Warrants and Payroll
 - 2.3 Approval of Quarterly Report on Williams Uniform Complaints
 - 2.4 Approval of Letter of Resignation/Retirement 1.0 Credentialed Cutten Resource Teacher
 - 2.5 Approval of 1.0 Certificated Leave December 1, 2025-May 1, 2026
 - 2.6 Approval of .8 FTE Classified Cutten ASP/Classroom Aide Position
 - 2.7 Approval of .68 FTE Temporary Ridgewood Classified Aide Position
 - 2.8 Approval of New 2025 IRS Mileage Reimbursement, Per Diem, and Bid Threshold Rates
- 3.0 VISITOR COMMENTS ON NON-AGENDA ITEMS**

The Board reserves the right to limit speakers to three minutes only. The Board may comment but cannot take action at this time. The Board President may refer the matter to the Superintendent for review, if appropriate.
- 4.0 REPORTS**
 - 4.1 Cutten Ridgewood PTA Report
 - 4.2 School Site Council
 - 4.3 HBTA Report
 - 4.4 Principals' Report
 - 4.5 Enrollment
 - 4.6 LCAP
- 5.0 CORRESPONDENCE**
 - 5.1 School Board Recognition Month
 - 5.2 Independent Financial and Compliance Audit Report
- 6.0 INFORMATION / POSSIBLE ACTION ITEMS**
 - 6.1 Presentation: CFW Facilities Plan
 - 6.2 Discussion/Consider Approval of the 2025-26 District Facilities Plan
 - 6.3 Discussion/Consider Approval of Cutten and Ridgewood 2024 – 2025 School Accountability Report Cards
 - 6.4 Discussion/Consider Acceptance of 2024-2025 Independent Financial and Compliance Audit Report for School District and Measure L & K General Obligation Bond
 - 6.5 Information/Public Presentation (Sunshine) of the Humboldt Bay Teachers's Association Initial Proposal for 2026-2027 Contract Negotiations: Opening with Salary and Health & Welfare
 - 6.6 Discussion/Consider Approval of 3 Hour (.375 FTE) Temporary Aide for Music Program (Art & Music Proposition 28 roll over funding)
 - 6.7 Discussion/Consider Approval of an Additional 15min/day .028 FTE RW Cafeteria Aide for Setup/Inventory
 - 6.8 Discussion/Approval to Increase Custodian Starting Pay to \$17.03hr Beginning January 2025
 - 6.9 Discussion/Consider Approval of Contract Audit Services RT Dennis Accountancy (1st year: \$20,000, 2nd year: \$21,000, 3rd year: \$22,000 plus travel)

- 6.10 Discussion/Consider Approval of Change Orders #11.1 and #008 Insulation Materials Change and Roof Spray Foam Insulation Credit (\$3,738.54), additional cost \$21,948.41
- 6.11 Discussion/Information RW Bond and Future Cutten Projects

7.0 SUPERINTENDENT REPORT

8.0 PUBLIC COMMENT ON CLOSED SESSION ITEM

9.0 BOARD MEMBER COMMENTS / COMMUNICATION

10.0 CLOSED SESSION

9.1 CONFERENCE WITH LABOR NEGOTIATOR (GC § 54957.6)

*Agency Negotiator: Becky MacQuarrie
Unrepresented Employee: Classified*

9.2 CONFERENCE WITH LABOR NEGOTIATOR (GC § 54957.6)

*Agency Negotiator: Becky MacQuarrie
Unrepresented Employee: Classified*

9.3 CONFERENCE WITH LABOR NEGOTIATOR (GC § 54957.6)

*Agency Negotiator: Becky MacQuarrie
Name of Organization Representing Employees: HBTA*

11.0 RECONVENE TO OPEN SESSION

Report of Action Taken

12.0. ADJOURNMENT

NOTICE: Any writing, not exempt from public disclosure under Government Code Section 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22, which is distributed to all or a majority of the members of the governing board by any person in connection with a matter subject to discussion or consideration at an open meeting of the board is available for public inspection at Ridgewood School, 2060 Ridgewood Drive, Eureka

CUTTEN BOARD OF BOARD OF TRUSTEES
BOARD MEETING Minutes
December 8, 2025 6:00 pm
Ridgewood Commons
2060 Ridgewood Drive Cutten, CA 95503

1.0 CALL TO ORDER/FLAG SALUTE- Board members in attendance: Dennis Reinholtzen , Mary DeWald, Becky Reece, Mindy Sehon, Beth Johnston. Meeting called to order at 6:07 pm with flag salute.

2.0 CONSENT AGENDA- Question in regards to 2.3 and it not being a one on one aide discussion.
Moved by Becky Reece seconded by Beth Johnston.

- 2.1 Approval of Minutes – November 17, 2025
- 2.2 Approval of Warrants and Payroll
- 2.3 Approval of .675 FTE Classified Aide Position
- 2.4 Approval of Resignation - .75 FTE Classified Aide Position
- 2.5 Approval of MOU Between Cutten School District and HBTA Regarding School Climate Team, Leadership Team, Yearbook, Athletic Director, Drama Program (Director & Coordinators) 2025-26

3.0 VISITOR COMMENTS ON NON-AGENDA ITEMS- None

The Board reserves the right to limit speakers to three minutes only. The Board may comment but cannot take action at this time. The Board President may refer the matter to the Superintendent for review, if appropriate.

4.0 REPORTS

- 4.1 Cutten Ridgewood PTA Report- Pancake breakfast went well, PTA members quota has been reached so no more being accepted at the moment.
- 4.2 School Site Council Report- Passed comprehensive safe schools plan. Next meeting Jan 20th, 2026.
- 4.3 Principals' Report- New online platform IDTs are up and going. Conference week went so great both from the teachers and families. Principles delivered food boxes for needy families. New librarian did a great job with her first scholastic bookfair with gross 9k sales of which we get a portion. Gate academy students picked and they are going to their event in January. Shout out to Yip and Cook for their student council group. Girls are doing great with their basketball season. Behavior academy on students who have a harder time keeping their hands to themselves. Math curriculum event at HCOE that teachers attended to review for next year. TK information night Dec 11th. Classroom performances week before break for all grades.
- 4.4 HBTA Report- TK K informational night is nice having it early on during the IDT timeline. Appreciate having the variety of teachers checking out the new math curriculum. A new native american curriculum created in Humboldt that a few teachers attended for free and curriculum is given free to schools to share. Shout out to Cook for her conferences and teaching methods.
- 4.5 Citizen's Oversight Committee Report- First meeting happened with shared expenses so they see expenses are being used appropriately.
- 4.5 Update on Current Enrollment- Steady running in attendance updated sheet to be brought back.
- 4.6 LCAP- Meeting to be held in hopes to get more parents input.

5.0 CORRESPONDENCE

5.1 Reminder: School Board Members Required Ethics Training Every 2 Years AB
1234

6.0 INFORMATION / POSSIBLE ACTION ITEMS

6.1 Discussion/Consider Approval of Certification of First Interim Report- Motioned by Becky Reece seconded by Mary DeWald. Motion passed 5-0

6.2 Discussion/Consider Approval of 2024 School Board Organization – Officers, Meeting Dates, Times.- Motioned by Becky Reece seconded by Beth Johnston. Motion carried 5-0.

6.3 Discussion/Approval of eLuma Contract to Support Students During Speech Pathologist Leave of Absence- Motioned by Beth Johnston seconded by Becky Reece so long as ability of termination is possible. Motion carried 5-0.

6.4 Discussion/Consider Approval of Speech Language Pathologist Sarah Tichner Contract 2 Hours Week- Motioned by Mindy Sehon seconded by Becky Reece. Motion carried 5-0.

6.5 Discussion/Consider Approval of Bid to Replace Annex Roof & Garage- Motioned by Becky Reece seconded by Mary DeWald with discretion based on timeline. Motion carried 5-0.

6.6 Discussion on Ridgewood Phase 2 Project- Roof part left out of plans, asked for guidance on how to move forward.

7.0 SUPERINTENDENT REPORT- Opportunity to become a school for mentoring teachers as a pilot school. CEI training coming up in San Diego with a team from Cutten with monies that come through PD. In the thick of our audit and having to look into a new auditor for the following year.

8.0 CLOSED SESSION- Meeting adjourned at 7:46pm for closed session. Closed session opened at 7:47pm.

With respect to every item of business to be discussed in closed session:

8.1 CONFERENCE WITH LABOR NEGOTIATOR (GC § 54957.6)
Agency Negotiator: Becky MacQuarrie
Name of organization representing employees: Classified

9.0 RECONVENE TO OPEN SESSION- Meeting reconvened at 8:06
Report of Action Taken- No action taken

10.0 BOARD MEMBER COMMENTS / COMMUNICATION- None

11.0 ADJOURNMENT- Meeting adjourned at 8:08pm

NOTICE: Any writing, not exempt from public disclosure under Government Code Section 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22, which is distributed to all or a majority of the members of the governing board by any person in connection with a matter subject to discussion or consideration at an open meeting of the board is available for public inspection at Ridgewood School, 2060 Ridgewood Drive, Eureka

Pay01a

Payroll Summary by Org

Pay Date 12/05/2025 through 12/31/2025

Fiscal Year 2025/26

Grouped by Org, Filtered by (Org = 9, Fiscal Year = 2026, Starting Pay Date = 12/1/2025, Ending Pay Date = 12/31/2025)

Generated for Vanessa Corillo Sales (VCABII) on 7/20/2016
Date = 12/31/2025)

Pay01a

Payroll Summary by Org

Pay Date 12/05/2025 through 12/31/2025

BALANCING DATA				NET			
Gross Earnings	463,668.52	299,995.92	Net Pay	Direct Deposits	265,027.71	82	
District Liability	211,139.35	163,672.60	Deductions	Checks	34,968.21	31	
	674,807.87	211,139.35	Contributions	Partial Net ACH			
				Negative Net			
				Check Holds			
				Zero Net			
				TOTAL	299,995.92	113	

Selection

Grouped by Org, Filtered by (Org = 9, Fiscal Year = 2026, Starting Pay Date = 12/1/2025, Ending Pay Date = 12/31/2025)

009 - Cutten Elementary School District

Generated for Vanesa Carrillo-Salas (VCARILLO), Jan 7 2026

1:54PM

Checks Dated 12/01/2025 through 12/31/2025

Check Number	Check Date	Pay to the Order of	Fund-Object	Expensed Amount	Check Amount
3000297200	12/04/2025	ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION	01-7439		5,962.93
3000297201	12/04/2025	James Marta & Company LLP	01-5822		25,000.00
3000297202	12/04/2025	JK Inspections LLC	21-5800		3,412.50
3000297203	12/04/2025	URBAN FUTURES INC	01-5800		7,300.00
3000297204	12/04/2025	Verizon Wireless	01-5921		328.82
3000297205	12/04/2025	U.S. BANK	01-4110	4,225.07	
			01-4210	1,303.18	
			01-4310	6,174.58	
			01-4374	259.90	
			01-5210	854.65	
			01-5841	31.35	
			01-5884	32.11	
			01-5950	3.00	12,883.84
3000297694	12/08/2025	(HARRIS) SHAFER'S ACE HARDWARE	01-4374		188.24
3000297695	12/08/2025	AT&T CALNET 2	01-5909		340.83
3000297696	12/08/2025	CRYSTAL CREAMERY	13-4711		2,691.05
3000297697	12/08/2025	CRYSTAL SPRINGS BOTTLED WATER	01-5531	40.00	
			01-5623	34.00	74.00
3000297698	12/08/2025	FRANZ FAMILY BAKERY	13-4710		257.30
3000297699	12/08/2025	JOHNSON'S MOBILE RENTALS	21-5800		293.62
3000297700	12/08/2025	MURPHY'S MARKET	13-4710		118.57
3000297701	12/08/2025	SYSCO SACRAMENTO	01-4710	1,448.64	
			13-4396	4,659.99	
			13-4710	16,239.47	
			13-5623	147.85	22,495.95
3000297702	12/08/2025	VALLEY PACIFIC PETROLEUM SVCS	01-4364	223.07	
			01-4365	556.21	779.28
3000298097	12/11/2025	Carillo-Salas, Vanesa	01-5201	168.14	
			01-5950	4.44	
			13-4710	81.98	254.56
3000298098	12/11/2025	REVOLVING CASH FUND	01-5886	2.00	
			01-5950	9.45	
			01-9589	665.02	
			13-4710	295.72	972.19
3000298099	12/11/2025	Rutter, Darcie R	01-4391		156.30
3000298100	12/11/2025	Stokes, Mary E	01-4310		446.24
3000298101	12/11/2025	REVOLVING CASH FUND	01-4310		400.00
3000298550	12/15/2025	HUMBOLDT WASTE MGMT. AUTHORITY	01-5560		108.41
3000298551	12/15/2025	JK Inspections LLC	21-5800		5,321.25
3000298552	12/15/2025	KEENAN ASSOCIATES	01-9542		64,694.50
3000298553	12/15/2025	MISSION LINEN SUPPLY	01-5550		408.01
3000298554	12/15/2025	MURPHY'S MARKET	13-4710		298.66

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ERP for California

Page 1 of 2

Checks Dated 12/01/2025 through 12/31/2025

Check Number	Check Date	Pay to the Order of	Fund-Object	Expensed Amount	Check Amount
3000298555	12/15/2025	P G & E	01-5511	203.08	
			01-5520	6,143.72	6,346.80
3000298556	12/15/2025	Ubeo West,LLC	01-7439		962.93
3000298557	12/15/2025	U.S. BANK	01-4210	2,970.00	
			01-4310	6,021.01	
			01-4393	126.51	
			01-5210	3,000.00	
			01-5884	948.00	13,065.52
3000298558	12/15/2025	2ndGear LLC	01-4400		3,506.10
3000298899	12/18/2025	A&I ROOFING INC	01-6250		1,000.00
3000298900	12/18/2025	Crawford & Assoc. Inc	21-5800		1,640.00
3000298901	12/18/2025	HUMB COMMUNITY SERVICES DIST	01-5530		1,197.09
3000298902	12/18/2025	P G & E	01-5511		590.44
3000298903	12/18/2025	STUDIO W ARCHITECTS	21-6210		4,456.81
3000298904	12/18/2025	TRINITY DIESEL INC.	01-5635		1,593.21
3000299816	12/30/2025	Adams Comm. Gen Cont., Inc.	21-5800		341,400.55
3000299817	12/30/2025	Arenivaz, Alanzo	13-4710		54.82
3000299818	12/30/2025	Girard, Anne E	01-4310		75.00
3000299819	12/30/2025	Goodman, Kimberly A	01-4310		302.78
3000299820	12/30/2025	Hoertkorn-Rice, Suzanne K	01-4310		292.51
3000299821	12/30/2025	Hulstrom, Michael E	01-4710		55.37
3000299822	12/30/2025	Kencke, Joseph T	01-4310		58.05
3000299823	12/30/2025	Luciani, Ashly C	01-4310		109.50
3000299824	12/30/2025	MacQuarie, Becky L	01-5201		116.90
3000299825	12/30/2025	Perry, Alexandra	01-4310		32.42
3000299826	12/30/2025	Robbins, Anne M	01-4310		49.60
3000299827	12/30/2025	Rutter, Darcie R	01-4391	94.38	
			01-5210	60.00	154.38
3000299828	12/30/2025	Shoghi, Jesse P	01-4310		99.21
3000299829	12/30/2025	Sligh, Annette M	01-5950		10.48
Total Number of Checks				49	<u>532,357.52</u>

Fund Recap

Fund	Description	Check Count	Expensed Amount
01	GENERAL FUND	38	150,987.38
13	CAFETERIA FUND	8	24,845.41
21	BUILDING FUND	6	356,524.73
Total Number of Checks		49	532,357.52
Less Unpaid Tax Liability			.00
Net (Check Amount)			<u>532,357.52</u>

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ERP for California

Page 2 of 2

Quarterly Report on Williams Uniform Complaints

Education Code 35186(d)

District: Cutten Elementary school District

Person completing this form: Becky MacQuarrie Title: Superintendent

Please select the Quarter you are reporting **below**:

Quarter 4 - October 1 through December 31

Date: 1-12-2026

Please check the box that applies:

No Complaints were filed with any school in the district during the quarter indicated above

Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total # of Complaints	Total # Resolved	Total # Unresolved
Textbooks and Instructional Materials	0		
Teacher Vacancy Or Misassignment	0		
Facilities Conditions	0		
TOTALS	0	0	0

Becky MacQuarrie

Print Name of District Superintendent

Signature of District Superintendent

Please return completed form to: Cassidy McCrane, School Support
Humboldt County Office of Education

cmccrane@hcoe.org

by:	Quarter 1	due:	04/30
	Quarter 2	due:	08/31
	Quarter 3	due:	10/31
	Quarter 4	due:	01/31

MEMORANDUM

Date: December 30, 2025

To: District Superintendents, Charter School Directors, and School Chief Business Officials

From: Corey Weber, Assistant Superintendent of Business Services

Subject: Updated IRS Mileage Reimbursement Rate and Bid Threshold for 2026

This memorandum provides important updates for all Humboldt County School Districts and Charter Schools regarding the IRS mileage reimbursement rate and the annual adjustment to the bid threshold for contracts awarded by Local Educational Agencies (LEAs). Both changes take effect on January 1, 2026.

IRS Mileage Reimbursement Rate for 2026

On December 29, 2025, the IRS announced the standard mileage reimbursement rate for 2026. The rate for business miles driven in a personal vehicle will increase to **72.5¢ per mile** beginning January 1, 2026. HCOE will adopt this rate in alignment with IRS guidelines. Each district and charter school should follow its own procedures for implementing the new rate.

Bid Threshold for Non-Construction Contracts

The new bid threshold for non-construction contracts is **\$119,100** for the year starting January 1, 2026.

LEAs must use this threshold for contracts subject to competitive bidding, including:

- Purchases of equipment, materials, or supplies to be furnished, sold, or leased to the school district
- Services that are not construction-related
- Repairs and maintenance as defined in PCC Section 20115 (note: these are not considered public projects under PCC Section 22002(c), which have a lower bid threshold of \$15,000)

Bid Threshold for Construction Services/Public Works Projects

The threshold for construction services and public works projects remains at **\$15,000**.

Additional Information

For further details, please refer to the attached IRS Notice 2026-10 and the SCLS Legal Update dated December 17, 2025.

If you have any questions, please feel free to contact me.

Sincerely,



Corey Weber
Assistant Superintendent, Business Services

CUTTEN SCHOOL DISTRICT Certificated Staffing / Enrollment for 2025-2026
December 2025

CUTTEN ELEMENTARY SCHOOL DISTRICT

**COUNTY OF HUMBOLDT
EUREKA, CALIFORNIA**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CUTTEN ELEMENTARY SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Governmental Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	15
Notes to the Basic Financial Statements	16
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund	45
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	46
Schedule of Proportionate Share of Net Pension Liability	47
Schedule of Pension Contributions	48
Notes to Required Supplementary Information	49

CUTTEN ELEMENTARY SCHOOL DISTRICT

TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – All Non Major Funds	51
Combining Statement of Revenues, Expenditures and Changes In Fund Balance – All Non Major Funds	52
Schedule of Average Daily Attendance	53
Schedule of Instructional Time	54
Schedule of Charter Schools	55
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	56
Schedule of Expenditures of Federal Awards	57
Schedule of Financial Trends and Analysis	58
Notes to Supplementary Information	59

OTHER INFORMATION

Organization	60
--------------	----

OTHER INDEPENDENT AUDITOR'S REPORTS

Independent Auditor's Report on State Compliance and On Internal Control over Compliance	61
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	65

FINDINGS AND RECOMMENDATIONS

Schedule of Findings and Questioned Costs	67
Schedule of Prior Audit Findings	71



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Cutten Elementary School District
Eureka, 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 Cutten Elementary School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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. 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 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

The District's 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 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.

Other Matters

Change in Accounting Principle

As described in Note 1Y to the financial statements, the District adopted GASB Statement No. 101, Compensated Absences which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund, Schedule of Changes in District's Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the

methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *supplementary information as listed in the table of contents* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *supplementary information* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

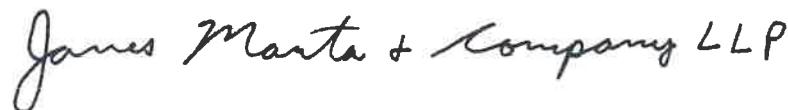
Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Organization page but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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, 2025, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James" and "Marta" on the first line, and "& Company LLP" on the second line.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CUTTEN ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Introduction

The Management Discussion and Analysis section is management's view of the district's financial condition and provides an opportunity to discuss important fiscal issues with the Governing Board and the public.

The Cutten School District

The District serves the residents of the Cutten community in Humboldt County, just outside the southern boundary of the City of Eureka. District enrollment 551 students for the 2024-2025 school year. Two schools serve the Cutten School District. Kindergarten through second grade students attend Ridgewood Elementary School. Third grade through sixth grade students attend Cutten Elementary School.

The District Mission Statement

The Cutten School District, in partnership with our community, provides students with the academic and social skills necessary to become contributing members of a global community. We do this by creating a joyful, student-centered, and orderly learning environment rich in the arts and sciences, where everyone knows they are respected members of the "Cutten-Ridgewood Family".

Overview of the Financial Statements

The audit report consists of multiple parts: the Independent Auditor's Report on Financial Statements, the Management Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, Supplemental Information, Other Independent Auditor Reports, and Audit Findings and Questioned Costs. The Basic Financial Statements section provides overall financial information about District operations through several detailed reports. The Government-wide statements reflect the District's overall financial status. The Governmental Funds statements tell how basic services, like regular and special education, were financed as well as what remains for future spending.

The Required Supplementary Information section contains comparison schedules and statements for General and Special Reserve Funds.

The Other Independent Auditor Reports section includes data regarding internal controls and state compliance.

The Findings and Questioned Costs section details the specific areas that resulted in audit findings needing corrective action for all financial statements and all applicable state/federal programs for the current year as well as the prior year.

Financial Reports

Two financial reports, the Statement of Net position and Statement of Activities, reflect district-wide financial condition and activities. In contrast, the individual fund statements focus on reporting the district's operations in more detail. The fund financial statements look at the District's major funds with all other non-major funds presented in total in one column. The major funds for the District are:

- General Fund
- Building Fund

CUTTEN ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

Statement of Net position

Displayed below is the value of all assets, including buildings, land, and equipment. Depreciation is included. Land is accounted for at purchase value, not market value, and is not depreciated. The valuation of school buildings is based on historical costs. The table below summarizes the value of district assets. This chart reflects accounting entries showing the district's proportionate share of CalSTRS' and CalPERS' net pension liability which is reported and adjusted annually based on actuarial computations (noncurrent obligations). It also shows the amount paid in the year ended June 30, 2024 and 2025 for the employer portion of the STRS and PERS contributions (deferred outflow) and the pension-related net difference between projected and actual earnings on pension plan investments amortized over five years (deferred inflow).

Condensed Statement of Net Position

	June 30, 2025	June 30, 2024	Change	Percentage Change
Assets				
Current assets	\$ 13,255,925	\$ 10,424,829	\$ 2,831,096	27.16%
Right of Use - Lease Assets	11,018	19,831	(8,813)	-44.44%
Capital assets	6,465,138	6,392,920	72,218	1.13%
Total assets	19,732,081	16,837,580	2,894,501	17.19%
Deferred Outflows of Resources				
	4,629,786	3,236,384	1,393,402	43.05%
Current liabilities	1,142,324	547,870	594,454	108.50%
Long-term liabilities	13,747,023	11,634,117	2,112,906	18.16%
Total liabilities	14,889,347	12,181,987	2,707,360	22.22%
Deferred Inflows of Resources				
	2,746,540	2,220,500	526,040	23.69%
Net Position				
Invested in capital assets	52,293	2,637,654	(2,585,361)	-98.02%
Restricted	3,913,684	2,520,025	1,393,659	55.30%
Unrestricted	2,760,003	513,798	2,246,205	437.18%
Total net position	\$ 6,725,980	\$ 5,671,477	\$ 1,054,503	18.59%

CUTTEN ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Statement of Activities

Net position is the difference between all our assets (buildings, equipment, etc.) less liabilities (depreciation, loans). Total revenues exceeded total expenditures for the year which increased net position by \$1,054,503. This was due mainly to increased revenues compared to last year. The Program Revenue increased due to the addition of one-time funds in ELOP, Educator Effectiveness, and ELA, Math, Arts grant. The following table summarizes the changes to net position for the 2024-2025 and the 2023-2024 fiscal years.

Condensed Statement of Activities for the Fiscal Years Ended June 30

	2025	2024	Change	Percentage Change
Revenues				
Charges for services	\$ 55,284	\$ 662	\$ 54,622	8251.1%
Operating grants and contributions	2,264,890	3,390,865	(1,125,975)	-33.2%
Capital grants and contributions	49	91	(42)	100.0%
Taxes levied for general purposes	1,340,298	1,310,324	29,974	2.3%
Taxes levied for debt services	147,224	149,874	(2,650)	-1.8%
Federal and state aid not restricted for specific purposes	5,230,785	5,503,905	(273,120)	-5.0%
Interest and investment earnings	337,216	378,553	(41,337)	-10.9%
Miscellaneous	165,810	159,260	6,550	4.1%
Interagency revenues	2,877	-	2,877	N/A
Total revenues	9,544,433	10,893,534	(1,349,101)	-12.4%
Expenses				
Instruction	4,671,896	5,320,129	(648,233)	-12.2%
Instruction related services	687,630	748,313	(60,683)	-8.1%
Pupil services	944,082	762,665	181,417	23.8%
General administration	442,859	478,506	(35,647)	-7.4%
Plant services	803,141	805,330	(2,189)	-0.3%
Ancillary services	480	315	165	52.4%
Community services	124,411	117,008	7,403	6.3%
Interest on long-term debt	335,664	259,329	76,335	29.4%
Other outgo	479,767	380,880	98,887	26.0%
Total expenses	8,489,930	8,872,475	(382,545)	-4.3%
Change in net position	\$ 1,054,503	\$ 2,021,059	\$ (966,556)	-47.8%

Cutten School District Revenue 2024-25

District revenues were received from four major sources as follows: Federal & State Aid Unrestricted 50.5%, Property Taxes 13.4%, and Program Revenues 31%.

CUTTEN ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Cutten School District Expenses 2024-2025

The total cost of programs and services was \$8,489,930. The District expenses are predominately related to the instruction of students 55%. Administrative activities of the District accounted for 5% of total costs. The balance of expenses is made up as follows: Pupil Services 11%, Plant Services 9.5%, Community Services 1% and Debt Service 4%.

Financial Highlights

The State requires 4% of total General Fund expenditures, Transfers Out and Uses as a reserve. Cutten School District will have a reserve balance of \$6,381,722 or 71.4% for the beginning of the 2024-2025 school year.

General Fund Budgetary Highlights

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revised its annual operating budget at various times to reflect the most current financial information available. The major changes included:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to reflect changes in staffing.
- Budget revisions to adjust program revenues and expenditures to final awards.

Summarized budget and actual information for the general fund is as follows:

	Original	Final	Actual	Variance with Final Budget Favorable
Revenues	\$ 8,202,810	\$ 8,347,735	\$ 8,886,053	\$ 538,318
Expenditures	<u>9,129,019</u>	<u>9,981,039</u>	<u>8,935,021</u>	<u>(1,046,018)</u>
Net change in fund balance	(926,209)	(1,633,304)	(48,968)	1,584,336
Fund balances, July 1, 2024	<u>9,382,545</u>	<u>9,382,545</u>	<u>9,382,545</u>	-
Fund balances, June 30, 2025	<u>\$ 8,456,336</u>	<u>\$ 7,749,241</u>	<u>\$ 9,333,577</u>	<u>\$ 1,584,336</u>

Economic Factors Impacting the District's Future

The latest forecast for the 2024-2025 State Budget is moderately optimistic. District Average Daily Attendance (ADA) increased slightly for the 2024-2025 school year. The current state educational funding and the economic outlook will certainly impact the District General Fund; however, the extent of the impact is unknown at this time. For 2024-2025, the health & welfare cap remained at \$18,000 with a pro-rated amount being paid to covered employees. Also, employees continue to progress on the salary schedules and higher pension contributions are being required, resulting in increased demand on revenues. The District may need to be prepared to adjust staffing and future spending.

CUTTEN ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Financial Condition of General Fund

Despite the uncertain economic situation for the State, the District continues to maintain a solid financial condition. District reserves remain above required levels. New Building funds have been secured for new additional buildings at Ridgewood. This strong financial condition is a result of effective district policies and procedures, good fiscal management by staff, and decision making based on long-term impact.

Summarized individual fund information is as follows:

	2025	2024	Increase (Decrease)
General Fund	\$ 9,333,577	\$ 9,382,545	\$ (48,968)
Building Fund	2,379,579	176,080	2,203,499
Non-Major Funds	531,519	406,547	124,972
Total	<u>\$ 12,244,675</u>	<u>\$ 9,965,172</u>	<u>\$ 2,279,503</u>

District Indebtedness

As of June 30, 2025, the District has incurred \$13,783,701 of noncurrent obligations as shown in the table below. This is an increase from June 30, 2024, due to scheduled payments and an increase in the District's portion of the State-wide pension liability.

	2025	2024	Percent
General Obligation Bond	\$ 6,298,286	\$ 3,803,286	66%
CA Energy Commission Loan	113,295	125,221	-10%
Lease Liability	12,282	21,967	-44%
Net OPEB Liability	912,646	932,631	-2%
Net Pension Liability	5,509,698	5,979,620	-8%
Compensated Absences Payable	937,494	798,003	17%
Total	<u>\$ 13,783,701</u>	<u>\$ 11,660,728</u>	<u>18%</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

District Capital Assets

As of June 30, 2025, the District had net capital assets of \$6,465,138 as shown in the table below. This is an increase from June 30, 2024, due to the purchase of equipment and real estate, and the modernization building projects on both campuses.

Capital Assets:	2025	2024	Percent
Land	\$ 47,000	\$ 47,000	0%
Work-In-Progress	5,272,258	5,156,912	2%
Buildings	2,853,164	2,793,553	2%
Improvement of sites	337,383	337,383	0%
Equipment	787,603	780,000	1%
Subtotals	9,297,408	9,114,848	2%
Less: Accumulated Depreciation	(2,832,270)	(2,721,928)	4%
Capital Assets, net	<u>\$ 6,465,138</u>	<u>\$ 6,392,920</u>	<u>1%</u>
Lease Assets:	2025	2024	Percent
Equipments	\$ 44,067	\$ 44,067	0%
Less: Accumulated Amortization	(33,049)	(24,236)	36%
Lease Assets, net	<u>\$ 11,018</u>	<u>\$ 19,831</u>	<u>36%</u>

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show District accountability for the money it receives.

If you have questions regarding this report or need additional financial information, contact the Superintendent, Becky MacQuarrie, or the Business Manager, Vanesa Carillo-Salas, Cutten School District, 4182 Walnut Drive, Eureka, California 95503.

BASIC FINANCIAL STATEMENTS

CUTTEN ELEMENTARY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents (Note 2)	\$ 12,624,360
Receivables	626,114
Stores inventory	5,451
Right of Use - Lease Assets, net of accumulated amortization (Note 4)	11,018
Capital assets, net of accumulated depreciation (Note 4)	<u>6,465,138</u>
Total Assets	<u>19,732,081</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows on pensions (Note 6)	4,577,483
Deferred outflows on OPEB (Note 7)	<u>52,303</u>
Total Deferred Outflows	<u>4,629,786</u>
LIABILITIES	
Accounts payable and other current liabilities	1,013,914
Unearned revenue	91,732
Long-term liabilities (Note 5):	
Due within one year	36,678
Due in more than one year	<u>13,747,023</u>
Total Liabilities	<u>14,889,347</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred bond premium revenue	388,363
Deferred inflows on pensions (Note 6)	1,951,482
Deferred inflows on OPEB (Note 7)	<u>406,695</u>
Total Deferred Inflows	<u>2,746,540</u>
NET POSITION	
Net investment in capital assets	52,293
Restricted	3,913,684
Unrestricted	<u>2,760,003</u>
Total Net Position	<u>\$ 6,725,980</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Program Revenues					Net (Expense) Revenues and Changes in Net Position	
	Expenses			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
Governmental Activities							
Instruction	\$ 4,671,896	\$ 34,847	\$ 1,271,158	\$ 49	\$ (3,365,842)		
Instruction-related services:							
Instructional supervision and administration	200,988	4,624	19,981		(176,383)		
Instructional library, media and technology	115,742	-	-		(115,742)		
School site administration	370,900	-	22,302		(348,598)		
Pupil Services:							
Home-to-school transportation	127,074	-	240		(126,834)		
Food services	434,013	758	462,171		28,916		
All other pupil services	382,995	-	87,987		(295,008)		
General administration:							
Centralized data processing	16,982	-	-		(16,982)		
All other general administration	425,877	-	14,302		(411,575)		
Plant services	803,141	15,055	62,730		(725,356)		
Ancillary services	480	-	-		(480)		
Community services	124,411	-	166,999		42,588		
Interest on long-term debt	335,664	-	-		(335,664)		
Other outgo	479,767	-	157,020		(322,747)		
Total governmental activities	<u>\$ 8,489,930</u>	<u>\$ 55,284</u>	<u>\$ 2,264,890</u>	<u>\$ 49</u>	<u>(6,169,707)</u>		
General Revenues							
Taxes and subventions:							
Taxes levied for general purposes					1,340,298		
Taxes levied for debt service					147,224		
Federal and state aid not restricted to specific purposes					5,230,785		
Interest and investment earnings					337,216		
Interagency revenues					2,877		
Miscellaneous					165,810		
Total General Revenues					<u>7,224,210</u>		
Change in Net Position					1,054,503		
Net Position, July 1, 2024, as originally stated					6,447,501		
Change in accounting principle (Note 1Y)					(776,024)		
Net Position, July 1, 2024 - as restated					5,671,477		
Net Position, June 30, 2025					<u>\$ 6,725,980</u>		

CUTTEN ELEMENTARY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

	General Fund	Building Fund	Non-Major Funds	All Totals
ASSETS				
Cash and cash equivalents	\$ 9,834,206	\$ 2,361,783	\$ 428,371	\$ 12,624,360
Accounts receivable	500,719	17,796	107,599	626,114
Stores inventory	-	-	5,451	5,451
Total Assets	\$ 10,334,925	\$ 2,379,579	\$ 541,421	\$ 13,255,925
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 909,616	\$ -	\$ 9,902	\$ 919,518
Unearned revenue	91,732	-	-	91,732
Total Liabilities	1,001,348	<b">-</b">	9,902	<b">1,011,250</b">
Fund balances				
Nonspendable	2,500	-	5,451	7,951
Restricted	1,277,701	2,379,579	256,404	3,913,684
Committed	-	-	182,848	182,848
Assigned	1,654,730	-	86,816	1,741,546
Unassigned	6,398,646	-	-	6,398,646
Total Fund Balances	9,333,577	2,379,579	531,519	12,244,675
Total liabilities and fund balances	\$ 10,334,925	\$ 2,379,579	\$ 541,421	\$ 13,255,925

CUTTEN ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2025

Total fund balances - governmental funds \$ 12,244,675

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

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

Capital assets at historical cost	\$ 9,297,408
Accumulated depreciation	(2,832,270)
Lease assets relating to governmental activities, at historical costs:	44,067
Accumulated amortization:	<u>(33,049)</u>
Net	<u>6,476,156</u>

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.

(94,396)

Unamortized premiums and discounts: In governmental funds, bond premiums are recognized as revenues in the period they are received while bond discounts are recognized as expenditures in the period they are incurred. In the government-wide statements, premiums and discounts are amortized over the life of the debt.

Unamortized portion of bond premiums	(388,363)
--------------------------------------	-----------

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

Net pension liabilities	\$ 5,509,698
General obligation bonds	6,298,286
Leases payable	12,282
California Clean Energy Commission Loan	113,295
Net OPEB liability	912,646
Compensated absences payable	<u>937,494</u>
	<u>(13,783,701)</u>

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

Deferred outflows of resources relating to OPEB	52,303
Deferred inflows of resources relating to OPEB	(406,695)

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

Deferred outflows of resources relating to pensions	4,577,483
Deferred inflows of resources relating to pensions	<u>(1,951,482)</u>
Total net position - governmental activities	<u>\$ 6,725,980</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

JUNE 30, 2025

	General Fund	Building Fund	All Non-Major Funds	Totals
REVENUES				
LCFF sources	\$ 6,419,452	\$ -	\$ -	\$ 6,419,452
Federal revenue	319,227	-	199,313	518,540
Other state revenues	1,216,792	-	227,951	1,444,743
Other local revenues	930,582	25,654	205,462	1,161,698
Total revenues	<u>8,886,053</u>	<u>25,654</u>	<u>632,726</u>	<u>9,544,433</u>
EXPENDITURES				
Certificated salaries	3,431,292	-	-	3,431,292
Classified salaries	1,353,167	-	111,075	1,464,242
Employee benefits	2,387,504	-	71,515	2,459,019
Books and supplies	337,404	-	243,680	581,084
Services and other operating expenditures	830,260	308,866	2,219	1,141,345
Capital outlay	103,701	13,289	-	116,990
Other outgo	479,767	-	(1,991)	477,776
Debt service expenditures				
Principal	11,926	-	5,000	16,926
Interest	-	-	148,994	148,994
Total expenditures	<u>8,935,021</u>	<u>322,155</u>	<u>580,492</u>	<u>9,837,668</u>
Excess (deficiency) of revenues over expenditures	<u>(48,968)</u>	<u>(296,501)</u>	<u>52,234</u>	<u>(293,235)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from bond proceeds	-	2,500,000	-	2,500,000
Other sources	-	-	118,376	118,376
Other uses	-	-	(45,638)	(45,638)
Total other financing sources (uses)	<u>-</u>	<u>2,500,000</u>	<u>72,738</u>	<u>2,572,738</u>
Net change in fund balances	<u>(48,968)</u>	<u>2,203,499</u>	<u>124,972</u>	<u>2,279,503</u>
Fund balances, July 1, 2024	<u>9,382,545</u>	<u>176,080</u>	<u>406,547</u>	<u>9,965,172</u>
Fund balances, June 30, 2025	<u>\$ 9,333,577</u>	<u>\$ 2,379,579</u>	<u>\$ 531,519</u>	<u>\$ 12,244,675</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

JUNE 30, 2025

Total net change in fund balances - governmental funds	\$ 2,279,503
--	--------------

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

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

Expenditures for capital outlay	\$ 182,560
Depreciation expense	(110,342)
Amortization expense	<u>(8,813)</u>
	63,405

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

26,111

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(2,500,000)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:

(182,804)

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

(46,716)

Pensions: In government funds, pension costs are recognized when employer contributions are made in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

1,510,350

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

(106,365)

Amortization of debt issue premium or discount: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt.

11,019

Total change in net position - governmental activities

\$ 1,054,503

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

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

B. REPORTING ENTITY

The District has no oversight responsibility over any other governmental unit and is not included in any other governmental "reporting entity" as defined in Governmental Accounting Standards Board pronouncements, since the Board of Trustees of the District is elected by the public and has decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. There are no component units included within the reporting entity.

C. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the District and its component units. The effect of interfund activity, within the governmental activities, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. 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.

Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are displayed in separate columns. Fiduciary funds are reported by fund type.

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 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. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

E. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major, non-major, and fiduciary funds as shown below:

Governmental Funds

Major Funds

The **General Fund** is the chief operating fund for all LEAs. It is used to account for the ordinary operations of an LEA. All transactions except those accounted for in another fund are accounted for in this fund. The General Fund as reported includes the Special Reserve Fund for Other than Capital Outlay Projects and Special Reserve Fund for Postemployment Benefits.

The **Special Reserve Fund for Other Than Capital Outlay Projects** is used to provide for the accumulation of general fund moneys for general operating purposes other than for capital outlay. This fund is included within the General Fund for reporting purposes.

The **Special Reserve Fund for Postemployment Benefits** is used to account for future cost of postemployment benefits. This fund is included within the General Fund for reporting purposes.

The **Building Fund** is used to account for proceeds from the sale of bonds and may not be used for any purpose other than those for which the bonds were issued.

Non-Major Funds

The **Student Activity Fund** accounts for student body activities (ASB) to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body.

The **Cafeteria Fund** is used to account separately for federal, state, and local resources to operate the food service program.

The **County School Facilities Fund** is used primarily to account 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.).

The **Bond Interest and Redemption Fund** is used to account for the accumulation of resources for, and the repayment of District bonds, interest, and related costs.

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

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

F. FUND ACCOUNTING (CONTINUED)

Fiduciary Funds

Fiduciary funds are used to account for assets held in a trustee or custodial capacity for others that cannot be used to support the LEA's own programs. The key distinction between trust and custodial funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The District does not have any fiduciary funds at this time.

G. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By State law, the District's Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's Governing Board and Superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

H. ENCUMBRANCES

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

I. DEPOSITS AND INVESTMENTS

The District is authorized to maintain cash in banks and revolving funds that are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized.

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

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The Humboldt County Treasury has no investments in derivatives.

The District does not have a specific policy which relates to interest rate risk.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

I. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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.

J. INVENTORY

Inventories are recorded using the consumption method, in that inventory acquisitions are initially recorded in inventory (asset) accounts, and are charged as expenditures when used. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

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

K. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Infrastructure	30
Buildings	50
Building improvements	25
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

L. INTERFUND BALANCES

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs at cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

M. UNEARNED REVENUE

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

N. COMPENSATED ABSENCES

All vacation pay is accrued when incurred in the government-wide financial statements. Accumulated sick leave benefits are also recognized as liabilities of the District.

O. LONG-TERM OBLIGATIONS

The District reports long-term debt of governmental funds at face value in the government-wide statements. In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized in the period incurred.

P. RESTRICTED NET POSITION

Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

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

Q. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

R. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

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

S. 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 Cutten Elementary School District's California Public Employees' Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the District's 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's OPEB Plan (OPEB Plan) and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan 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.

U. FINANCING LEASES

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, \$300,000. Amortization of related assets using the straight-line method over the life of the contract. The District implemented a lease capitalization policy in the fiscal year end June 30, 2023, effective retroactively to July 1, 2021. Prior to the implementation of lease capitalization policy, the District had accounted for one financing leases as of June 30, 2022. Subsequent to the implementation of the lease capitalization policy, as of June 30, 2025, the District did not have any new financing leases that met the threshold.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

V. FUND BALANCE

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (e.g. prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Trustees. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Trustees is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. This includes:

Reserve for Economic Uncertainties

The District will maintain an economic uncertainty reserve of at least 4% of total General Fund operating expenditures (including other financing). The primary purpose of this reserve is to avoid the need for service level reductions in the event of an economic downturn causing revenues to come in lower than budget. This reserve may be increased from time to time in order to address specific anticipated revenue shortfalls (state actions, etc.)

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

W. LOCAL CONTROL FUNDING FORMULA/PROPERTY TAXES

The District's local control funding formula is received from a combination of local property taxes, state apportionments, and other local sources.

The County of Humboldt is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. Secured property taxes attach as an enforceable lien on property as of March 1. Property taxes become delinquent after December 10 and April 10, respectively.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternative method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula (LCFF) sources by the District.

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the State General Fund, and is known as the state apportionment.

X. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for SBITAs are recorded in the financial statements to the extent that the District's capitalization threshold is met, \$300,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2025, the District did not have any subscription based information technology agreements that met the threshold.

Y. CHANGE IN ACCOUNTING PRINCIPLE – GASB 101, COMPENSATED ABSENCES

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Y. CHANGE IN ACCOUNTING PRINCIPLE – GASB 101, COMPENSATED ABSENCES (CONTINUED)

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

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

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. As a result, the sick leave will be reported as a governmental activity within the compensated absences in the basic financial statements causing the June 30, 2024 balance to be restated as follows:

Net position, previously reported, June 30, 2024	\$ 6,447,501
Change in accounting principle (Note 1Y)	<u>(776,024)</u>
Net position, as restated, June 30, 2024	<u><u>\$ 5,671,477</u></u>

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

2. CASH AND INVESTMENTS

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

	Governmental Funds
Cash in County Treasury	\$ 12,608,094
Cash on hand and in banks	13,766
Cash in revolving fund	<u>2,500</u>
Totals	<u>\$ 12,624,360</u>

A. Cash on Hand and in Banks

Cash on hand and in banks consists of all cash held by the District and all cash maintained in commercial bank accounts owned by the District. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation.

B. Cash in Revolving Fund

Cash in revolving fund consists of all cash maintained in commercial bank accounts that are used as revolving funds.

C. Interest Rate Risk

California Government Code Section 53601 limits the District's investments to maturities of five years. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

D. 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. All of the District's investments are held in the county treasury.

E. Cash in County Treasury

County pool investments consist of District cash held by the Humboldt County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are 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 weighted average maturity of the pool is 626 days. The pool is rated AAA by Standard and Poor's.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

3. INTERFUND TRANSACTIONS

Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year-end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables

The were no interfund receivable and payable balances at June 30, 2025.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. There were no interfund transfers for the year ended June 30, 2025.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

4. CAPITAL ASSETS

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

	Balance July 1, 2024	Additions and Transfers	Deductions and Transfers	Balance June 30, 2025
Non-depreciable assets:				
Land	\$ 47,000	\$ -	\$ -	\$ 47,000
Work in progress	5,156,912	115,346	-	5,272,258
	<u>5,203,912</u>	<u>115,346</u>	<u>-</u>	<u>5,319,258</u>
Depreciable assets:				
Site improvements	337,383	-	-	337,383
Building	2,793,553	59,611	-	2,853,164
Equipment	780,000	7,603	-	787,603
	<u>3,910,936</u>	<u>67,214</u>	<u>-</u>	<u>3,978,150</u>
Totals, at cost	9,114,848	182,560	-	9,297,408
Accumulated depreciation:				
Site improvements	(283,187)	-	-	(283,187)
Building	(1,875,969)	(60,332)	-	(1,936,301)
Equipment	(562,772)	(50,010)	-	(612,782)
	<u>(2,721,928)</u>	<u>(110,342)</u>	<u>-</u>	<u>(2,832,270)</u>
Depreciable assets, net	1,189,008	(43,128)	-	1,145,880
Capital assets, net	<u>\$ 6,392,920</u>	<u>\$ 72,218</u>	<u>\$ -</u>	<u>\$ 6,465,138</u>
Lease Assets:				
Equipments	\$ 44,067	\$ -	\$ -	\$ 44,067
Total lease assets being amortized	<u>44,067</u>	<u>-</u>	<u>-</u>	<u>44,067</u>
Accumulated amortization for				
Equipments	(24,236)	(8,813)	-	(33,049)
Total accumulated amortization	<u>(24,236)</u>	<u>(8,813)</u>	<u>-</u>	<u>(33,049)</u>
Total lease assets being amortized, net	<u>19,831</u>	<u>(8,813)</u>	<u>-</u>	<u>11,018</u>
Governmental activities capital assets, net	<u>\$ 6,412,751</u>	<u>\$ 63,405</u>	<u>\$ -</u>	<u>\$ 6,476,156</u>

Depreciation and amortization were allocated to governmental activity functions as follows:

Instruction	\$ 7,633
Instructional Supervision and Administration	2,941
Instructional Library, Media and Technology	35,543
Food Services	1,950
All Other Pupil Services	819
Community Services	6,062
All Other General Administration	12,451
Plant Services	42,943
	<u>\$ 110,342</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

5. LONG-TERM LIABILITIES

General Obligation Bonds

In November 2018, the voters of the District approved a general obligation bond in the amount of up to \$4,000,000 to modernize and improve the classrooms and school facilities of the District. The District issued the first series, Series A, of these bonds in January 2019 in the amount of \$2,000,000 with interest rates from 2.0 percent to 5.0 percent. The bond included a premium of \$132,326.

The District issued the second and final series, Series B, of these bonds in January 2020 in the amount of \$1,998,286 with interest rates from 2.68 percent to 4.0 percent. The bond included a premium of \$198,340.

In November 2024, the voters within the District approved Measure K, a ballot measure authorizing the District to issue up to \$5,000,000 in general obligation bonds. The bond proceeds are designated for modernizing school facilities. On April 10, 2025, the District issued the first series, Series A, of these bonds in the amount of \$2,500,000 with interest rates from 4.00 percent to 5.25 percent. The bond included a premium of \$118,376.

The outstanding general obligation bonded debt of the District as of June 30, 2025 is:

Issue Date	Maturity Date	Interest Rate	Original Issue	Balance		Issued/Accretion	Redeemed	Balance
				June 30, 2024	June 30, 2025			
1/29/2019	08/01/48	2.00% - 5.00%	\$ 2,000,000	\$ 1,860,000	\$ 1,855,000	\$ -	\$ 5,000	\$ 1,855,000
2/6/2020	08/01/50	2.68% - 4.00%	1,998,286	1,943,286	1,943,286	\$ -	\$ -	1,943,286
4/10/2025	08/01/54	4.00% - 5.25%	2,500,000	-	2,500,000	\$ -	\$ -	2,500,000
	Total		\$ 6,498,286	\$ 3,803,286	\$ 6,298,286	\$ 2,500,000	\$ 5,000	\$ 6,298,286

The annual requirements to amortize the 2018 Series A, 2018 Series B, and 2024 Series A general obligation bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending June 30	Interest to Maturity			Total
	Principal			
2026	\$ 15,000	\$ 250,473	\$ 265,473	
2027	110,000	271,894	381,894	
2028	95,000	267,069	362,069	
2029	35,000	263,969	298,969	
2030	40,000	262,294	302,294	
2031-2035	342,835	1,310,099	1,652,934	
2036-2040	669,559	1,316,159	1,985,718	
2041-2045	1,310,892	1,068,395	2,379,287	
2046-2050	2,580,000	623,675	3,203,675	
2051-2055	1,100,000	154,875	1,254,875	
Total	\$ 6,298,286	\$ 5,788,902	\$ 12,087,188	

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

5. LONG-TERM LIABILITIES (CONTINUED)

California Energy Commission Loan

The District entered into a zero-interest loan from the California Energy Commission to fund a solar energy project at Ridgewood School in 2020/21. The total loan proceeds were \$160,999. The loan is payable in semi-annual installments of \$5,963, with a projected maturity date of June 2035. The annual requirements to amortize the loan outstanding as of June 30, 2025, are as follows:

Year Ended	
June 30,	Total
2026	\$ 11,926
2027	11,926
2028	11,926
2029	11,926
2030	11,926
2031-2035	53,665
Total Outstanding	<u><u>\$ 113,295</u></u>

Leases

For the year ended June 30, 2025 the District had the following lease obligations:

The District entered into a five-year lease agreement in 2021/22 for computer and printer equipment. This lease is not renewable and the District will not acquire the equipment at the end of the five years. At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The District has used an estimated interest rate for borrowing of 6.0%, which was used to discount the annual lease payments to recognize the intangible right to use of this asset and the lease liability as of the inception of the lease. Per the agreement, monthly lease payments may be adjusted based on usage of the equipment in excess of originally contracted amounts. Rent expense for this lease was \$10,223 for the year ended June 30, 2025.

Annual requirements to amortize lease obligations and related interest are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2026	\$ 9,752	\$ 472	\$ 10,224
2027	2,530	25	2,555
Total	<u><u>\$ 12,282</u></u>	<u><u>\$ 497</u></u>	<u><u>\$ 12,779</u></u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

5. LONG-TERM LIABILITIES (CONTINUED)

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2025, is shown below:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Amounts Due Within One Year	
General Obligation Bond	\$ 3,803,286	\$ 2,500,000	\$ 5,000	\$ 6,298,286	\$ 15,000	
CA Energy Commission Loan	125,221	-	11,926	113,295	11,926	
Lease Liability	21,467	-	9,185	12,282	9,752	
Net OPEB Liability	932,631	-	19,985	912,646	-	
Net Pension Liability	5,979,620	-	469,922	5,509,698	-	
Compensated Absences Payable*	798,003	139,491	-	937,494	-	
Total long term obligation	<u>\$ 11,660,228</u>	<u>\$ 2,639,491</u>	<u>\$ 516,018</u>	<u>\$ 13,783,701</u>	<u>\$ 36,678</u>	

* - Prior period restated balance of \$776,024 due to change in accounting principle, see Note 1Y.

The accrued vacation and sick leave (compensated absences), pension, and other postemployment benefits will be paid by the fund for which the employee works. Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Lease Liability and California Clean Energy Commission Loan are made from the General Fund.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

6. EMPLOYEE RETIREMENT SYSTEMS

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

Plan Description

California Public Employees' Retirement System (CalPERS)

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

State Teachers' Retirement System (STRS)

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

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

	CalPERS		CalSTRS	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	8%	10.25%	10.21%
Required employer contribution rates	27.05%	27.05%	19.10%	19.10%

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

CalPERS

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 the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

STRS

Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2025, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	CalPERS	STRS	Total
Contributions - employer	\$ 386,170	\$ 617,919	\$ 1,004,089
On behalf contributions - state	-	289,054	289,054
Total	\$ 386,170	\$ 906,973	\$ 1,293,143

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

As of June 30, 2025, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	\$ 2,389,710
STRS	3,119,988
Total Net Pension Liability	\$ 5,509,698

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Measurement		Fiscal Year	CalPERS	STRS
Dates				
June 30, 2023	2023-24		0.00605%	0.00498%
June 30, 2024	2024-25		0.00669%	0.00465%
Change - Increase (Decrease)			0.00064%	-0.00033%

For the year ended June 30, 2025, the District recognized pension expense of \$1,510,350. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS		STRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 386,170	\$ -	\$ 906,973	\$ -	\$ 1,293,143	\$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2023-24	50,228	335,924	39,590	356,330	89,818	692,254
Changes of Assumptions	52,821	-	13,657	213,084	66,478	213,084
Differences between Expected and Actual Experience	200,342	17,103	352,911	136,436	553,253	153,539
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	861,112	98,120	1,620,853	781,896	2,481,965	880,016
Net differences between projected and actual investment earnings on pension plan investments	92,826	-	-	12,589	92,826	12,589
Total	\$ 1,643,499	\$ 451,147	\$ 2,933,984	\$ 1,500,335	\$ 4,577,483	\$ 1,951,482

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended				Total Deferred Outflows/ (Inflows) of Resources	
June 30	CalPERS	STRS			
2026	\$ 201,477	\$ 74,520	\$ 275,997		
2027	201,477	74,520		275,997	
2028	201,477	74,520		275,997	
2029	183,186	74,520		257,706	
2030	18,565	74,520		93,085	
Thereafter	-	154,076		154,076	
Total	\$ 806,182	\$ 526,676		\$ 1,332,858	

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	STRS
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll Growth Rate	2.80%	3.25%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return ⁽¹⁾	6.80%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

⁽¹⁾ Net of pension plan investment expenses, including inflation.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

Discount Rate

CalPERS

The discount rate used to measure the total pension liability for the Plan was 6.90%. These discount rates are equal to the long-term expected rate of return of the respective plan assets and are net of investment expense but not reduced for administrative expenses.

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

The expected real rates of return by asset class are on the following table:

Asset Class	CalPERS	
	Assumed Asset Allocation	Real Return ^{(a)(b)}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

^(a) An expected inflation of 2.30% used for this period.

^(b) Figures are based on the 2021-22 Asset Liability Management study.

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

STRS

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

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

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

Asset Class	STRS	
	Assumed Asset Allocation	Long-Term Expected Real Rate of Return ^{(a)(b)}
Public Equity	38.0%	5.25%
Real Estate	15.0%	4.05%
Private Equity	14.0%	6.75%
Fixed Income	14.0%	2.45%
Risk Mitigating Strategies	10.0%	2.25%
Inflation Sensitive	7.0%	3.65%
Cash/Liquidity	2.0%	0.05%
Total	100%	

^(a) 20- to 30-year geometric average.

^(b) Real rates of return are net of assumed 2.75%

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

	CalPERS		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability/(Asset)	\$ 3,549,934	\$ 2,389,710	\$ 1,431,272

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability/(Asset)	\$ 5,549,437	\$ 3,119,988	\$ 1,091,297

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

As of June 30, 2025, the District had no outstanding required contributions to the pension plans.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description: The District has established the Cutten School District Retiree Healthcare Plan (HC Plan), a single-employer plan. The HC Plan provides medical healthcare benefits up to age 65 to certificated and classified employees and their dependents who retire directly from the District, at a minimum age of 60, with a minimum of 15 years of service. The benefit amount is subject to the District's active cap on employee healthcare benefits, except there is no cap for employees hired before June 30, 1998. The HC Plan has not established or accumulated any assets in a trust. A separate financial report is not prepared for the HC Plan.

Benefits Provided: The Plan provides medical benefits to eligible retirees as follows:

	Certificated	Classified
Benefit types provided	Medical only	Medical only
Duration of Benefits	To age 65	To age 65
Required Service	15 years	15 years
Minimum Age	60	60
Dependent Coverage	Yes	Yes
District Contribution %	100%	100%
District Cap	Active cap*	Active cap*

*Those hired prior to June 10, 1998 will not be subject to a cap.

The Plan has no assets and does not issue financial statements.

Employees covered by benefit terms. As of the June 30, 2024 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	40
Total	<u>41</u>

Contributions: The HC Plan and its contribution requirements are established by agreements with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the current insurance premiums due for the participating retirees. For the fiscal year ended June 30, 2025, the District's cash contributions were \$17,748, and there was no estimated implied subsidy, resulting in total payments of \$17,748. No trust has been created for the purpose of prefunding obligations for past services.

For the fiscal year 2024-25, the District contributed \$17,748 to the Plan, all of which was used for current premiums.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial assumptions. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	2.75% per year
Investment rate of return	5.20% per year net of expenses based on the Bond Buyer 20 Bond Index
Inflation	2.50% per year
Healthcare cost trend rates	4.00% per year
Mortality	
Certificated	2020 CalSTRS Mortality
Classified	2021 CalPERS Mortality for Miscellaneous and Schools Employees

The mortality assumptions are based on the 2020 CalSTRS Mortality table for certificated employees and the 2021 CalPERS Active and Retiree Mortality for Miscellaneous Employees for classified employees. The retirement assumptions are based on the 2020 CalSTRS Retirement Rates table created by CalSTRS and the 2021 CalPERS Retirement Rates for School Employees tables created by CalPERS.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024 Measurement Date	\$ 932,631	\$ -	\$ 932,631
Changes for the year:			
Service cost	61,530	-	61,530
Interest	37,513	-	37,513
Contributions - employer	-	17,748	(17,748)
Changes of assumptions	(101,280)	-	(101,280)
Benefit payments	(17,748)	(17,748)	-
Net changes	(19,985)	-	(19,985)
Balances at June 30, 2025 Measurement Date	<u>\$ 912,646</u>	<u>\$ -</u>	<u>\$ 912,646</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current discount rate:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Net OPEB liability (asset)	\$ 993,392	\$ 912,646	\$ 850,308

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability (asset)	\$ 798,327	\$ 912,646	\$ 1,037,349

OPEB plan fiduciary net position. The plan has no assets.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of (\$46,716). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,058	\$ 177,144
Changes of assumptions	16,245	229,551
Total	<u>\$ 52,303</u>	<u>\$ 406,695</u>

The District will recognize contributions made subsequent to the measurement date in the next fiscal year.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Below is the schedule of the total deferred outflows and inflows amortized.

Year Ended June 30	Total Deferred		Total Deferred	
	Outflows of Resources		Inflows of Resources	
2026	\$ 5,656		\$ 40,235	
2027	5,656		40,235	
2028	5,656		40,235	
2029	5,656		40,235	
2030	5,656		40,235	
Thereafter	24,023		205,520	
Total	\$ 52,303		\$ 406,695	

Payable to the OPEB Plan

At June 30, 2025, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

8. FUND BALANCES

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	General Fund	Building Fund	Non-Major Funds	All Totals
Nonspendable:				
Revolving cash	\$ 2,500	\$ -	\$ -	\$ 2,500
Stores Inventory	- - -	- - -	5,451	5,451
Total Nonspendable	2,500	- - -	5,451	7,951
Restricted for:				
Expanded Learning Opportunities Program	432,879	- - -	- - -	432,879
Educator Effectiveness	79,943	- - -	- - -	79,943
Lottery: Instructional Materials	304,797	- - -	- - -	304,797
Arts, Music, and Instructional Materials Discretionary Block Grant	321,553	- - -	- - -	321,553
Child Nutrition: Kitchen Infrastructure and Training Funds - 2022 KIT Funds	27,826	- - -	- - -	27,826
Special Ed: Learning Recovery Support	187	- - -	- - -	187
Accountability Act (Prop 28)	91,141	- - -	- - -	91,141
Classified School Employee Professional Development Block Grant	3,094	- - -	- - -	3,094
State School Facilities Projects	- - -	- - -	1,677	1,677
Student Activity Funds	- - -	- - -	13,766	13,766
Child Nutrition: School Programs	- - -	- - -	231,283	231,283
Child Nutrition: School Food Best Practices Apportionment	- - -	- - -	9,678	9,678
Other Restricted State	4,805	- - -	- - -	4,805
Other Restricted Local	11,476	2,379,579	- - -	2,391,055
Total Restricted	1,277,701	2,379,579	256,404	3,913,684
Committed:				
Other Commitments	- - -	- - -	182,848	182,848
Total Committed	- - -	- - -	182,848	182,848
Assigned to:				
Other Assignments	1,654,730	- - -	86,816	1,741,546
Total Assigned	1,654,730	- - -	86,816	1,741,546
Unassigned:				
Reserve for Economic Uncertainties	4,469,032	- - -	- - -	4,469,032
Unassigned/Unappropriated	1,929,614	- - -	- - -	1,929,614
Total Unassigned	6,398,646	- - -	- - -	6,398,646
Total Fund Balances	\$ 9,333,577	\$ 2,379,579	\$ 531,519	\$ 12,244,675

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

9. JOINT VENTURES

The District is exposed to various risks of loss related to torts, theft or destruction of assets, errors and omissions, and natural disasters. The District manages those risks of loss through participation in public entity risk pools. There have been no significant reductions in insurance coverage from the prior year. For each of the past three years settlements did not exceed insurance coverage.

The District participates in two joint ventures under a Joint Powers' Agreement (JPA) with the North Coast Schools Insurance Group and North Coast Schools Medical Insurance Group. Each member district pays a premium commensurate with the level of coverage requested. The District is covered under workers' compensation, liability, medical, vision, and dental insurance.

The relationship between District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes.

The most recently available audited, condensed financial information for the JPAs is as follows:

	NCSIG 6/30/2024*	NCSMIG 6/30/2024*
Total assets	\$ 6,159,671	\$ 14,064,485
Total liabilities	1,423,008	4,129,958
Net position	<u>\$ 4,736,663</u>	<u>\$ 9,934,527</u>
Total revenues	\$ 9,410,751	\$ 39,059,326
Total expenses	9,718,341	37,763,300
Change in net position	<u>\$ (307,590)</u>	<u>\$ 1,296,026</u>

* Most recent information available

Audited financial statements for the JPAs are prepared annually and can be obtained from management of the individual JPAs.

10. COMMITMENTS AND CONTINGENCIES

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. If the review or audit discloses exceptions, the District may incur a liability to grantor agencies.

11. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2025 financial statements for subsequent events through December 12, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CUTTEN ELEMENTARY SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
LCFF sources	\$ 6,399,651	\$ 6,440,181	\$ 6,419,452	\$ (20,729)
Federal revenue	321,462	321,625	319,227	(2,398)
Other state revenues	1,109,508	1,175,608	1,216,792	41,184
Other local revenues	<u>372,189</u>	<u>410,321</u>	<u>930,582</u>	<u>520,261</u>
Total revenues	<u>8,202,810</u>	<u>8,347,735</u>	<u>8,886,053</u>	<u>538,318</u>
EXPENDITURES				
Certificated salaries	3,539,407	3,478,576	3,431,292	47,284
Classified salaries	1,326,490	1,397,256	1,353,167	44,089
Employee benefits	2,414,894	2,447,852	2,387,504	60,348
Books and supplies	449,258	489,041	337,404	151,637
Services and other operating expenditures	763,939	981,737	830,260	151,477
Capital outlay	134,296	685,064	103,701	581,363
Other outgo	488,809	489,587	479,767	9,820
Debt service	<u>11,926</u>	<u>11,926</u>	<u>11,926</u>	-
Total expenditures	<u>9,129,019</u>	<u>9,981,039</u>	<u>8,935,021</u>	<u>1,046,018</u>
Excess (deficiency) of revenues over expenditures	<u>(926,209)</u>	<u>(1,633,304)</u>	<u>(48,968)</u>	<u>1,584,336</u>
Net change in fund balances	<u>(926,209)</u>	<u>(1,633,304)</u>	<u>(48,968)</u>	<u>1,584,336</u>
Fund balances, July 1, 2024	<u>9,382,545</u>	<u>9,382,545</u>	<u>9,382,545</u>	-
Fund balances, June 30, 2025	<u><u>\$ 8,456,336</u></u>	<u><u>\$ 7,749,241</u></u>	<u><u>\$ 9,333,577</u></u>	<u><u>\$ 1,584,336</u></u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S
NET OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2025

	Fiscal Year Ending June 30 ,	2025*	2024*	2023*	2022*	2021*	2020*	2019*	2018*
<i>Measurement Date</i>	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2018	6/30/2017	6/30/2017
Total OPEB liability									
Service cost	\$ 61,530	\$ 58,183	\$ 57,650	\$ 75,274	\$ 72,808	\$ 79,892	\$ 73,989	\$ 72,009	
Interest	37,513	31,785	29,728	21,382	21,496	43,034	41,276	44,373	
Experience (Gains)/Losses		41,970							
Differences between expected and actual experience									
Changes of assumptions	(101,280)	(24,936)	(7,827)	(88,087)	3,136	(75,546)	31,585		
Benefit payments	(17,748)	(32,207)	(65,310)	(81,769)	(89,971)	(90,177)	(108,895)	(104,707)	
Net change in total OPEB liability									
Total OPEB liability - beginning	(19,985)	74,795	14,241	(149,549)	7,469	(249,012)	37,955	11,675	
Total OPEB liability - ending (a)	932,631	857,836	843,595	993,144	985,675	1,234,687	1,196,732	1,185,057	
Plan fiduciary net position									
Contributions - employer	\$ 17,748	\$ 32,207	\$ 65,310	\$ 81,769	\$ 89,971	\$ 90,177	\$ 108,895	\$ 104,707	
Net investment income									
Benefit payments	(17,748)	(32,207)	(65,310)	(81,769)	(89,971)	(90,177)	(108,895)	(104,707)	
Administrative expense									
Net change in plan fiduciary net position									
Plan fiduciary net position - beginning									
Plan fiduciary net position - ending (b)									
District's net OPEB liability - ending (a) - (b)	\$ 912,646	\$ 932,631	\$ 857,836	\$ 843,595	\$ 993,144	\$ 985,675	\$ 1,234,687	\$ 1,196,732	
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 4,545,092	\$ 4,423,447	\$ 4,113,912	\$ 2,904,216	\$ 3,342,083	\$ 3,350,509	\$ 3,029,726	\$ 2,985,121	
District's net OPEB liability as a percentage of covered-employee payroll	20.1%	21.1%	20.9%	29.0%	29.7%	29.4%	40.8%	40.1%	40.1%

* Only eight years are presented as GASB 75 was implemented in 2017-18.

CUTTEN ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	CalPERS		June 30, 2015 ⁽¹⁾		June 30, 2016 ⁽¹⁾		June 30, 2017 ⁽¹⁾		June 30, 2018 ⁽¹⁾		June 30, 2019 ⁽¹⁾		June 30, 2020 ⁽¹⁾		June 30, 2021 ⁽¹⁾		June 30, 2022 ⁽¹⁾		June 30, 2023 ⁽¹⁾		June 30, 2024 ⁽¹⁾	
Proportion of the net pension liability (asset)		0.00461%	\$ 679,001	\$ 912,529	\$ 1,178,768	\$ 1,397,877	\$ 1,519,077	\$ 1,604,068	\$ 1,604,068	\$ 1,604,068	0.00523%	0.00490%	0.00580%	0.00605%	0.00605%	0.00605%	0.00605%	0.00605%	0.00605%	0.00605%	0.00605%	
Proportionate share of the net pension liability (asset)			\$ 506,711	\$ 472,847	\$ 563,048	\$ 594,613	\$ 661,219	\$ 945,744	\$ 945,744	\$ 945,744												
Covered payroll ⁽²⁾																						
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll		134.00%	192.99%		209.35%		229.74%		169.61%		156.87%		248.61%		219.90%		183.71%					
Plan fiduciary net position as a percentage of the total pension liability (asset)		79.43%	73.90%	\$ 65,669	\$ 87,447	\$ 107,399	\$ 130,399	\$ 195,769	\$ 195,769	\$ 195,769	70.05%	80.97%	69.76%	69.96%	72.29%							
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 60,030	\$ 60,030	\$ 65,669	\$ 87,447	\$ 107,399	\$ 130,399	\$ 195,769	\$ 195,769	\$ 195,769	\$ 195,769	\$ 195,769	\$ 145,541	\$ 203,781	\$ 265,558	\$ 351,869							
	STRS		June 30, 2015 ⁽¹⁾		June 30, 2016 ⁽¹⁾		June 30, 2017 ⁽¹⁾		June 30, 2018 ⁽¹⁾		June 30, 2019 ⁽¹⁾		June 30, 2020 ⁽¹⁾		June 30, 2021 ⁽¹⁾		June 30, 2022 ⁽¹⁾		June 30, 2023 ⁽¹⁾		June 30, 2024 ⁽¹⁾	
Proportion of the net pension liability (asset)		0.00485%	\$ 3,266,443	\$ 3,554,782	\$ 3,983,080	\$ 3,856,381	\$ 3,936,731	\$ 4,603,831	\$ 4,603,831	\$ 4,603,831	0.00420%	0.00436%	0.00475%	0.00487%	0.00504%	0.00498%	0.00498%	0.00498%	0.00498%	0.00498%	0.00498%	
Proportionate share of the net pension liability (asset)			\$ 1,863,691	\$ 1,868,267	\$ 1,990,014	\$ 1,979,754	\$ 2,230,556	\$ 2,879,604	\$ 2,879,604	\$ 2,879,604												
Covered payroll ⁽²⁾																						
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll		175.27%	190.27%		200.15%		194.79%		176.49%		159.88%		75.06%		119.81%		126.67%		102.24%			
Plan fiduciary net position as a percentage of the total pension liability (asset)		74.02%	70.04%	\$ 287,159	\$ 322,304	\$ 381,425	\$ 465,056	\$ 499,733	\$ 499,733	\$ 499,733	70.99%	72.56%	71.82%	87.21%	81.20%	80.62%	83.55%					
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 199,974	\$ 235,028	\$ 287,159	\$ 322,304	\$ 381,425	\$ 465,056	\$ 499,733	\$ 558,773	\$ 558,773	\$ 558,773												

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable. This is the measurement date of the actuary report.

⁽²⁾ Covered payroll is the payroll on which contributions to a pension plan are based.

⁽³⁾ The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

CUTTEN ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CalPERS	Fiscal Year	Fiscal Year									
	2015-16 ⁽¹⁾	2016-17 ⁽¹⁾	2017-18 ⁽¹⁾	2018-19 ⁽¹⁾	2019-20 ⁽¹⁾	2020-21 ⁽¹⁾	2021-22 ⁽¹⁾	2022-23 ⁽¹⁾	2023-24 ⁽¹⁾	2024-25 ⁽¹⁾	
Contractually required contribution ⁽²⁾	\$ 60,030	\$ 65,669	\$ 87,447	\$ 107,399	\$ 130,399	\$ 195,769	\$ 145,541	\$ 203,781	\$ 265,558	\$ 351,869	
Contributions in relation to the contractually required contribution ⁽²⁾	<u>(\$65,669)</u>	<u>(\$87,447)</u>	<u>(\$107,500)</u>	<u>(\$130,399)</u>	<u>(\$148,509)</u>	<u>(\$145,541)</u>	<u>(\$203,781)</u>	<u>(\$265,863)</u>	<u>(\$351,544)</u>	<u>(\$386,170)</u>	
Contribution deficiency (excess)	<u>\$ (5,639)</u>	<u>\$ (21,778)</u>	<u>\$ (20,053)</u>	<u>\$ (23,000)</u>	<u>\$ (18,110)</u>	<u>\$ 50,228</u>	<u>\$ (58,240)</u>	<u>\$ (62,082)</u>	<u>\$ (85,986)</u>	<u>\$ (34,301)</u>	
Covered payroll ⁽³⁾	\$ 506,711	\$ 472,847	\$ 563,048	\$ 594,613	\$ 661,219	\$ 945,744	\$ 635,273	\$ 813,236	\$ 995,345	\$ 1,300,810	
Contributions as a percentage of covered payroll ⁽³⁾	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%	25.370%	26.680%	27.050%	
STRS	Fiscal Year										
	2015-16 ⁽¹⁾	2016-17 ⁽¹⁾	2017-18 ⁽¹⁾	2018-19 ⁽¹⁾	2019-20 ⁽¹⁾	2020-21 ⁽¹⁾	2021-22 ⁽¹⁾	2022-23 ⁽¹⁾	2023-24 ⁽¹⁾	2024-25 ⁽¹⁾	
Contractually required contribution ⁽²⁾	\$ 199,974	\$ 235,028	\$ 287,159	\$ 322,304	\$ 381,425	\$ 465,056	\$ 499,733	\$ 558,773	\$ 571,589	\$ 582,837	
Contributions in relation to the contractually required contribution ⁽²⁾	<u>(\$239,121)</u>	<u>(\$288,017)</u>	<u>(\$330,862)</u>	<u>(\$377,362)</u>	<u>(\$442,200)</u>	<u>(\$426,196)</u>	<u>(\$499,003)</u>	<u>(\$581,618)</u>	<u>(\$592,572)</u>	<u>(\$617,919)</u>	
Contribution deficiency (excess)	<u>\$ (39,147)</u>	<u>\$ (52,989)</u>	<u>\$ (43,703)</u>	<u>\$ (55,058)</u>	<u>\$ (60,775)</u>	<u>\$ 38,890</u>	<u>\$ 730</u>	<u>\$ (22,845)</u>	<u>\$ (20,983)</u>	<u>\$ (35,082)</u>	
Covered payroll ⁽³⁾	\$ 1,863,691	\$ 1,868,267	\$ 1,990,014	\$ 1,979,754	\$ 2,230,556	\$ 2,879,604	\$ 2,953,505	\$ 2,925,513	\$ 2,992,613	\$ 3,051,503	
Contributions as a percentage of covered payroll ⁽³⁾	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%	19.100%	19.100%	19.100%	

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered payroll is the payroll on which contributions to a pension plan are based.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PURPOSE OF SCHEDULES

A - Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP) and Actual – General Fund

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B - Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Changes in Benefit Terms

There were no change to the benefit terms.

Changes in Assumptions

The discount rate increased from 3.93% to 5.20%.

Fiscal year 2018 was the first year of implementation, therefore only eight years are shown.

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2025 were from the June 30, 2024 valuation.

Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percent of pay
Amortization period	14.2 years
Asset valuation method	Market value of assets (\$0; plan is not yet funded)
Inflation	2.50% per year
Healthcare cost trend rates	4.00% per year
Salary increases	2.75% per year
Discount Rates	5.20% as of June 30, 2025 3.93% as of June 30, 2024
Mortality	
Certificated	2020 CalSTRS Mortality
Classified	2021 CalPERS Mortality for Miscellaneous and Schools Employees

CUTTEN ELEMENTARY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PURPOSE OF SCHEDULES (CONTINUED)

C - Schedule of 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 Assumptions

There were no changes in assumptions for CalPERS and CalSTRS.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for both CalPERS and CalSTRS.

D - Schedule of Pension Contributions

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll. In the future, as data becomes available, ten years of information will be presented.

	CalPERS	STRS
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll Growth Rate	2.80%	3.25%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return ⁽¹⁾	6.80%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

⁽¹⁾ Net of pension plan investment expenses, including inflation.

SUPPLEMENTARY INFORMATION

CUTTEN ELEMENTARY SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

JUNE 30, 2025

	Student Activity Fund	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 13,766	\$ 143,926	\$ 1,677	\$ 86,154	\$ 182,848	\$ 428,371
Accounts receivable	-	106,937	-	662	-	107,599
Stores inventory	-	5,451	-	-	-	5,451
Total Assets	\$ 13,766	\$ 256,314	\$ 1,677	\$ 86,816	\$ 182,848	\$ 541,421
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 9,902	\$ -	\$ -	\$ -	\$ 9,902
Total Liabilities	-	9,902	-	-	-	9,902
Fund balances						
Nonspendable	-	5,451	-	-	-	5,451
Restricted	13,766	240,961	1,677	-	-	256,404
Committed	-	-	-	-	182,848	182,848
Assigned	-	-	-	86,816	-	86,816
Total Fund Balances	13,766	246,412	1,677	86,816	182,848	531,519
Total liabilities and fund balances	\$ 13,766	\$ 256,314	\$ 1,677	\$ 86,816	\$ 182,848	\$ 541,421

CUTTEN ELEMENTARY SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

ALL NON-MAJOR FUNDS

JUNE 30, 2025

	Student Activity Fund	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Totals
REVENUES						
Federal revenue	\$ -	\$ 199,313	\$ -	\$ -	\$ -	\$ 199,313
Other state revenues	-	227,951	-	-	-	227,951
Other local revenues	-	11,107	84	42,371	151,900	205,462
Total revenues	-	438,371	84	42,371	151,900	632,726
EXPENDITURES						
Classified salaries	-	111,075	-	-	-	111,075
Employee benefits	-	71,515	-	-	-	71,515
Books and supplies	-	243,680	-	-	-	243,680
Services and other operating expenditures	-	2,219	-	-	-	2,219
Other outgo	-	-	-	-	(1,991)	(1,991)
Debt service expenditures						
Principal	-	-	-	-	5,000	5,000
Interest	-	-	-	-	148,994	148,994
Total expenditures	-	428,489	-	-	152,003	580,492
Excess (deficiency) of revenues over expenditures	-	9,882	84	42,371	(103)	52,234
OTHER FINANCING SOURCES (USES)						
Other sources	-	-	-	-	118,376	118,376
Other uses	-	-	-	-	(45,638)	(45,638)
Total other financing sources (uses)	-	-	-	-	72,738	72,738
Net change in fund balances	-	9,882	84	42,371	72,635	124,972
Fund balances, July 1, 2024	13,766	236,530	1,593	44,445	110,213	406,547
Fund balances, June 30, 2025	\$ 13,766	\$ 246,412	\$ 1,677	\$ 86,816	\$ 182,848	\$ 531,519

CUTTEN ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
JUNE 30, 2025

	Second Period Report	Annual Report
Elementary		
TK through Third	319.48	320.23
Fourth through Sixth	208.18	207.60
Special Education		
TK through Third	0.14	0.30
Fourth through Sixth	0.16	-
Total	<u>527.96</u>	<u>528.13</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Grade Level	Standard Minutes Requirement	2024-25 Actual Minutes	2024-25 Instructional Days	Status
Kindergarten	36,000	51,360	180	In compliance
Grade 1	50,400	51,360	180	In compliance
Grade 2	50,400	51,360	180	In compliance
Grade 3	50,400	55,340	180	In compliance
Grade 4	54,000	55,340	180	In compliance
Grade 5	54,000	55,340	180	In compliance
Grade 6	54,000	55,340	180	In compliance

CUTTEN ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

FOR FISCAL YEAR ENDED JUNE 30, 2025

Charter School ID Number	Charter Schools Chartered by the District	Included in the District Financial Statements, or Separate Report
-------------------------------------	--	--

There are currently no charter schools chartered by the District.

CUTTEN ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Cafeteria Fund	Building Fund	County Schools Facility Fund	Special Reserve Fund For Capital Outlay Projects Fund
FUND BALANCE					
Ending balance, June 30, 2025, Unaudited Actuals	\$ 9,120,567	\$ 242,177	\$ 2,373,807	\$ 1,642	\$ 85,878
Increase in:					
Fair Value Adjustment to Cash in County Treasury	213,010	4,235	5,772	35	938
Accounts Receivable	-	-	-	-	-
Ending balance, June 30, 2025, Audited Financial Statements	<u>\$ 9,333,577</u>	<u>\$ 246,412</u>	<u>\$ 2,379,579</u>	<u>\$ 1,677</u>	<u>\$ 86,816</u>

There were no other adjustments made to any other funds of the District.

CUTTEN ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Assistance Listing Number	Grantor and Program Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education</u>			
<i>Passed through California Department of Education</i>			
<u>Special Education Cluster (IDEA)</u>			
84.027	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	13379	\$ 110,705
84.027A	Special Ed: IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	15197	6,679
	Subtotal Special Education Cluster (IDEA)		<u>117,384</u>
<u>Education Stabilization Fund (ESF) Cluster</u>			
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	20,260
84.425	American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	15566	280
	Subtotal Education Stabilization Fund (ESF) Cluster		<u>20,540</u>
84.010	ESSA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	154,438
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341	11,859
84.424	ESSA: Title IV, Part A, Student Support and Academic Enrichment Grants	15396	15,006
	Total U.S. Department of Education		<u>319,227</u>
<u>U.S. Department of Agriculture</u>			
<i>Passed through California Department of Education</i>			
<u>Child Nutrition Cluster</u>			
10.555	Child Nutrition: School Programs (NSL Sec 11)	13524	190,489
10.555	Local Food for Schools	15708	8,824
	Subtotal Child Nutrition Cluster		<u>199,313</u>
	Total U.S. Department of Agriculture		<u>199,313</u>
	Total Federal Programs		<u>\$ 518,540</u>

* Tested as major program.

CUTTEN ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Adopted Budget 2025/2026	Actuals 2024/2025	Actuals 2023/2024	Actuals 2022/2023
<u>General Fund</u>				
Revenues and Other Financial Sources	\$ 8,376,085	\$ 8,886,053	10,252,388	\$ 10,080,925
Expenditures	9,885,023	8,935,021	8,895,489	7,700,509
Other Uses and Transfers Out	41,132	-	-	2,754
Total Outgo	9,926,155	8,935,021	8,895,489	7,703,263
Change in Fund Balance	(1,550,070)	(48,968)	1,356,899	2,377,662
Ending Fund Balance	<u>\$ 7,783,507</u>	<u>\$ 9,333,577</u>	<u>\$ 9,382,545</u>	<u>\$ 8,025,646</u>
Available Reserves	<u>\$ 4,839,071</u>	<u>\$ 6,398,646</u>	<u>\$ 5,956,957</u>	<u>\$ 4,622,398</u>
Designated for Economic Uncertainties	<u>\$ 4,839,071</u>	<u>\$ 4,469,032</u>	<u>\$ 5,956,957</u>	<u>\$ 4,622,398</u>
Undesignated Fund Balance	<u>\$ -</u>	<u>\$ 1,929,614</u>	<u>\$ -</u>	<u>\$ -</u>
Available Reserves as a Percentage of Total Outgo	48.8%	71.6%	67.0%	60.0%

All Funds

Total Long-Term Debt	\$ 13,747,023	\$ 13,783,701	\$ 11,660,228	* \$ 10,348,330
Actual Daily Attendance at P-2	532	528	528	524

* includes prior period adjustment for GASB 101 implementation.

The general fund balance has increased by \$3,685,593 over the past three years. The fiscal year 2025-26 budget projects a decrease of \$1,550,070. For a District this size, the State of California recommends available reserves of at least 4 percent of total general fund expenditures, transfers out, and other uses (total outgo). The District met this requirement.

The District has incurred an operating surplus in two of the past three fiscal years and anticipates a deficit in 2025-26.

Total long-term liabilities have increased by \$3,435,371 over the past two years due to increases in the net pension liability and the net OPEB liability and issuances of new general obligation bonds.

Average Daily Attendance (ADA) has increased by 4 over the past two years and attendance is budgeted to increase in fiscal year 2025-26.

CUTTEN ELEMENTARY SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. Schedule Of Average Daily Attendance

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

2. Schedule of Instructional Time

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 46201 through 46206. Districts must maintain their instructional minutes in accordance with the State's standard requirement as required by Education Code Section 46201(b).

3. Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

4. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides information necessary to reconcile the Annual Financial and Budget Report to the audited financial statements.

5. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

6. 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.

OTHER INFORMATION

CUTTEN ELEMENTARY SCHOOL DISTRICT

ORGANIZATION

JUNE 30, 2025

The Cutten Elementary School District was formed in 1891 comprised of approximately 11.5 square miles located in Humboldt County. There were no changes in the boundaries of the District during the current year. The District currently operates two elementary schools, grades transitional kindergarten through sixth.

The Board of Trustees for the fiscal year ended June 30, 2025 was composed of the following members, each with a four year term:

GOVERNING BOARD

Name	Office	Term Expires November
Rebecca Reece	Member	2028
Mary DeWald	Clerk	2026
Beth Johnston	Member	2028
Dennis Reinholtsen	President	2026
Mindy Sehon	Member	2026

ADMINISTRATION

Becky MacQuarrie
Superintendent

Darcie Rutter
Cutten Principal

Annette Sligh
Ridgewood Principal

Vanessa Carillo-Salas
Business Manager

OTHER INDEPENDENT AUDITOR'S REPORTS



**INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL
CONTROL OVER COMPLIANCE**

Board of Trustees
Cutten Elementary School District
Eureka, California

Report on Compliance

Opinion

We have audited the Cutten Elementary School District (the “District”) compliance with the requirements specified in the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting applicable to the District’s state program requirements identified below for the year ended June 30, 2025.

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State

Compliance Reporting will always detect a material noncompliance when it exists.

The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

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

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

Local Education Agencies Other Than Charter Schools	
Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	
General Requirements	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive Program	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
Home to School Transportation Reimbursement	Yes

School Districts, County Offices of Education and Charter Schools

Description	Procedures Performed
Arts and Music in Schools	Yes
After/Before Schools Education and Safety Program	
General Requirements	No, see below
After School	No, see below
Before School	No, see below
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	No, see below
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	No, see below
Career Technical Education Incentive Grant	No, see below
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes

Charter Schools

Description	Procedures Performed
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform any procedures related to Independent Study because no ADA was reported in the current year.

We did not perform any procedures related to Continuation Education, Early Retirement Incentive, Independent Study-Course Based, Juvenile Court Schools, Middle-Early College High Schools, After/Before School Education and Safety Program, Apprenticeship: Related and Supplemental Instruction, and District of Choice because the District did not offer these programs.

We did not perform any procedures related to Charter Schools Attendance, Mode of Instruction, Nonclassroom-Based Instruction/Independent Study, Determination of Funding for Nonclassroom-Based Instruction, Annual Instructional Minutes – Classroom-Based, and Charter School Facility Grant Program because the District did not have any charter schools.

We did not perform any procedures related to Immunizations as none of the District's schools appeared on the lists of schools that did not submit immunization assessment reports to the California Department of Public Health or those that reported combined conditional admission and overdue rates greater than 10 percent in kindergarten and in 7th grade.

We did not perform any procedures related to Expanded Learning Opportunities Program since the District fully expended the funding in the previous year.

We did not perform any procedures related to Career Technical Education Incentive Grant as the District did not receive any funding in the current year.

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.

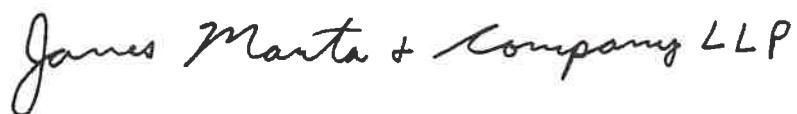
Report on Internal Control over Compliance

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 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James" and "Marta" on the first line, and "& Company LLP" on the second line.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting and Tax

**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***

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Cutten Elementary School District
Eureka, 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 Cutten Elementary School District (the “District”), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered District’s internal control over financial reporting (internal control) as a basis for designing the 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 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.

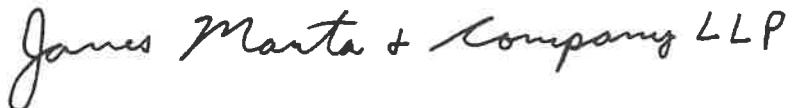
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James" and "Marta" on the first line, and "& Company LLP" on the second line.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025

FINDINGS AND RECOMMENDATIONS

CUTTEN ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I – Summary of Audit Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X No
Significant deficiency(ies) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X No

Federal Awards

The District expended less than \$750,000 in federal awards in 2024-2025 and was not subject to a Single Audit.

State Awards

Internal control over state programs:			
Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None reported
Type of auditor's report issued on compliance for state programs:	<u>Unmodified</u>		

CUTTEN ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

No matters were reported.

CUTTEN ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

CUTTEN ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section IV – State Award Findings and Questioned Costs

No matters were reported.

CUTTEN ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2024-01 SIGNIFICANT DEFICIENCY – UNDuplicated LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria:

Any student who meets the federal income eligibility criteria or is deemed to be categorically eligible for FRPM under the National School Lunch Program (NSLP) will be counted as FRPM eligible except for directly certified and foster students identified through a statewide match, LEAs must submit the appropriate student program (SPRG) records to CALPADS in order for the students to be counted as FRPM-eligible. Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 2574(b)(3)(C), 44238.02(b)(3)(B), and 41020, Education Code.

Condition:

During the audit, two students were discovered that were reported as eligible for FRPM status in the CALPADS 1.18 report, but did not have support to verify that status. Subsequently, the District performed their own audit of 100% of the unduplicated pupil counts as reported on the 1.18 - FRPM/English Learner/Foster Youth - Count report for the school sites and discovered an error with the mapping program to upload the data from the AERIES attendance system into the CALPADS reporting system resulting in eleven student being misreported as FRPM eligible.

Effect:

The effect of this finding is an overstatement of 25 unduplicated pupil count at the district as noted below:

Site	Enrollment	Unduplicated Pupil Count					Revised FRPM/EL/Foster Youth Total
		Free & Reduced Meal Program (FRPM)	English Learners (ELAS)	Both FRPM & ELAS	FRPM Revision		
Cuttent Elementary	135	128	7	-	(15)	120	
Ridgewood Elementary	136	123	13	-	(10)	126	
As certified on CALPADS	271	251	20	-	(25)	246	
Audit adjustment	-	-	-	-	-	-	
Adjusted counts	<u>271</u>	<u>251</u>	<u>20</u>	<u>-</u>	<u>(25)</u>	<u>246</u>	

Cause:

Oversight led to a pupil being misclassified on the CALPADS 1.18 report.

Fiscal Impact:

The fiscal impact is a reduction of LCFF revenues of \$17,593.

Repeat Finding:

Yes, see 2023-1.

Recommendation:

The District should have a process of review in place to ensure the accuracy of the data contained in the CALPADS reports.

Corrective Action Plan:

The District will review and ensure all reports are accurately reported.

Status:

Implemented.

CUTTEN ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2024-02: SIGNIFICANT DEFICIENCY - INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)

Criteria:

Education Code Section 48930 and the California Department of Education's "Accounting Procedures for Student Organizations Handbook" require that student body organizations adhere to district regulations. These regulations mandate the following internal control procedures:

- a. Cash receipts should be deposited in a timely manner
- b. Bank statement reconciliations should be completed in a timely manner
- c. Purchase order forms should be reviewed and approved by the principal

Condition:

At Cutten Elementary School and Ridgewood Elementary School, we noted that certain student body cash receipts were recorded without the necessary backup support documentation. Specifically, there were no receipts, invoices, or other supporting documents available to clarify the sources or purpose of the cash receipts.

Effect:

The lack of supporting documentation for cash receipt poses several risks, including:

- a. Unauthorized or inappropriate fundraising activities could occur without proper oversight and approval.
- b. Errors in bank statements may go unnoticed if reconciliations are not performed correctly or on time.
- c. Cash receipts could be made without proper authorization or sufficient documentation, affecting financial transparency and accountability.

Cause:

The policies and procedures for account and cash handling procedures, as outlined by the California Department of Education, were not properly implemented by the school site personnel.

Repeat Finding:

No

Recommendations:

- a. Ensure that all fundraising activities are documented with a fundraising approval form before any event takes place. This form should track projected and actual revenues and expenses and ensure proper authorization and oversight.
- b. Bank reconciliations should be completed and reviewed in a timely manner, with personnel held accountable for their accuracy.
- c. Cash reconciliations should be reviewed and approved by a designated individual who is not involved in the original receipt of funds to provide an additional layer of accountability.
- d. All cash receipts should be accompanied by appropriate backup documentation (e.g., receipts, invoices), which must be retained and properly organized to support the validity of transactions.
- e. Provide training for staff involved in cash handling and financial reporting to ensure they are familiar with district policies and procedures related to ASB funds.

Corrective Action Plan:

The District has hired a new staff member to be responsible for overseeing the student body funds and ensuring proper internal controls are in place.

Status:

Implemented



**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

December 12, 2025

To the Board of Trustees
Cutten Elementary School District
Eureka, California

We have audited the financial statements of Cutten Elementary School District (the "District") as of and for the year ended June 30, 2025, and have issued our report thereon dated December 12, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 24, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Significant Risks Identified

We have identified the following significant risks:

- We did not identify any accounts to be significant risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. Other than the GASB 101 policy, there have been no other accounting policies or changes in significant accounting policies or their application during the fiscal year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, there are new Governmental Accounting Standards that may affect the District in future years. See Attachment I.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the collectability of receivables, compensated absences, the District's proportionate share of net pension liability and the District's net OPEB liability.

Management's estimate of the collectability of receivables is based on past experience with collections from various entities. Management is conservatively using 100% of their sick leave to add to their vacation liability to come up with the District total compensated absence liability. The estimate for the District's proportionate share of net pension liability and the District's net OPEB liability is based on an actuarial study. We evaluated key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The pension and OPEB disclosures included in footnotes

6 and 7, respectively, required significant judgement to calculate the District's proportionate share of the net pension liability for CalPERS and CalSTRS and the District's net OPEB liability.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures.

Identified or Suspected Fraud

We have not identified or obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. See Attachment II for adjustments provided by management.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no audit adjustments identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affected the form and content of our auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 12, 2025. See Attachment III.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

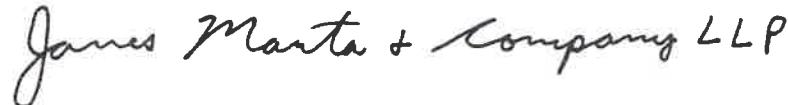
In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Services

We have assisted management in preparing the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by management.

Management's responsibilities for other services included designating qualified individuals with the skill, knowledge, and experience to be responsible and accountable for overseeing financial statement preparation and any other nonattest services we performed as part of this engagement. Management has represented that they have evaluated the adequacy and results of those services and is accepting responsibility for them.

This report is intended solely for the information and use of the Board of Trustees and management of Cutten Elementary School District and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James Marta &" on the first line and "& Company LLP" on the second line.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB Statement No. 103, Financial Reporting Model Improvements

Effective for the fiscal year ending June 30, 2026

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

We do not expect this standard to have any significant impact on the District.

GASB Statement No. 104, Disclosure of Certain Capital Assets

Effective for the fiscal year ending June 30, 2026

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period.

The District is currently assessing the financial statement impact of GASB 104.

Adjusting Journal Entries

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To tie out equity with prior years audit report.			
01-8660	Interest	2	
13-8660	Interest	1	
51-9795	Other Restatements	2,631	
01-9791	Beginning Fund Balance		2
13-9791	Beginning Fund Balance		1
51-7434	Bond Interest and Other Service Charges		2,631
Total		2,634	2,634
Adjusting Journal Entries JE # 2			
To record the FMV adjustment for cash in county treasury as of June 30, 2025.			
01-9111	Fair Value Adjustment to Cash in County Treasury	171,986	
13-9111	Fair Value Adjustment to Cash in County Treasury	4,235	
17-9111	Fair Value Adjustment to Cash in County Treasury	41,024	
21-9111	Fair Value Adjustment to Cash in County Treasury	5,772	
35-9111	Fair Value Adjustment to Cash in County Treasury	35	
40-9111	Fair Value Adjustment to Cash in County Treasury	938	
01-8662	Net Increase (Decrease) in the Fair Value of Investments		171,986
13-8662	Net Increase (Decrease) in the Fair Value of Investments		4,235
17-8662	Net Increase (Decrease) in the Fair Value of Investments		41,024
21-8662	Net Increase (Decrease) in the Fair Value of Investments		5,772
35-8662	Net Increase (Decrease) in the Fair Value of Investments		35
40-8662	Net Increase (Decrease) in the Fair Value of Investments		938
Total		223,990	223,990
Adjusting Journal Entries JE # 3			
To true up bond issuance entry.			
21-5800	Professional/Consulting Services and Operating Expenditures	50,000	
51-7699	All Other Financing Uses	45,638	
51-8699	All Other Local Revenue	72,738	
21-8951	Proceeds from Sale of Bonds		50,000
51-8979	All Other Financing Sources		118,376
Total		168,376	168,376
Total Adjusting Journal Entries			
Total All Journal Entries			

Reclassifying Journal Entries

No reclassifying journal entries in 2024-2025 FY.

Proposed Journal Entries

Account	Description	Debit	Credit
Proposed Journal Entries			
Proposed Journal Entries JE # 4			
To true-up student body fund reconciliation to GL.			
08-9120	Cash in Bank(s)	4,730	
08-8699	All Other Local Revenue		4,730
Total		4,730	4,730
Total Proposed Journal Entries			
Total All Journal Entries			



Cutten School District

MANAGEMENT REPRESENTATION LETTER

December 12, 2025

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cutten Elementary School District (the "District") as of June 30, 2025 and for the fiscal year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 12, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 24, 2023 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We acknowledge that we are responsible for distributing the issued report as well as the communication with governance letter and internal control letter to all governing board members.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes and acknowledge the auditor's role in the preparation of this information.
- We have a process to track the status of audit findings and recommendations.

RIDGEWOOD SCHOOL
2100 Ridgewood Drive, Eureka, CA 95501
(707) 442-3900 • Fax (707) 442-1943

CALIFORNIA
DISTINGUISHED SCHOOLS

CUTTEN SCHOOL
4192 Walmat Drive, Eureka, CA 95501
(707) 442-3900 • Fax (707) 442-1946

Cuttent Elementary School District
Management Representation Letter

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We have reviewed and approved the adjusting journal entries reflected in the audit statements and Attachment A
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All inter-fund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.

Cutten Elementary School District
Management Representation Letter

- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to preparation of the financial statements, reconciliation of long-term debt, GASB 34 conversion entries, Pension and OPEB liability calculations and related disclosures, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Cutten Elementary School District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Cutten Elementary School District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range

Cutten Elementary School District
Management Representation Letter

of estimated future outflows has been established, we have recognized the minimum amount within the range.

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- Cutten Elementary School District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Additional Representations

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in the California Code of Regulations, Title 5, Section 19810 and following; and the Uniform Guidance.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in the California Code of Regulations, Title 5, Section 19810 and following; and the Uniform Guidance.
- The methods of measurement or presentation have not changed from those used in the prior.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Cuttent Elementary School District
Management Representation Letter

- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- The methods of measurement or presentation have not changed from those used in the prior period.

Use of a Specialist

We agree with the findings of specialists in evaluating the District's proportionate share of net pension liability and the District's net OPEB liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Pension and Postretirement Benefits

- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.

Federal Award Programs

With respect to federal award programs:

- We are responsible for understanding and complying with, and have complied with, the requirements of the Uniform Guidance.
- We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus

Cuttent Elementary School District
Management Representation Letter

property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs.
- We have identified and disclosed to you the requirements of federal statutes, laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- We have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- We have charged costs to federal awards in accordance with applicable cost principles.
- We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), subsequent to the date as of which compliance was audited.
- We have complied with the direct and material compliance requirements, including when applicable, those set forth in the Uniform Guidance, relating to federal awards
- We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly

Cuttent Elementary School District
Management Representation Letter

relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- We are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective plan that meets the requirements of the Uniform Guidance.
- We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- The reporting package does not include protected personally identifiable information.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- We have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.



Becky MacQuarrie, Ed.D., Superintendent

Attachment I
Journal Entry Report

Adjusting Journal Entries

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
<i>To be cut equity with prior years audit report.</i>			
01-8660	Interest	2.00	
13-8660	Interest	1.00	
51-9795	Other Restatements	2,631.00	
01-9791	Beginning Fund Balance		2.00
13-9791	Beginning Fund Balance		1.00
51-7434	Bond Interest and Other Service Charges		2,631.00
Total		2,634.00	2,634.00

Adjusting Journal Entries JE # 2

To record the FMV adjustment for cash in county treasury as of June 30, 2025.

01-9111	Fair Value Adjustment to Cash in County Treasury	171,986
13-9111	Fair Value Adjustment to Cash in County Treasury	4,235.00
17-9111	Fair Value Adjustment to Cash in County Treasury	41,024.00
21-9111	Fair Value Adjustment to Cash in County Treasury	5,772
35-9111	Fair Value Adjustment to Cash in County Treasury	35.00
40-9111	Fair Value Adjustment to Cash in County Treasury	938.00
01-8662	Net Increase (Decrease) in the Fair Value of Investments	171,986.00
13-8662	Net Increase (Decrease) in the Fair Value of Investments	4,235.00
17-8662	Net Increase (Decrease) in the Fair Value of Investments	41,024.00
21-8662	Net Increase (Decrease) in the Fair Value of Investments	5,772
35-8662	Net Increase (Decrease) in the Fair Value of Investments	35.00
40-8662	Net Increase (Decrease) in the Fair Value of Investments	938.00
Total		223,990.00
223,990.00		

Adjusting Journal Entries JE # 3

To true up bond issuance entry.

21-5800	Professional/Consulting Services and Operating Expenditures	50,000.00
51-7699	All Other Financing Uses	45,638.00
51-8699	All Other Local Revenue	72,738.00
21-8951	Proceeds from Sale of Bonds	50,000.00
51-8979	All Other Financing Sources	118,376.00
Total		168,376.00
168,376.00		

Reclassifying Journal Entries

No reclassifying journal entries in 2024-2025 FY.

Proposed Journal Entries

Account	Description	Debit	Credit
Proposed Journal Entries JE # 4			
<i>To true-up student body fund reconciliation to GL.</i>			
08-9120	Cash in Bank(s)	4,730.00	
08-8699	All Other Local Revenue		4,730.00
Total		4,730.00	4,730.00

**CUTTEN ELEMENTARY SCHOOL DISTRICT
MEASURE L
GENERAL OBLIGATION BOND
BUILDING FUND**

**COUNTY OF HUMBOLDT
EUREKA, CALIFORNIA**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
Balance Sheet	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to the Financial Statements	6
SUPPLEMENTARY INFORMATION	
Full Text of Bond Measure L	13
OTHER INDEPENDENT AUDITOR'S REPORTS	
Report on Internal Control Over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
Independent Auditor's Report on Measure L Bond Performance	20
FINDINGS AND RECOMMENDATIONS	
Schedule of Findings and Questioned Costs	23
Schedule of Prior Audit Findings	24



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
Cutten Elementary School District
Eureka, California

Report on the Financial Statements

Opinions

We have audited the Balance Sheet of Cutten Elementary School District (the District), Measure L General Obligation Bond Fund (the Fund), and the related statement of revenues, expenditures, and changes in fund balance as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the fund financial statements referred to above present fairly, in all material respects, the financial position of the Cutten Elementary School District Measure L General Obligation Bond Fund (the Fund) as of June 30, 2025 and the results of its operations the fiscal year then ended in conformity 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. 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

The District's 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.

Other Matters

As discussed in Note 1, the financial statements referred to above present only the individual Measure L General Obligation Bond Building Fund and are not intended to present fairly the financial position and results of operations of the District in conformity with generally accepted accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025

BASIC FINANCIAL STATEMENTS

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND**

BALANCE SHEET

JUNE 30, 2025

ASSETS

Cash and Cash Equivalents	\$ 4,861
Accounts receivable	<u>17,796</u>
Total Assets	<u>\$ 22,657</u>

**LIABILITIES AND
FUND BALANCES**

Liabilities	
Accounts payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
Fund balances	
Restricted for Measure L bond projects	<u>22,657</u>
Total Fund Balances	<u>22,657</u>
Total liabilities and fund balances	<u>\$ 22,657</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT
MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES

Other local revenues	\$ 23,625
Total revenues	<u>23,625</u>

EXPENDITURES

Services and other operating expenditures	163,759
Capital outlay	<u>13,289</u>
Total expenditures	<u>177,048</u>
Excess(deficiency) of revenues over expenditures	<u>(153,423)</u>
Fund balances, July 1, 2024	<u>176,080</u>
Fund balances, June 30, 2025	<u>\$ 22,657</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE L GENERAL OBLIGATION BOND BUILDING FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accounting policies of the Measure L General Obligation Bond Fund (the Fund) of the Cutten Elementary School District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

The Cutten Elementary School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five-member Governing Board elected by registered voters of the District, which comprises an area in Humboldt County. The District was founded in 1891. The District is located in the central western portion in Humboldt County, California (the "County") and serves the unincorporated area of the County known as Cutten. The District currently operates two elementary schools: Cutten Elementary School serves third through sixth grades, and Ridgewood School serves kindergarten through second grades.

On January 29, 2019, the District issued the first sale (Series A) of the Measure L General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$2,000,000 to finance specific construction, repair and improve District facilities. On February 6, 2020, the District issued the second and final sale (Series B) of the Measure L General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$1,998,286.

The Bonds were authorized at an election within the District held on November 6, 2018 (the "Election") at which at least fifty-five percent of the registered voters voting on the proposition voted to authorize the issuance and sale of \$4,000,000 aggregate principal amount of general obligation bonds of the District (the "Authorization"). Because the Bond required only 55% of the vote in accordance with Proposition 39 (Article XIII of the California State Constitution), the District was required to establish a citizen's bond oversight committee and to conduct a financial and performance audit.

The Committee's oversight goals include ensuring expenditures are within the language of the ballot measure. The citizens' oversight committee must include, among others, representation of a bona fide taxpayers association, a business organization and a senior citizens organization. No district employees or vendors are allowed to serve on the citizens' oversight committee.

The fund financial statements presented are for the Measure L General Obligation Bond Building Fund. Since this is just one component of the District, these financial statements are not intended to be a complete presentation of the District's financial position or results of operations. Accordingly, these fund statements do not include a government wide financial statement, management discussion and analysis or related organizational disclosures. The audited financial statements of Cutten Elementary School District include the Measure L General Obligation Bond Building Fund activities, related debt and disclosures as well as management's discussion and analysis.

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE L GENERAL OBLIGATION BOND BUILDING FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The proceeds from the sale of general obligation bonds and the subsequent expenditure of the bond funds are accounted for in the Building fund of the District. Any premium received from the sale of the bonds is deposited in the Bond and Interest Redemption fund of the District. The Measure L Bond Building Fund forms part and not all of the net financial position in the District's Building Fund which contains other sources of funding.

C. ACCOUNTING POLICIES

The District prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means 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. For the District, "available" means collectible within one year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BUDGETS AND BUDGETARY ACCOUNTING

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

F. ENCUMBRANCES

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

G. DEPOSITS AND INVESTMENTS

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 County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq.

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.

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.

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE L GENERAL OBLIGATION BOND BUILDING FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. CAPITAL AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the General Obligation Bond Building Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and liabilities are generally included on the balance sheet.

The reported fund balances are considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Measure L General Obligation Bond Building Fund are accounted for in the basic financial statements of the District.

I. FUND BALANCE – GOVERNMENTAL FUNDS

As of June 30, 2025, fund balances of the Measure L General Obligation Bond Building Fund are classified as restricted. Restricted funds can only be spent 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.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2025 consist of cash in county treasury in the amount of \$4,861.

A. Cash in County Treasury

County pool investments consist of District cash held by the Humboldt County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are 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 weighted average maturity of the pool is 626 days. The pool is rated AAA by Standard and Poor's.

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, as the length of the maturity of an investment increases, 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 Treasury that purchases 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.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

3. MEASURE L GENERAL OBLIGATION BONDS

Series A

On January 29, 2019, the District issued the first sale (Series A) of the Measure L General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$2,000,000 to finance specific construction, repair and improvement projects approved by the voters of the District and to pay costs of issuance. The Series A was the first series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. The proceeds of the Bonds were applied as follows:

Sources of Funds

Principal Amount of Bonds	\$ 2,000,000
Original Issuance Premium	<u>132,326</u>
Total Sources	<u><u>\$ 2,132,326</u></u>

Uses of Funds

Deposited to Building Fund	\$ 1,855,000
Deposited to Bond Interest and Redemption Fund	92,326
Cost of Issuance	<u>185,000</u>
Total Uses	<u><u>\$ 2,132,326</u></u>

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the Humboldt County are obligated to levy and collect ad valorem property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on the bonds as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 2% to 5% and mature in staggered amounts each year starting on August 1, 2019 up through August 1, 2048.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

3. MEASURE L GENERAL OBLIGATION BONDS

Series B

On February 6, 2020, the District issued the second sale (Series B) of the Measure L General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$1,998,286 to finance specific construction, repair and improvement projects approved by the voters of the District and pay costs of issuance. The Series B was the second and final series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. The proceeds of the Bonds were applied as follows:

Sources of Funds

Principal Amount of Bonds	\$ 1,998,286
Original Issuance Discount	<u>198,340</u>
Total Sources	<u><u>\$ 2,196,626</u></u>

Uses of Funds

Deposited to Building Fund	\$ 1,843,286
Deposited to Bond Interest and Redemption Fund	158,374
Cost of Issuance	<u>194,966</u>
Total Uses	<u><u>\$ 2,196,626</u></u>

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the Humboldt County are obligated to levy and collect ad valorem property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on the bonds as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 2.68% to 4.00% and mature in staggered amounts each year starting in August 1, 2020 up through August 1, 2050.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

3. COMMITMENTS AND CONTINGENCIES

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

4. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2025 financial statements for subsequent events through December 12, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE L GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

BOND AUTHORIZATION

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the Cutten School District will be authorized to issue and sell bonds of up to \$4 million in aggregate principal amount at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all of the accountability requirements specified below.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be in compliance with the requirements of Article XIII A, Section 1 (b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following.)

Evaluation of Needs. The Governing Board has identified detailed facilities needs of the District and has determined which projects would be financed from a local bond. The Governing Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. Following approval of this measure, the Governing Board will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the Governing Board.

Performance Audits. The Governing Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The Governing Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Government Code Accountability Requirements. As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Humboldt County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Governing Board of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

NO TEACHER OR ADMINISTRATOR SALARIES

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1 (b)(3), those being for the construction, reconstruction, rehabilitation, or

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE L GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

STATE MATCHING FUNDS

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed project or projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the project or projects described below may assume the receipt of matching state funds, which, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

BOND PROJECT LIST

The Bond Project List below lists the specific projects the District proposes to finance with proceeds of the bonds. The Bond Project List shall be considered a part of the bond proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition. Listed projects will be completed as needed at a particular school or facility site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. Any authorized repairs shall be capital expenditures. The Bond Project List does not authorize non-capital expenditures. Each project is assumed to include its share of costs of the election and bond issuance, construction-related costs, such as project and construction management, architectural, engineering, inspection and similar planning and testing costs, demolition and interim housing costs, legal, accounting and similar fees, costs related to the independent annual financial and performance audits, a contingency for unforeseen design and construction costs, and other costs incidental to or necessary for completion of the listed projects (whether the related work is performed by the District or third parties). The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State of California grant funds for eligible projects, have not yet been secured. Therefore, the Board cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Alternatively, if the District obtains unexpected funds from non-bond sources with respect to listed projects, such projects may be enhanced, supplemented or expanded to the extent of such funds. Some projects may be subject to further government approvals, including by State officials and boards and/or local environmental or agency approval. Inclusion of a project on the Bond Project List is not a guarantee that the project will be completed (regardless of whether bond funds are available).

The specific projects authorized to be financed with proceeds of the bonds under this proposition are as follows:

SCHOOL MODERNIZATION AND RENOVATION MEASURE PROJECTS **The following projects are authorized to be financed Districtwide:**

School Renovation, Construction and Upgrade Projects

- Modernize, upgrade, renovate, replace, rehabilitate, re-configure, expand, acquire and install, and/or upgrade classrooms, classroom buildings, labs, restrooms, common areas and grounds and school support facilities (including library, multipurpose room/auditorium, food storage, preparation and

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE L GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

service, cafeteria and office/staff support facilities, whether permanent, portable or modular, including interior and exterior (as applicable) doors, windows, door and window hardware, roofs, rain gutters and downspouts, walls, ceilings and floors and finishes, paint, siding, insulation, casework, cabinets, secured storage, carpets, drapes, window coverings, infrastructure, lighting, sinks, drinking fountains, fixtures, signage, fencing, landscaping, furniture and equipment.

- Construct additional classrooms/classroom buildings, restrooms, food storage, preparation and service facilities, school support facilities, including offices and conference rooms, and related school facilities.
- Renovate, replace, upgrade, acquire, install and/or integrate major site/building/utility systems, equipment and related infrastructure and housing, including lighting, electrical (including wiring and related infrastructure for modern technology), heating, refrigeration, cooling and ventilation, water, sewer, gas irrigation, drainage, and energy efficiency/management monitoring systems, networks, fixtures, equipment and controls.
- Acquire, install, upgrade and/or construct renewable energy and/or energy-saving systems, improvements and equipment, including electricity generation and distribution systems and/or water heating systems, natural light improvements, upgraded insulation and roofing, efficient lighting, windows and window coverings, shade structures, energy management and conservation systems, and other passive technologies, and structures to support such systems, improvements and equipment and related infrastructure.
- Furnish and equip classrooms and other school facilities, including, but not limited to, desks, chairs and classroom furniture, science and lab equipment, school-site maintenance equipment, copy machines, "cubicle" partitions, chairs, storage units and school office equipment, including initial purchases and continued replacement of equipment and furniture as needed.

All or portions of these Projects may be used as joint-use projects within the meaning of Section 17077.42(c) of the Education Code (or any successor provision).

SCHOOL SITE HEALTH, SAFETY AND SECURITY PROJECTS

- The inspection and analysis of grounds, buildings, fixtures and structures, including parking lots, walkways, paths, restrooms, drinking fountains, physical education/athletic fields and facilities, playground areas and equipment, to assess health and safety risks to students, faculty, staff, parents and the public and compliance with local, state and federal building, health, safety, access and other related requirements, including seismic safety requirements, Field Act requirements access requirements of the Americans with Disabilities Act (ADA) and Occupational Safety & Health Administration (OSHA) requirements, and the improvement, correction, repair or renovation of such grounds, buildings, fixtures and structures or portions thereof identified as such health and safety risks or acquire, install and/or construct other improvements to comply with such laws and requirements.
- Reconfigure, renovate, repair, resurface, improve and/or expand roads, sidewalks, parking lots and related areas, and pick-up/drop-off and bus areas to improve ingress/egress and safety and increase capacity to meet site usage.
- Upgrade and/or acquire and install exterior lighting, fire detection and suppression, security, emergency, clock, bell, data, voice and audio-visual communication (including telephone and public address) systems, networks, fixtures, equipment and controls.
- Upgrade or replace buildings that do not meet current minimum building code standards.

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE L GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

All or portions of these Projects may be used as joint-use projects within the meaning of Section 17077.42(c) of the Education Code (or any successor provision).

DISTRICT-WIDE WIRING AND TECHNOLOGY FOR INSTRUCTIONAL SUPPORT AND EFFECTIVE LEARNING ENVIRONMENT PROJECTS

- Acquire and install technology equipment, fixtures and infrastructure, including computers, tablets, mobile devices, software, interactive educational technology, digital projectors and cameras, monitors, audio systems, video systems, network equipment (including servers, network interface devices, network switches and routers, wireless network equipment, firewalls, network security equipment, racking, power and cooling equipment, wiring and uninterruptible power supplies), etc.
- Upgrade, replace, acquire and/or install media, audio/visual equipment, and other technology equipment and fixtures, including smart boards.

MISCELLANEOUS

All listed bond projects include the following as needed:

- Removal of hazardous materials such as asbestos and lead paint as needed.
- Construction and/or installation of access improvements for disabled persons, as required by state and federal law.
- Planning, designing and providing temporary housing necessary for listed bond projects.
- Acquisition of any rights-of-way, easements, and/or real property made necessary by listed bond projects, or lease of real property for the listed school facilities projects.
- Necessary onsite and offsite preparation or restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable buildings, including demolition of structures; removing, replacing, or installing irrigation, drainage, utility lines (gas, water, sewer, electrical, data and voice, etc.), trees and landscaping; relocating fire access roads; and acquiring any necessary easements, licenses, land or rights of way made necessary by listed bond projects.
- Address other unforeseen conditions revealed by construction, renovation or modernization (including plumbing or gas line breaks, dry rot, seismic and structural deficiencies, etc.).
- Acquire or construct storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel, and interim classrooms (including relocatables) for students and school functions or other storage for classroom materials displaced during construction.
- For any project involving renovation, rehabilitation or repair of a building or the major portion of a building, the District shall be authorized to proceed with new replacement construction/re-construction instead (including any necessary demolition), if the Board of Trustees of the District determines that replacement and new construction/re-construction is more practical than renovation, rehabilitation and repair, considering the building's age, condition, expected remaining life, comparative cost and other relevant factors.
- Furnishing and equipping of classrooms and other school facilities; furnishing and equipping shall include initial purchases, and scheduled and necessary replacements, upgrades and updating of technology.
- All other costs and work necessary and incidental to the listed bond projects.
- Acquisition of all or a portion of any school site or facility, or an interest therein, or make lease payments with respect to any school site or facility, encumbered in order to finance the listed school facilities projects.

CUTTEN ELEMENTARY SCHOOL DISTRICT
MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND

FULL TEXT OF BOND MEASURE

Approval of the District's bond measure does not guarantee that all of the identified projects within this Bond Project List will be funded beyond what can be completed with local funds generated by the bond measure. The District plans to pursue funds from the State of California, if available, to complete certain of the identified facilities projects.

The order in which school facilities projects are listed in the Project List does not suggest an order of priority. Project priorities will be determined by the Governing Board. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

OTHER INDEPENDENT AUDITOR'S REPORTS



James Marta & Company

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**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**

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
Cutten Elementary School District
Eureka, CA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the Measure L General Obligation Bond Building Fund of Cutten Elementary School District (the "District"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Measure L General Obligation Bond Building Fund's fund financial statements, and have issued our report thereon dated December 12, 2025.

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 Measure L General Obligation Bond Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure L General Obligation Bond Building Fund'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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.

Compliance and Other Matters

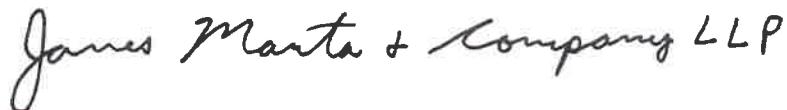
As part of obtaining reasonable assurance about whether the Measure L General Obligation Bond Building Fund's fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed one instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-1.

Government Auditing Standards requires the auditor to perform limited procedures on the Measure L General Obligation Bonds Building Fund's response to finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Measure L General Obligation Bonds Building Fund's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This report is intended solely for the information and use of management, and the Citizen's Oversight Committee and Governing Board of Cutten Elementary School District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James" and "Marta" connected, and "Company LLP" written in a slightly different, more formal script.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025



**INDEPENDENT AUDITOR'S REPORT
ON MEASURE L BOND PERFORMANCE**

Citizen's Oversight Committee
and Governing Board
Cutten Elementary School District
Eureka, CA

Report on Performance

We have completed a performance audit of the Measure L General Obligation Bond Building Fund of the Cutten Elementary School District (the "District") as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 12, 2025. Our audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Management's Responsibility

The design, implementation and maintenance of internal controls relevant to the financial process and compliance with the requirements of state laws and regulations is the responsibility of management.

Our responsibility is to determine that the District complied with the Measure L General Obligation Bonds in accordance with Appendix A of the 2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

We conducted our performance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Appendix A of the 2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The results of the procedures performed indicate that the District complied with the requirements identified in Appendix A of the K-12 Local Education Agencies and State Compliance Reporting for the Measure L General Obligation Bond funds for the fiscal year ended June 30, 2025.

Objectives

The objectives of our performance audit was to determine that the District expended the Measure L General Obligation Bond funds for the year ended June 30, 2025 only for purposes approved by voters and only for specific projects adopted by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C.

Scope of the Audit

The scope of our performance audit covered the fiscal year ended June 30, 2025. The expenditures included all account and project codes associated with the bond projects. Expenditures before July 1, 2024 and after June 30, 2025 were not reviewed as they were not within the scope of our audit.

Methodology

1. We obtained the general ledger for the fiscal year ended June 30, 2025.
2. We selected expenditures to ensure compliance with Proposition 39 and Measure L General Obligation Bond funding.
3. We verified the mathematical accuracy of the expenditures included in the Measure L General Obligation Bond Fund detailed general ledger for the fiscal year ended June 30, 2025.
4. We verified that the funds were generally expended for the construction, renovation, furnishing and equipping of school facilities constituting authorized bond projects.
5. Solely to assist us in planning and completing our performance audit, we obtained an understanding of the internal controls of the District.
6. We selected a sample of bond expenditures and performed the following:
 - a. Reviewed the invoices, contracts, warrant copies and other supporting documents to verify the funds were spent in accordance with list of projects defined in the full Measure L bond text.
 - b. For any expenditures that were subject to the bid process, we reviewed supporting documentation to verify that all applicable bid process requirements were satisfied.
 - c. We verified that any change orders for the selected projects were approved by the Board of Trustees.
7. We verified that if any funds were used to pay the salaries of District employees were allowable per opinion 04-110 issued November 9, 2004 by the State of California Attorney General.

Conclusion

Based on the procedures performed, we found that the Cutten Elementary School District has properly accounted for the expenditures of Measure L General Obligation Bond Fund. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. Our audit does not provide a legal determination on the District's compliance with specific requirements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our performance audit and the results of that testing. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's compliance. This report is intended solely for the information and use of management and Governing Board of Cutten Elementary School District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025

FINDINGS AND RECOMMENDATIONS

CUTTEN ELEMENTARY SCHOOL DISTRICT
MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2025-1 CITIZENS' OVERSIGHT COMMITTEE MEMBERSHIP

Criteria:

The Citizen's Oversight Committee is required by California Education Code Section 15282 to include a minimum of seven members, with at least one member each from the following groups:

1. A member active in a business organization representing the business community located within the District's boundaries.
2. A member active in a senior citizens' organization.
3. A member active in a bona fide taxpayers' organization
4. A member who is a parent or guardian of a child enrolled in the District
5. A member who is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization.

Condition:

The District has not yet been able to fill any of the positions noted above.

Effect:

The District is not in compliance with California Education Code Section 15282.

Cause:

There are a limited number of individuals who are able or willing to serve on the Committee. The District is continuing its efforts to fill the Committee positions, including a notification on the District's webpage link to the bond project that includes a link to an application to serve on the Citizens' Oversight Committee

Fiscal Impact:

There is no fiscal impact.

Repeat Finding:

Yes, see **2024-1**.

Recommendation:

We recommend that the District continue its efforts to fill all the required positions on the Citizens' Oversight Committee.

Views of Responsible Officials:

District management agrees with the recommendation and will continue its efforts to fill the positions.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE L GENERAL OBLIGATION BOND
BUILDING FUND**

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2024-1 CITIZENS' OVERSIGHT COMMITTEE MEMBERSHIP

Criteria:

The Citizen's Oversight Committee is required by California Education Code Section 15282 to include a minimum of seven members, with at least one member each from the following groups:

1. A member active in a business organization representing the business community located within the District's boundaries.
2. A member active in a senior citizens' organization.
3. A member active in a bona fide taxpayers' organization
4. A member who is a parent or guardian of a child enrolled in the District
5. A member who is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization.

Condition:

The District has not yet been able to fill any of the positions noted above.

Effect:

The District is not in compliance with California Education Code Section 15282.

Cause:

There are a limited number of individuals who are able or willing to serve on the Committee. The District is continuing its efforts to fill the Committee positions, including a notification on the District's webpage link to the bond project that includes a link to an application to serve on the Citizens' Oversight Committee

Fiscal Impact:

There is no fiscal impact.

Repeat Finding:

Yes, see **2025-1**.

Recommendation:

We recommend that the District continue its efforts to fill all the required positions on the Citizens' Oversight Committee.

Views of Responsible Officials:

District management agrees with the recommendation and will continue its efforts to fill the positions.

**CUTTEN ELEMENTARY SCHOOL DISTRICT
MEASURE K
GENERAL OBLIGATION BOND
BUILDING FUND**

**COUNTY OF HUMBOLDT
EUREKA, CALIFORNIA**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
Balance Sheet	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to the Financial Statements	6
SUPPLEMENTARY INFORMATION	
Full Text of Bond Measure K	12
OTHER INDEPENDENT AUDITOR'S REPORTS	
Report on Internal Control Over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
Independent Auditor's Report on Measure K Bond Performance	19
FINDINGS AND RECOMMENDATIONS	
Schedule of Findings and Questioned Costs	22
Schedule of Prior Audit Findings	23



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
Cutten Elementary School District
Eureka, California

Report on the Financial Statements

Opinions

We have audited the Balance Sheet of Cutten Elementary School District (the District), Measure K General Obligation Bond Fund (the Fund), and the related statement of revenues, expenditures, and changes in fund balance as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the fund financial statements referred to above present fairly, in all material respects, the financial position of the Cutten Elementary School District Measure K General Obligation Bond Fund (the Fund) as of June 30, 2025 and the results of its operations the fiscal year then ended in conformity 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. 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

The District's 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.

Other Matters

As discussed in Note 1, the financial statements referred to above present only the individual Measure K General Obligation Bond Building Fund and are not intended to present fairly the financial position and results of operations of the District in conformity with generally accepted accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants

Sacramento, California

December 12, 2025

BASIC FINANCIAL STATEMENTS

CUTTEN ELEMENTARY SCHOOL DISTRICT
MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND
BALANCE SHEET

JUNE 30, 2025

ASSETS

Cash and Cash Equivalents	\$ 2,356,922
Total Assets	<u>\$ 2,356,922</u>

**LIABILITIES AND
FUND BALANCES**

Liabilities

Accounts payable	\$ -
Total Liabilities	<u>-</u>

Fund balances

Restricted for Measure K bond projects	2,356,922
Total Fund Balances	<u>2,356,922</u>
Total liabilities and fund balances	<u>\$ 2,356,922</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT
MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES

Other local revenues	\$ 2,029
Total revenues	<u>2,029</u>

EXPENDITURES

Services and other operating expenditures	145,107
Total expenditures	<u>145,107</u>
Excess(deficiency) of revenues over expenditures	<u>(143,078)</u>

OTHER FINANCING SOURCES (USES)

Proceeds from issuance of bonds	2,500,000
Total other financing sources (uses)	<u>2,500,000</u>
Net change in fund balances	2,356,922
Fund balances, July 1, 2024	<u>~</u>
Fund balances, June 30, 2025	<u>\$ 2,356,922</u>

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accounting policies of the Measure K General Obligation Bond Fund (the Fund) of the Cutten Elementary School District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

The Cutten Elementary School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five-member Governing Board elected by registered voters of the District, which comprises an area in Humboldt County. The District was founded in 1891. The District is located in the central western portion in Humboldt County, California (the "County") and serves the unincorporated area of the County known as Cutten. The District currently operates two elementary schools: Cutten Elementary School serves third through sixth grades, and Ridgewood School serves kindergarten through second grades.

On April 10, 2025, the District issued the first sale (Series A) of the Measure K General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$2,500,000 to finance specific construction, repair and improve District facilities. Subsequent to the issuance of the Series A Bonds, the District has \$2,500,000 aggregate principal amount of bonds authorized but unissued under the 2024 Authorization.

The Bonds were authorized at an election within the District held on November 5, 2024 (the "Election") at which at least fifty-five percent of the registered voters voting on the proposition voted to authorize the issuance and sale of \$5,000,000 aggregate principal amount of general obligation bonds of the District (the "Authorization"). Because the Bond required only 55% of the vote in accordance with Proposition 39 (Article XIII of the California State Constitution), the District was required to establish a citizen's bond oversight committee and to conduct a financial and performance audit.

The Committee's oversight goals include ensuring expenditures are within the language of the ballot measure. The citizens' oversight committee must include, among others, representation of a bona fide taxpayers association, a business organization and a senior citizens organization. No district employees or vendors are allowed to serve on the citizens' oversight committee.

The fund financial statements presented are for the Measure K General Obligation Bond Building Fund. Since this is just one component of the District, these financial statements are not intended to be a complete presentation of the District's financial position or results of operations. Accordingly, these fund statements do not include a government wide financial statement, management discussion and analysis or related organizational disclosures. The audited financial statements of Cutten Elementary School District include the Measure K General Obligation Bond Building Fund activities, related debt and disclosures as well as management's discussion and analysis.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The proceeds from the sale of general obligation bonds and the subsequent expenditure of the bond funds are accounted for in the Building fund of the District. Any premium received from the sale of the bonds is deposited in the Bond and Interest Redemption fund of the District. The Measure K Bond Building Fund forms part and not all of the net financial position in the District's Building Fund which contains other sources of funding.

C. ACCOUNTING POLICIES

The District prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means 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. For the District, "available" means collectible within one year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BUDGETS AND BUDGETARY ACCOUNTING

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

F. ENCUMBRANCES

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

G. DEPOSITS AND INVESTMENTS

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 County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq.

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.

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.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. CAPITAL AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the General Obligation Bond Building Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and liabilities are generally included on the balance sheet.

The reported fund balances are considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Measure K General Obligation Bond Building Fund are accounted for in the basic financial statements of the District.

I. FUND BALANCE – GOVERNMENTAL FUNDS

As of June 30, 2025, fund balances of the Measure K General Obligation Bond Building Fund are classified as restricted. Restricted funds can only be spent 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.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2025 consist of cash in county treasury in the amount of \$2,356,922.

A. Cash in County Treasury

County pool investments consist of District cash held by the Humboldt County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are 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 weighted average maturity of the pool is 626 days. The pool is rated AAA by Standard and Poor's.

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, as the length of the maturity of an investment increases, 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 Treasury that purchases 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.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

3. MEASURE K GENERAL OBLIGATION BONDS

Series A

On April 10, 2025, the District issued the first sale (Series A) of the Measure K General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$2,500,000 to finance specific construction, repair and improvement projects approved by the voters of the District and to pay costs of issuance. The Series A was the first series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. The proceeds of the Bonds were applied as follows:

Sources of Funds

Principal Amount of Bonds	\$ 2,500,000
Net Original Issue Premium	118,376
Total Sources	<u>\$ 2,618,376</u>

Uses of Funds

Deposited to Building Fund	\$ 2,352,000
Deposited to Debt Service Fund	72,738
Cost of Issuance	156,138
Underwriter's Discount	37,500
Total Uses	<u>\$ 2,618,376</u>

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the Humboldt County are obligated to levy and collect ad valorem property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on the bonds as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 4% to 5.25% and mature in staggered amounts each year starting on August 1, 2025 up through August 1, 2054.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

3. COMMITMENTS AND CONTINGENCIES

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

4. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2025 financial statements for subsequent events through December 12, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE K GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

BOND AUTHORIZATION

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the Cutten School District will be authorized to issue and sell bonds of up to \$5 million in aggregate principal amount at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all of the accountability requirements specified below.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be in compliance with the requirements of Article XIII A, Section 1 (b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following.)

Evaluation of Needs. The Governing Board has identified detailed facilities needs of the District and has determined which projects would be financed from a local bond. The Governing Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. Following approval of this measure, the Governing Board will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the Governing Board.

Performance Audits. The Governing Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The Governing Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Government Code Accountability Requirements. As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Humboldt County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Governing Board of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

NO TEACHER OR ADMINISTRATOR SALARIES

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1 (b)(3), those being for the construction, reconstruction, rehabilitation, or

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE K GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

STATE MATCHING FUNDS

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed project or projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the project or projects described below may assume the receipt of matching state funds, which, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

BOND PROJECT LIST

The Bond Project List below lists the specific projects the District proposes to finance with proceeds of the bonds. The Bond Project List shall be considered a part of the bond proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition. Listed projects will be completed as needed at a particular school or facility site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. Any authorized repairs shall be capital expenditures. The Bond Project List does not authorize non-capital expenditures. Each project is assumed to include its share of costs of the election and bond issuance, construction-related costs, such as project and construction management, architectural, engineering, inspection and similar planning and testing costs, demolition and interim housing costs, legal, accounting and similar fees, costs related to the independent annual financial and performance audits, a contingency for unforeseen design and construction costs, and other costs incidental to or necessary for completion of the listed projects (whether the related work is performed by the District or third parties). The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State of California grant funds for eligible projects, have not yet been secured. Therefore, the Board cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Alternatively, if the District obtains unexpected funds from non-bond sources with respect to listed projects, such projects may be enhanced, supplemented or expanded to the extent of such funds. Some projects may be subject to further government approvals, including by State officials and boards and/or local environmental or agency approval. Inclusion of a project on the Bond Project List is not a guarantee that the project will be completed (regardless of whether bond funds are available).

The specific projects authorized to be financed with proceeds of the bonds under this proposition are as follows:

SCHOOL MODERNIZATION AND RENOVATION MEASURE PROJECTS **The following projects are authorized to be financed Districtwide:**

School Renovation, Construction and Upgrade Projects

- Modernize, upgrade, renovate, rehabilitate, re-configure, expand and/or upgrade classrooms, classroom buildings, restrooms, common areas and school support facilities (including library, multipurpose room/auditorium, food storage, preparation and service, cafeteria and office/staff

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE K GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

support facilities), whether permanent, portable or modular, including interior and exterior (as applicable) doors, windows, door and window hardware, roofs, rain gutters and downspouts, pillars, structural supports, walls, ceilings and floors and finishes, paint, siding, insulation, casework, surfaces, cabinets, secured storage, carpets, drapes, window coverings, infrastructure, lighting, sinks, drinking fountains, fixtures, signage, furniture and equipment.

- Renovate, replace, upgrade, acquire, install and/or integrate major site/building/utility systems, equipment and related infrastructure and housing, including lighting, electrical (including wiring and related infrastructure for modem technology), heating, refrigeration, cooling and ventilation (including HVAC), plumbing, water, sewer, gas, irrigation, drainage, and energy efficiency/management monitoring systems, networks, fixtures and equipment and controls.
- Make safety and accessibility improvements and/or eliminate or mitigate health and safety risks and/or comply with local, state and federal building, health, safety, access and other related requirements, including requirements of the Field Act and the Americans with Disabilities Act (ADA).
- Upgrade, construct, expand and/or acquire and install safety and security improvements, equipment, fixtures and systems, including fencing, gates, master key and lock systems, lighting, alarm systems, fire detection and suppression systems, emergency signage, safety doors, camera and video surveillance systems, and emergency communication systems.
- Construct, replace, improve, renovate and/or acquire and install playgrounds, playfields and other play spaces, including replacing turf and installing new irrigation and drainage systems, and acquire, improve, replace and/or upgrade playground equipment and fixtures.
- Make energy-efficiency upgrades and acquire and install energy efficient equipment and systems to reduce carbon footprint, to promote energy efficiency, reduce maintenance costs and promote climate resiliency and sustainability, including sustainable building improvements (e.g., windows, lighting, electrical systems panel, HVAC, water systems, distribution and storage systems, energy efficiency/management monitoring systems, networks, fixtures, equipment and controls and etc.).
- Repair or replace roofs.
- Replace portable classrooms with permanent classrooms.
- Renovate, construct, replace and/or modernize classrooms for current educational standards, including acquiring, installing and/or upgrading technology equipment, fixtures and infrastructure.
- Construct, reconfigure, modify and/or acquire and install school facilities and improvements to school grounds to create innovative indoor and outdoor learning areas and spaces, including outdoor learning areas, shade structures, and walkways.
- Construct, replace, improve, renovate and/or acquire and install restrooms.
- Remove, repair, and refinish building and site areas damaged by dry rot, water, termites, etc.
- Construct, replace, improve, renovate and/or acquire and install Early Learning Centers and construct, improve and/or expand Transitional Kindergarten facilities and learning spaces.
- Construct, replace, improve, renovate and/or acquire and install physical education facilities and grounds, including gymnasiums, locker rooms, fields, courts, turf, outside instructional areas, paved and other hard surfaces, and replace, acquire and/or install furniture, equipment and fixtures in such facilities and areas.
- Renovate, replace, upgrade, expand, and/or install walls, gates, fencing and landscaping.
- Acquire, install, upgrade and/or construct renewable energy and/or energy-saving systems, improvements and equipment, including electricity generation and distribution systems and/or water heating systems, natural light improvements, upgraded insulation and roofing, efficient lighting, windows and window coverings, shade structures, energy management and conservation systems,

CUTTEN ELEMENTARY SCHOOL DISTRICT

MEASURE K GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

and other passive technologies, and structures to support such systems, improvements and equipment and related infrastructure.

- Improve student access to computers and modem technology by updating and/or acquiring and installing technology equipment, fixtures and infrastructure, including computers, tablets, mobile devices, software, interactive educational technology, digital projectors and cameras, monitors, audio systems, video systems, network equipment (including servers, network interface devices, network switches and routers, wireless network equipment, firewalls, network security equipment, racking, power and cooling equipment, wiring and uninterruptible power supply equipment and systems), backup power systems, etc; rehabilitate and replace such equipment, fixtures and infrastructure as needed in the future. Technology equipment, fixtures and infrastructure includes existing technology equipment, fixtures and infrastructure as well as technology equipment and fixtures and infrastructure developed in the future.
- Renovate, re-configure, modify and/or improve existing school facilities and grounds, and equip and furnish such school facilities and to enable such school facilities to serve a dual use as an emergency shelter and community gathering center and/or emergency operations center.

All or portions of these Projects may be used as joint-use projects within the meaning of Section 17077.42(c) of the Education Code (or any successor provision).

MISCELLANEOUS

All listed bond projects include the following as needed:

- Planning, designing and providing temporary housing necessary for listed bond projects.
- The inspection, sampling and analysis of grounds, buildings and building materials to determine the presence of hazardous materials or substances, including asbestos, lead, etc., and the encapsulation, removal, disposal and other remediation or control of such hazardous materials and substances.
- Seismic and historical evaluations, site surveys (including topographic, geological and utility surveys), and infrastructure analyses.
- Necessary onsite and offsite preparation or restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable buildings or other temporary buildings, including demolition of structures; removing, replacing, or installing irrigation, drainage, utility lines (gas, water, sewer, electrical, data and voice, etc.), trees and landscaping; and relocating fire access roads or ingress/egress pathways.
- Address other unforeseen conditions revealed by construction, renovation or modernization (including plumbing or gas line breaks, dry rot, seismic and structural deficiencies, etc.).
- Acquire or construct other improvements required to comply with building codes, including seismic safety requirements, the Field Act, and access requirements.
- Acquisition of any rights-of-way, easements, licenses and/or real property made necessary by listed bond projects, or lease of real property made necessary by the listed bond projects.
- Acquire or construct storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel.
- Furnishing and equipping of classrooms and other school facilities; furnishing and equipping shall include initial purchases, and scheduled and necessary replacements, upgrades and updating of technology.
- All other costs and work necessary or incidental to the listed bond projects.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

FULL TEXT OF BOND MEASURE

PROJECTS INVOLVING RENOVATION, REHABILITATION OR REPAIR

For any project involving renovation, rehabilitation or repair of a building or the major portion of a building, the District shall be authorized to proceed with new replacement construction instead (including any necessary demolition) if the Board determines that replacement new construction is more practical than renovation, rehabilitation or repair, considering the building's age, condition, expected remaining life, comparative cost and other relevant factors.

All or portions of these Projects may be used as joint-use projects within the meaning of Section 17077.42(c) of the Education Code (or any successor provision).

Approval of the District's bond measure does not guarantee that all of the identified projects within this Bond Project List will be funded beyond what can be completed with local funds generated by the bond measure. The District plans to pursue funds from the State of California, if available, to complete certain of the identified facilities projects.

The order in which school facilities projects are listed in the Project List does not suggest an order of priority. Project priorities will be determined by the Governing Board. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

OTHER INDEPENDENT AUDITOR'S REPORTS



**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***

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
Cutten Elementary School District
Eureka, CA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the Measure K General Obligation Bond Building Fund of Cutten Elementary School District (the "District"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Measure K General Obligation Bond Building Fund's fund financial statements, and have issued our report thereon dated December 12, 2025.

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 Measure K General Obligation Bond Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure K General Obligation Bond Building Fund'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.

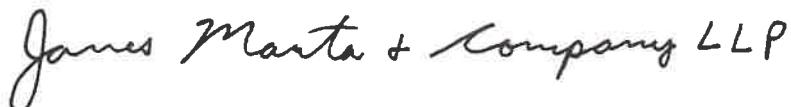
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This report is intended solely for the information and use of management, and the Citizen's Oversight Committee and Governing Board of Cutten Elementary School District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James" and "Marta" on the first line, and "& Company LLP" on the second line.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025



**INDEPENDENT AUDITOR'S REPORT
ON MEASURE K BOND PERFORMANCE**

Citizen's Oversight Committee
and Governing Board
Cutten Elementary School District
Eureka, CA

Report on Performance

We have completed a performance audit of the Measure K General Obligation Bond Building Fund of the Cutten Elementary School District (the "District") as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 12, 2025. Our audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Management's Responsibility

The design, implementation and maintenance of internal controls relevant to the financial process and compliance with the requirements of state laws and regulations is the responsibility of management.

Our responsibility is to determine that the District complied with the Measure K General Obligation Bonds in accordance with Appendix A of the 2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

We conducted our performance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Appendix A of the 2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The results of the procedures performed indicate that the District complied with the requirements identified in Appendix A of the K-12 Local Education Agencies and State Compliance Reporting for the Measure K General Obligation Bond funds for the fiscal year ended June 30, 2025.

Objectives

The objectives of our performance audit was to determine that the District expended the Measure K General Obligation Bond funds for the year ended June 30, 2025 only for purposes approved by voters and only for specific projects adopted by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C.

Scope of the Audit

The scope of our performance audit covered the fiscal year ended June 30, 2025. The expenditures included all account and project codes associated with the bond projects. Expenditures before July 1, 2024 and after June 30, 2025 were not reviewed as they were not within the scope of our audit.

Methodology

1. We obtained the general ledger for the fiscal year ended June 30, 2025.
2. We selected expenditures to ensure compliance with Proposition 39 and Measure K General Obligation Bond funding.
3. We verified the mathematical accuracy of the expenditures included in the Measure K General Obligation Bond Fund detailed general ledger for the fiscal year ended June 30, 2025.
4. We verified that the funds were generally expended for the construction, renovation, furnishing and equipping of school facilities constituting authorized bond projects.
5. Solely to assist us in planning and completing our performance audit, we obtained an understanding of the internal controls of the District.
6. We selected a sample of bond expenditures and performed the following:
 - a. Reviewed the invoices, contracts, warrant copies and other supporting documents to verify the funds were spent in accordance with list of projects defined in the full Measure K bond text.
 - b. For any expenditures that were subject to the bid process, we reviewed supporting documentation to verify that all applicable bid process requirements were satisfied.
 - c. We verified that any change orders for the selected projects were approved by the Board of Trustees.
7. We verified that if any funds were used to pay the salaries of District employees were allowable per opinion 04-110 issued November 9, 2004 by the State of California Attorney General.

Conclusion

Based on the procedures performed, we found that the Cutten Elementary School District has properly accounted for the expenditures of Measure K General Obligation Bond Fund. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. Our audit does not provide a legal determination on the District's compliance with specific requirements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our performance audit and the results of that testing. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's compliance. This report is intended solely for the information and use of management and Governing Board of Cutten Elementary School District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 12, 2025

FINDINGS AND RECOMMENDATIONS

CUTTEN ELEMENTARY SCHOOL DISTRICT
MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

No matters to report.

CUTTEN ELEMENTARY SCHOOL DISTRICT

**MEASURE K GENERAL OBLIGATION BOND
BUILDING FUND**

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

No matters to report.

**INTERDISTRICT ATTENDANCE
AGREEMENT**
Effective July 1, 2025

This Multi-District Interdistrict Attendance Agreement (“Agreement”) is made and entered into by the school districts of Humboldt County listed in Attachment A to this Agreement, and is made pursuant to California Education Code section 46600 *et seq.* The parties agree to the terms of this Agreement through June 30, 2026. This Agreement affects student enrollment upon district board approval of this Agreement and through the 2026-2027 school year.

I. RECITALS:

- A.** California’s Education Code permits two or more school districts to enter into an agreement for a term not to exceed five (5) years to allow pupils to enroll in a school district that is not their district of residence through a process known as “interdistrict transfer.”
- B.** California Education Code requires school districts to respond to a Parent’s request for an interdistrict transfer, if made in the current year, within thirty (30) calendar days of the request; and allows for Parents to appeal any denial of their request.
- C.** California’s Education Code requires school districts to respond to “future year” requests for interdistrict transfers as soon as possible but no later than 14 calendar days after the commencement of instruction in the year for which the interdistrict transfer is sought.
- D.** Humboldt County has a history of allowing pupils to attend school districts that are not the pupil’s district of residence where the capacity exists at the receiving district.
- E.** This Agreement addresses the interdistrict transfer process for parent requests to transfer a pupil during the current year or to transfer a pupil in the future school year. Parents benefit from knowing if the student will attend their preferred district in the future school year. Districts benefit from knowing accurate student enrollment projections by early February for the upcoming school year, to determine if layoff notices are warranted in advance of the legally mandated March 15 deadline to issue layoff notices. Districts need to analyze projected enrollment and school boards must consider taking action on layoffs, usually at their February board meetings.
- F.** This Agreement establishes deadlines for interdistrict transfers. The parties recognize that a countywide information dissemination campaign will be critical to this Agreement’s success.

G. Each district will maintain board policies and regulations that address acceptance, rejection, revocations and enrollment priorities; and operate in conformance with those policies and regulations. Examples of enrollment priorities may include, but are not limited to, the following: sibling(s) attend, children of staff member(s), older sibling(s) previously attended the school, and others.

II. TERM OF AGREEMENT:

This Agreement shall take effect for each party on July 1, 2025 or upon its execution of the Agreement, whichever comes later, and shall expire on June 30, 2026. The parties understand that as to each party to the Agreement, the Agreement does not take effect unless that party's governing board approves the Agreement. This Agreement supersedes any past interdistrict agreements among the parties to this Agreement that are in conflict with this Agreement.

III. DEFINITIONS:

Active Military Parent: An “active military duty parent” means a parent with full-time military duty status in the active uniformed service of the United States, including members of the National Guard and the State Guard on active duty orders pursuant to Chapter 1209 (commencing with Section 12301) and Chapter 1211 (commencing with Section 12401) of Part II of Subtitle E of Title 10 of the United States Code.

Capacity: A district's determination of the space and resources it has available for students.

Capacity Determination (for purposes of establishing a waitlist): A capacity determination is made by the District of Proposed Enrollment no later than 15 days after the close of the Priority One enrollment window. Approval of an interdistrict transfer requires that the receiving District of Proposed Enrollment have capacity for the student.

Current year request: A request for interdistrict transfer received beginning 15 calendar days before the commencement of instruction in the school year for which interdistrict transfer is sought and anytime thereafter for that school year.

Denial: For purposes of appealing to the county board of education, a “denial” is a written rejection of a request, but also includes a school district's failure to provide written notification of the school district's decision within the timelines prescribed in this Agreement. A “denial” shall not include any of the following:

1. A request that has been deemed abandoned, meaning the Parent has not met required timelines established by the district.
2. An existing interdistrict transfer permit that has been revoked or rescinded in accordance with the policy of the governing board of the school district.

3. A denial by the District of Proposed Enrollment when no permit has been first issued by the District of Residence

District of Proposed Enrollment or “DPE”: A school district other than the school district in which the Parent of a pupil resides, and in which the Parent of the pupil intends to enroll the pupil through an interdistrict transfer.

District of Residence or “DOR”: A school district in which the Parent of a pupil resides and in which the pupil would otherwise be required to enroll pursuant to the compulsory education requirements.

Enrollment Window: The period of time that interdistrict transfer requests for the upcoming year shall be considered by both the District of Residence and the District of Proposed Enrollment.

Future year request: A request for interdistrict transfer received up until 15 calendar days before the commencement of instruction in the school year for which interdistrict transfer is sought. A request received 15 calendar days before or thereafter is a “current year” request.

Hardship: Extreme difficulty or suffering.

Interdistrict transfer or “IDT”: Interdistrict transfer; the act of a student attending a school district that is not the student’s district of residence.

IDT Permit: The form which authorizes an individual interdistrict transfer, signed by the District of Residence, the District of Proposed Enrollment, and the Parent. The form is attached as Attachment B to this Agreement. Permits are good for one (1) school year. Parents must re- apply for each school year.

IDT Request: The formal process of a Parent seeking written permission from both the District of Residence and the District of Proposed Enrollment for the child to attend a school district outside of his or her District of Residence. A District of Residence makes the initial determination as to whether an interdistrict transfer request shall be granted; the District of Proposed Enrollment then reviews the request and determines whether it will grant the request for the transfer to the District of Proposed Enrollment.

New Sibling Requests: Requests for a student to attend a District of Proposed Enrollment when the student’s sibling(s) will be enrolled at the District of Proposed Enrollment in the same year.

Parent: The natural or adoptive parent or guardian, the person having legal custody, or other educational rights holder.

Reasonable Enrollment Activities: Activities that a District of Residence may require a Parent to participate in to demonstrate the District of Residence’s ability to meet the student

and/or Parent's needs. "Reasonable enrollment activities" include a discussion with the District of Residence's school administration or their designees, attending an orientation meeting, a site visit, and/or review of informational literature.

Renewals: A renewal of a previously granted Interdistrict Transfer Permit. Renewals must be sought annually.

School-level transitions: Transitions from one grade span to another, based upon the District of Residence's transitions, e.g. elementary school to middle school, or middle school to high school.

Victim of an act of bullying: A "victim of an act of bullying" means a pupil that has been determined to have been a victim of bullying by an investigation pursuant to the complaint process described in Education Code Section 234.1. The bullying must have been committed by any pupil in the school district of residence, and the parent of the pupil must have filed a written complaint regarding the bullying with the school, school district personnel, or a local law enforcement agency.

IV. INTERDISTRICT TRANSFER REQUESTS:

Parents are advised that this Agreement establishes deadlines to apply for enrollment in a school district for the upcoming school year.

**A. Preferential Enrollment ("Priority One Open Enrollment Window"):
Requests for an IDT for the Future School Year Received from
December 1 through February 1**

1. The DOR will approve an IDT Request submitted by a Parent if it is received at the DOR between December 1st through February 1st by 4:00 p.m. each year if Parents have complied with the process described herein. If February 1st falls on a weekend, the deadline will be the next school day after February 1st. IDT Requests for the future school year may not be submitted prior to December 1st.
2. The DOR will have 10 school days after the close of the enrollment window to approve the request and to forward the IDT Request to the DPE. The DOR may deny a Parent request for an IDT if the Parent does not participate in DOR Reasonable Enrollment Activities, absent good cause such as hardships due to medical conflicts, work schedule, child care, transportation, language barriers, etc. All other IDT Requests received within the Priority One Enrollment Window will be approved by the DOR, unless the Parent withdraws their IDT Request.
3. The DPE will have 15 school days after the close of the Priority One Open Enrollment Window (or 5 school days from receipt of the

approved IDT Permit from the DOR, whichever is later) to approve or deny the IDT Request and to notify both the Parent and DOR of the DPE's decision.

4. Renewals and New Sibling Requests will be approved and will follow the same timelines listed within Priority One, above.
5. A DOR may require a Parent to participate in Reasonable Enrollment Activities prior to granting a renewal when the student transfer involves a School Level Transition (defined above).

B. Priority Two Enrollment Window – Requests for an IDT for the Future School Year Received After February 1 and for Requests Made In the Current School Year

IDT Requests received from a Parent for the current school year, and for the future year received after the February 1 enrollment window, will be processed and approved by a DOR under the following circumstances:

1. Parent did not reside in Humboldt County school districts' boundaries prior to Priority One deadline.
2. Parent moved from one district to another district subsequent to the Priority One deadline.
3. Parent has a reasonable argument and a compelling reason, including hardship, such as medical conflicts, work schedule, child care, transportation, language barriers, for why the Priority One deadline was not met, or why the circumstance did not warrant a request for an IDT at the time of the Priority One deadline.
4. Parent has a reasonable explanation for not being able to participate in DOR Reasonable Enrollment Activity.
5. The DOR may require the Parent to participate in Reasonable Enrollment Activities as outlined in Subsection IV.A.2. (Priority One). If approved by the DOR, IDT Requests will be forwarded to the DPE for approval or denial.

C. Wait Listed Students for the Upcoming Year

If a DOR granted an IDT Request for the future year, that approval is valid until the commencement of the DPE's new school year. This is to allow time for school districts to determine if there is capacity for the student. Each DPE is limited to accepting the equivalent of two students per grade level from its waitlist, or 7% of the school's total enrollment from the waitlist, whichever is greater. The waitlist must be established at the time of the DPE's lottery or capacity determination.

V. STATUTORY PREFERENCES:

Notwithstanding the foregoing, regardless of when the following requests are made, these preferences exist outside of the timeframes set forth above.

A. Victims of Bullying

If a school within the DOR has only one school offering the grade level of the victim of an act of bullying, and therefore there is no option for an intradistrict transfer, the victim of an act of bullying may apply for an interdistrict transfer and the DOR shall not prohibit the transfer if the DPE approves the application for transfer.

B. Children of Active Military Service Men and Women

Notwithstanding any other terms of this agreement, a DOR shall not prohibit the transfer of a pupil who is a child of an active military duty parent to a school district of proposed enrollment if the DPE approves the application for transfer.

C. Effect of DPE Accepting Such Students

A DPE that elects to accept an interdistrict transfer of a student who is the victim of an act of bullying or a child of active military service men or women shall accept all pupils who apply to transfer under these statutory preference until the DPE is at maximum capacity. A DPE shall ensure that pupils admitted under this preference are selected through an unbiased process that prohibits an inquiry into or evaluation or consideration of whether or not a pupil should be enrolled based on academic or athletic performance, physical condition, proficiency in English, family income, or any of the individual characteristics set forth in Section 220 of the Education Code, including, but not limited to, race or ethnicity, gender, gender identity, gender expression, and immigration status.

VI. APPEALS:

Parents have a right to appeal to the Humboldt County Office of Education ("HCOE") when a school district denies an IDT Request. HCOE shall process these appeals in accordance with California Education Code section 46601, the terms of this Agreement, and HCOE's Board Policies and Regulations. Parents are entitled to notice of their right to appeal to HCOE.

Failure to appeal within the required time is good cause for denial of an appeal.

Students who are under consideration for expulsion, or who have been expelled pursuant to California Education Code sections 48915 and 48918, may not appeal interdistrict attendance denials or rescissions while expulsion proceedings are pending, or during the term of the expulsion.

Appeals must be filed by the Parent within thirty (30) days of a denial of a request. See “definitions” above for the definition of a denial.

Provisional Enrollment in DPE Pending Appeal: The parties agree that no DPE will grant provisional enrollment of a pupil pending an appeal before Humboldt County Office of Education (“HCOE”), except that a DPE may provisionally enroll a student who has been attending a DPE school in the immediate past and who has been historically continuously enrolled. For example, a Parent moves from District A in April to District B, but wants her child to continue attending District A for continuity. A pupil shall be eligible for provisional attendance only upon providing reasonable evidence that a final decision for a request for interdistrict transfer is pending either with the DOR, the DPE, or HCOE. Where provisional enrollment is granted under these limited circumstances, and for a period not to exceed two school months, the governing board of a DPE may provisionally admit to the schools of the school district a pupil who resides in another school district, pending a decision of the governing boards of the two school districts, or by HCOE upon appeal, regarding the interdistrict attendance. The period of provisional attendance begins on the first day of the pupil's attendance in the school. If a decision by the school districts or HCOE has not been rendered by the conclusion of two school months, and the school districts or HCOE are still operating within the prescribed timelines, the pupil shall not be allowed to continue attendance at the DPE. If the pupil is subject to compulsory full-time education pursuant to California Education Code section 48200, he or she shall enroll in the DOR or in another educational program.

Provisional attendance shall not guarantee that a school district or HCOE will approve a request for interdistrict transfer.

VII. REVOCATIONS:

Neither a DOR nor a district that has accepted a student on an interdistrict transfer may revoke an IDT for a student after June 30 following the completion of grade 10, or for pupils in grades 11 or 12. Any other IDT Permit may be revoked pursuant to the policies and regulations of either the district that has accepted a student on an interdistrict transfer or DOR, or as set forth on the IDT Permit itself, as permitted by law. If a school district revokes an IDT Permit, it will promptly provide written notice of the revocation to the other district.

VIII. CHANGES IN LAW:

If any law modifies or conflicts with a provision of this Agreement, the new law shall prevail as

if written into the Agreement. A change in law, or a finding that one portion of this Agreement is not legally compliant, shall not invalidate the other terms of the Agreement.

IX. COMMUNICATIONS AND PUBLIC AWARENESS

In order to maximize awareness of the interdistrict transfer process the Humboldt County Office of Education (HCOE), in partnership with participating districts, will coordinate a public awareness campaign that will include print, radio, and social media advertisements. In addition, school districts, charter schools, early childhood providers, and other relevant public/private agencies will receive copies of media print materials to post on their websites and/or share with families. The public awareness campaign will begin in November of each year and run through the end of the priority one window.

ATTACHMENT A: LIST OF PARTIES

ATTACHMENT B: IDT REQUEST
FORM

For Each Party:

_____ School District

Signature of Superintendent and Date:

Board approval:

Date: _____

Cuttin School District

Humboldt County



Facilities Plan Presentation

January 12th, 2026

2163 HARBOR BAY PARKWAY
ALAMEDA, CA 94502
(510) 596-8170

521 NORTH 1st AVENUE
ARCADIA, CA 91006
(626) 829-8300

1901 S. VICTORIA AVENUE SUITE 106
OXNARD, CA 93035
(805) 201-1989

CFW
INC.

Summary of the Plan

- Caldwell Flores Winters, Inc. (CFW) is pleased to present the 2026 Facilities Plan to the Cutten School District (District) Board of Trustees (Board)
- The Plan aligns Measure K General Obligation Bond funding with State School Facility Program modernization eligibility to address facility needs at Cutten School and Ridgewood Elementary School.
- The Plan identifies required modernization and infrastructure upgrades to address aging facilities, including HVAC systems, fire alarms, windows, and outdoor areas.
- Proposed improvements include a Phase II administration and classroom building and safety entry at Ridgewood Elementary, and modernization of learning and support spaces at Cutten School.
- Identified funding includes \$4,856,011 in Measure K bonds and an estimated \$3,801,893 in State funding, for a total investment of approximately \$8.65 million.
- Improvements are planned in two phases, spanning FY 2025–26 through FY 2031–32, with a program reserve included for contingencies.

Estimated Costs of Proposed Improvements

- An estimated total of \$7,522,227 million is required to design and construct the proposed improvements.
- The estimated costs represent a combination of “hard” and “soft” costs.
- Hard costs result from the construction itself (e.g., bricks and mortar)
- The soft costs include design fees, consulting services, testing and inspection services, agency approval fees, furniture and equipment (FF&E), etc.
- A program reserve of \$1,135,677 million is recommended for the total program
- The program reserve can be used to address potential regulatory code compliance issues or unanticipated conditions that arise during design and construction as well as provide contingency for inflation in future construction costs
- The grand total estimated program cost, including the program reserve, is \$8,657,904 million.

	Estimated Uses	Total
Ridgewood School		
Phase II New Admin and Classroom (1) Building and Safety Entry to School	\$ 2,375,000	
Fire Alarm Upgrades	\$ 1,126,593	
HVAC Improvements	\$ 722,399	
Upgrade Windows	\$ 651,661	
Modernization to 7 Classrooms (Paint, Flooring, Furniture)	\$ 409,500	
Miscellaneous Exterior Site Improvements	\$ 302,272	
Cutten School		
Basketball and Playgrounds	\$ 5,587,425	
MPR Improvements (Painting and New Lunch Tables)	\$ 123,647	
Solar Improvements	\$ 81,061	
HVAC Improvements	\$ 324,451	
Front Office HVAC	\$ 722,399	
Resurfacing of Parking Lot	\$ 102,072	
Miscellaneous Exterior Site Improvements	\$ 327,172	
Program Reserve	\$ 254,000	
Proposed Improvements Total	\$ 1,934,802	
Grand Total Estimated Uses	\$ 8,657,904	

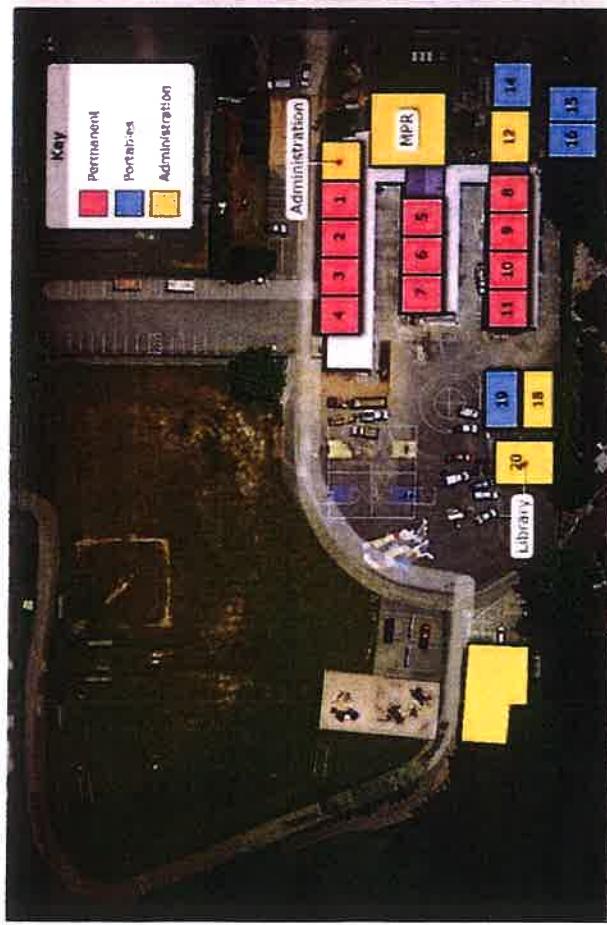
Ridgewood Elementary – Proposed Improvements

- Construct a New Administration and Classroom (1) Building and redesign the main entry to the school, including new fencing and safety enhancements (Phase II).
- Complete a campus-wide fire alarm system upgrade to improve safety and compliance.
- Upgrade HVAC systems in six classrooms, including three portable and three modular buildings classrooms 1,2,3,15,16, and 17.
- Replace and upgrade windows in the North Permanent Classroom Building, including five classrooms (Rooms 4,5,6,7,8) and administration office.
- Modernization to seven classrooms, rooms 1,2,3,4,5,6, 7 (Painting, Flooring, Furniture)
- Miscellaneous Exterior Improvements
- Site

Existing Conditions

Proposed Improvements

Cutten Elementary – Proposed Improvements



Existing Conditions

- Resurfacing Basketball and Playground
- Improve MPR (Painting and New Lunch Tables)
- Solar Improvements
- HVAC improvements to the Library and Rooms 15, 16, 18, 19
- HVAC Improvements to Front Office
- Resurfacing of Parking Lot
- Miscellaneous Exterior Site Improvements



Proposed Improvements

Estimated Sources of Funds

- The District has \$4,856,011 million in Measure "K" 2025 General Obligation Bond Authorization
- Measure "K" bond funding includes a 2025 Series A issuance of \$2,356,011 and a planned 2028 Series B issuance of \$2,500,000.
- The District is estimated to receive \$3,801,893 in State Aid Modernization funding
- State Aid Modernization funding includes \$1,408,344 for Ridgewood School, \$1,716,489 for Cutten School, and \$677,060 in reimbursement for Cutten School.
- A total of \$8,657,904 in funding sources is identified to support the proposed facilities improvements.

Estimated Sources	Total
Measure "K" 2025 GO Bond Authorization	
2025 Series A	\$ 2,356,011
2028 Series B	\$ 2,500,000
	\$ -
	Total \$ 4,856,011
State Aid Modernization Eligibility	
Ridgewood School	\$ 1,408,344
Cutten School	\$ 1,716,489
Cutten School Reimbursement	\$ 677,060
	Total \$ 3,801,893
	Total Sources \$ 8,657,904

State Aid: Modernization Grants & Total Match Analysis

- Permanent school facilities that are over 25 years old or portable facilities that are over 20 years old are eligible for modernization grants
- Based on current enrollment and State per-pupil grant rates, the District is estimated to be eligible for approximately \$3.28 million in total State modernization grant funding through 2035.
- Estimated State grant eligibility includes approximately \$1.80 million for Cutten School and \$1.48 million for Ridgewood Elementary.

- Assuming a standard 60 percent State / 40 percent local match structure, the estimated total modernization project capacity associated with this eligibility is approximately \$5.47 million, with an estimated local match requirement of approximately \$2.19 million.

Estimated Future Combined Modernization Funds Eligibility (Current-2035)					
School	FY2025-26 Enroll	Pupil Grant	State Grant (60%)	State Grant (60%)	Total
1 Cutten School	308	\$ 6,034	\$ 1,802,313	\$ -	\$ 1,802,313
2 Ridgewood Elementary	268	\$ 6,034	\$ 1,478,761	\$ -	\$ 1,478,761
Total	576		\$ 3,281,075	\$ -	\$ 3,281,075

Analysis

- The estimated local match of approximately \$2.19 million is within the District's potential funding capacity.
- The District can leverage approximately \$3.28 million in State Aid to support eligible modernization projects at Cutten School and Ridgewood Elementary

Proposed Phasing of Improvements - Sources

Estimated Sources	Phase 1	Phase 2	Total
	FY2025-26 - FY2027-28	FY2028-29- FY2031-32	
Measure "K" 2025 GO Bond Authorization			
2025 Series A	\$ 2,356,011	\$ -	\$ 2,356,011
2028 Series B	\$ -	\$ 2,500,000	\$ 2,500,000
Total	\$ 2,356,011	\$ 2,500,000	\$ 4,856,011
State Aid Modernization Eligibility			
Ridgewood School	\$ -	\$ 1,408,344	\$ 1,408,344
Cutten School	\$ -	\$ 1,716,489	\$ 1,716,489
Cutten School Reimbursement	\$ 677,060	\$ -	\$ 677,060
Total	\$ 677,060	\$ 3,124,833	\$ 3,801,893
Total Sources	\$ 3,033,071	\$ 5,624,833	\$ 8,657,904

Proposed Phasing of Improvements - Uses

	Estimated Uses	Phase 1 FY2025-26 - FY2027-28	Phase 2 FY2028-29- FY2031-32	Total
Ridgewood School				
Phase II New Admin and Classroom (1) Building and Safety Entry to School	\$ 2,375,000	\$ -	\$ -	\$ 2,375,000
Fire Alarm Upgrades	\$ -	\$ 1,126,593	\$ 1,126,593	\$ 1,126,593
HVAC Improvements	\$ -	\$ 722,399	\$ 722,399	\$ 722,399
Upgrade Windows	\$ -	\$ 651,661	\$ 651,661	\$ 651,661
Modernization to 7 Classrooms (Painting, Flooring, Furniture)	\$ -	\$ 409,500	\$ 409,500	\$ 409,500
Miscellaneous Exterior Site Improvements	\$ -	\$ 302,272	\$ 302,272	\$ 302,272
Total	\$ 2,375,000	\$ 3,212,425	\$ 5,587,425	
Cutten School				
Basketball and Playgrounds	\$ 123,647	\$ -	\$ -	\$ 123,647
MPR Improvements (Painting and New Lunch Tables)	\$ 81,061	\$ -	\$ -	\$ 81,061
Solar Improvements	\$ 48,668	\$ 275,783	\$ 324,451	\$ 324,451
HVAC Improvements	\$ -	\$ 722,399	\$ 722,399	\$ 722,399
Front Office HVAC	\$ -	\$ 102,072	\$ 102,072	\$ 102,072
Resurfacing of Parking Lot	\$ -	\$ 327,172	\$ 327,172	\$ 327,172
Miscellaneous Exterior Site Improvements	\$ -	\$ 254,000	\$ 254,000	\$ 254,000
Total	\$ 253,376	\$ 1,681,426	\$ 1,934,802	
Proposed Improvements Total	\$ 2,628,376	\$ 4,893,851	\$ 7,522,227	
Program Reserve	\$ 404,695	\$ 730,982	\$ 1,135,677	
Grand Total Estimated Uses	\$ 3,033,071	\$ 5,624,833	\$ 8,657,904	

Cutten Elementary School

2023-2024 School Accountability Report Card (Published During the 2024-2025 School Year)

General Information about the School Accountability Report Card (SARC)

SARC Overview



By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements and access to prior year reports, see the California Department of Education (CDE) SARC web page at <https://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or the LCAP, see the CDE LCFF web page at <https://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

A hard copy of the School Accountability Report Card is available at your School Office, upon request.

DataQuest



DataQuest is an online data tool located on the CDE DataQuest web page at <https://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

California School Dashboard



The California School Dashboard (Dashboard) <https://www.caschooldashboard.org/> reflects California's new accountability and continuous improvement system and provides information about how LEAs and schools are meeting the needs of California's diverse student population. The Dashboard contains reports that display the performance of LEAs, schools, and student groups on a set of state and local measures to assist in identifying strengths, challenges, and areas in need of improvement.

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

Admission Requirements for the University of California (UC)

Admission requirements for the UC follow guidelines set forth in the Master Plan, which requires that the top one-eighth of the state's high school graduates, as well as those transfer students who have successfully completed specified college course work, be eligible for admission to the UC. These requirements are designed to ensure that all eligible students are adequately prepared for University-level work. For general admissions requirements, please visit the UC Admissions Information website at <https://admission.universityofcalifornia.edu/>.

Admission Requirements for the California State University (CSU)

Eligibility for admission to the CSU is determined by three factors: (1) Specific high school courses, (2) Grades in specified courses and test scores, and (3) Graduation from high school. Some campuses have higher standards for particular majors or students who live outside the local campus area. Because of the number of students who apply, a few campuses have higher standards (supplementary admission criteria) for all applicants. Most CSU campuses have local admission guarantee policies for students who graduate or transfer from high schools and colleges that are historically served by a CSU campus in that region. For admission, application, and fee information, see the CSU website at <https://www2.calstate.edu/>.

2024-25 School Contact Information

School Name	Cuttent Elementary School
Street	4182 Walnut Dr.
City, State, Zip	Eureka, CA 95503
Phone Number	(707) 441-3900
Principal	Darcie Rutter
Email Address	drutter@cuttentsd.org
School Website	www.cuttentsd.org
Grade Span	3-6
County-District-School (CDS) Code	12-62745-6007736

2024-25 District Contact Information

District Name	Cuttent Elementary School District
Phone Number	(707) 441-3900
Superintendent	Becky MacQuarrie
Email Address	bmacquarrie@cuttentsd.org
District Website	www.cuttentsd.org

2024-25 School Description and Mission Statement

Cuttent is a single-attendance elementary school district with students at two sites. Ridgewood School provides instruction for students in transitional kindergarten through second grades, and Cuttent School serves students in third through six grades. We currently have a population of approximately 600 students. Both sites have a full-time Principal, and the district has a full-time Superintendent. The staff totals about 90 people. The Comprehensive School Safety Plan describes programs in place at our schools as well as strategies for continued improvement in providing a safe and orderly school environment conducive to learning.

2024-25 School Description and Mission Statement

The Cutten School District, in partnership with our community, provides students with the academic and social skills necessary to become contributing members of a global community. We do this by creating a joyful, student-centered, and orderly learning environment rich in the arts and sciences, where everyone knows they are respected members of the "Cutten-Ridgewood Family".

About this School

2023-24 Student Enrollment by Grade Level

Grade Level	Number of Students
Grade 3	62
Grade 4	93
Grade 5	64
Grade 6	83
Total Enrollment	302

2023-24 Student Enrollment by Student Group

Student Group	Percent of Total Enrollment
Female	48.3
Male	51.7
American Indian or Alaska Native	3
Asian	3.3
Black or African American	0.3
Hispanic or Latino	14.6
Two or More Races	16.2
White	62.6
English Learners	2.3
Foster Youth	0.3
Homeless	4
Socioeconomically Disadvantaged	44
Students with Disabilities	18.5

A. Conditions of Learning State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

2020-21 Teacher Preparation and Placement

Authorization/Assignment	School Number	School Percent	District Number	District Percent	State Number	State Percent
Fully (Preliminary or Clear) Credentialed for Subject and Student Placement (properly assigned)	16.10	98.77	31.10	97.80	228366.10	83.12
Intern Credential Holders Properly Assigned	0.00	0.00	0.00	0.00	4205.90	1.53
Teachers Without Credentials and Misassignments ("ineffective" under ESSA)	0.00	0.00	0.00	0.00	11216.70	4.08
Credentialed Teachers Assigned Out-of-Field ("out-of-field" under ESSA)	0.00	0.00	0.00	0.00	12115.80	4.41
Unknown/Incomplete/NA	0.20	1.23	0.70	2.20	18854.30	6.86
Total Teaching Positions	16.30	100.00	31.80	100.00	274759.10	100.00

Note: The data in this table is based on full-time equivalent (FTE) status. One FTE equals one staff member working full-time; one FTE could also represent two staff members who each work 50 percent of full-time. Additionally, an assignment is defined as a position that an educator is assigned based on setting, subject, and grade level. An authorization is defined as the services that an educator is authorized to provide to students.

2021-22 Teacher Preparation and Placement

Authorization/Assignment	School Number	School Percent	District Number	District Percent	State Number	State Percent
Fully (Preliminary or Clear) Credentialed for Subject and Student Placement (properly assigned)	16.10	100.00	31.30	97.39	234405.20	84.00
Intern Credential Holders Properly Assigned	0.00	0.00	0.00	0.00	4853.00	1.74
Teachers Without Credentials and Misassignments ("ineffective" under ESSA)	0.00	0.00	0.00	0.00	12001.50	4.30
Credentialed Teachers Assigned Out-of-Field ("out-of-field" under ESSA)	0.00	0.00	0.50	1.55	11953.10	4.28
Unknown/Incomplete/NA	0.00	0.00	0.30	1.02	15831.90	5.67
Total Teaching Positions	16.10	100.00	32.20	100.00	279044.80	100.00

Note: The data in this table is based on Full-Time Equivalent (FTE) status. One FTE equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time. Additionally, an assignment is defined as a position that an educator is assigned based on setting, subject, and grade level. An authorization is defined as the services that an educator is authorized to provide to students.

Authorization/Assignment	School Number	School Percent	District Number	District Percent	State Number	State Percent
Fully (Preliminary or Clear) Credentialed for Subject and Student Placement (properly assigned)	15.60	100.00	28.10	96.57	231142.40	83.24
Intern Credential Holders Properly Assigned	0.00	0.00	0.00	0.00	5566.40	2.00
Teachers Without Credentials and Misassignments ("ineffective" under ESSA)	0.00	0.00	0.00	0.00	14938.30	5.38
Credentialed Teachers Assigned Out-of-Field ("out-of-field" under ESSA)	0.00	0.00	0.00	0.00	11746.90	4.23
Unknown/Incomplete/NA	0.00	0.00	0.90	3.39	14303.80	5.15
Total Teaching Positions	15.60	100.00	29.10	100.00	277698.00	100.00

Note: The data in this table is based on Full-Time Equivalent (FTE) status. One FTE equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time. Additionally, an assignment is defined as a position that an educator is assigned based on setting, subject, and grade level. An authorization is defined as the services that an educator is authorized to provide to students.

Teachers Without Credentials and Misassignments (considered "ineffective" under ESSA)

Authorization/Assignment	2020-21	2021-22	2022-23
Permits and Waivers	0.00	0.00	0
Misassignments	0.00	0.00	0
Vacant Positions	0.00	0.00	0
Total Teachers Without Credentials and Misassignments	0.00	0.00	0

Credentialed Teachers Assigned Out-of-Field (considered "out-of-field" under ESSA)

Indicator	2020-21	2021-22	2022-23
Credentialed Teachers Authorized on a Permit or Waiver	0.00	0.00	0
Local Assignment Options	0.00	0.00	0
Total Out-of-Field Teachers	0.00	0.00	0

Class Assignments

Indicator	2020-21	2021-22	2022-23
Misassignments for English Learners (a percentage of all the classes with English learners taught by teachers that are misassigned)	0.00	0	0
No credential, permit or authorization to teach (a percentage of all the classes taught by teachers with no record of an authorization to teach)	0.00	0	0

Note: For more information refer to the Updated Teacher Equity Definitions web page at <https://www.cde.ca.gov/pd/ee/teacherequitydefinitions.asp>.

2024-25 Quality, Currency, Availability of Textbooks and Other Instructional Materials

Year and month in which the data were collected

September 2024

Subject	Textbooks and Other Instructional Materials/year of Adoption	From Most Recent Adoption ?	Percent Students Lacking Own Assigned Copy
Reading/Language Arts	National Geographic Reach for Reading, 2017	Yes	0.0%
Mathematics	McGraw Hill My Math (3-5), 2014 McGraw Hill California Math (6), 2014	Yes	0.0%
Science	FOSS, 2021	Yes	0.0%
History-Social Science	Teachers' Curriculum Institute, 2024	Yes	0.0%
Foreign Language	N/A		0.0%
Health	SPARK PE, 2018		0.0%
Visual and Performing Arts	N/A		0.0%
Science Laboratory Equipment (grades 9-12)	N/A		0.0%

Note: Cells with N/A values do not require data.

School Facility Conditions and Planned Improvements

Cutten School provides a safe, clean, tobacco-free educational environment for students. One maintenance employee and two custodians ensure the good condition and cleanliness of our buildings, restrooms, and grounds. All classrooms and support services rooms are equipped with a telephone, an intercom system, and access to the Internet. A security system is present to protect every room.

Visitors are welcomed at Cutten School and sign in at the school office. Due to the close-knit nature of our school, unfamiliar visitors on campus are very rare and are immediately greeted by school personnel.

Cutten Elementary School was built in 1951. The school has fourteen regular classrooms, a library, a multipurpose room, and facilities for student support resources, music, social services/counseling, speech and our after-school program. Facilities also

School Facility Conditions and Planned Improvements

include two baseball fields, a multi-dimensional playground structure, three wall ball courts, and a large athletic field. A new playground structure was installed in the summer of 2020.

Year and month of the most recent FIT report

September, 2024

System Inspected	Rate Good	Rate Fair	Rate Poor	Repair Needed and Action Taken or Planned
Systems: Gas Leaks, Mechanical/HVAC, Sewer	X			
Interior: Interior Surfaces	X			
Cleanliness: Overall Cleanliness, Pest/Vermin Infestation	X			
Electrical	X			
Restrooms/Fountains: Restrooms, Sinks/ Fountains	X			
Safety: Fire Safety, Hazardous Materials	X			
Structural: Structural Damage, Roofs	X			
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	X			Cutten's buildings all need a new coat of paint.

Overall Facility Rate

Exemplary	Good	Fair	Poor
	X		

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

Statewide Assessments

(i.e., California Assessment of Student Performance and Progress [CAASPP] System includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. Only eligible students may participate in the administration of the CAAs. CAAs items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with the most significant cognitive disabilities).

The CAASPP System encompasses the following assessments and student participation requirements:

1. **Smarter Balanced Summative Assessments and CAAs for ELA** in grades three through eight and grade eleven.
2. **Smarter Balanced Summative Assessments and CAAs for mathematics** in grades three through eight and grade eleven.
3. **California Science Test (CAST) and CAAs for Science** in grades five, eight, and once in high school (i.e., grade ten, eleven, or twelve).

College and Career Ready

The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study.

Percentage of Students Meeting or Exceeding the State Standard on CAASPP

This table displays CAASPP test results in ELA and mathematics for all students grades three through eight and grade eleven taking and completing a state-administered assessment.

To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

ELA and mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3-Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Subject	School 2022-23	School 2023-24	District 2022-23	District 2023-24	State 2022-23	State 2023-24
English Language Arts/Literacy (grades 3-8 and 11)	45	51	45	51	46	47
Mathematics (grades 3-8 and 11)	43	50	43	50	34	35

2023-24 CAASPP Test Results in ELA by Student Group

This table displays CAASPP test results in ELA by student group for students grades three through eight and grade eleven taking and completing a state-administered assessment.

ELA test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus

the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA divided by the total number of students who participated in both assessments.

To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

CAASPP Student Groups	CAASPP Total Enrollment	CAASPP Number Tested	CAASPP Percent Tested	CAASPP Percent Not Tested	CAASPP Percent Met or Exceeded
All Students	308	300	97.40	2.60	50.67
Female	148	141	95.27	4.73	56.74
Male	160	159	99.38	0.62	45.28
American Indian or Alaska Native	--	--	--	--	--
Asian	--	--	--	--	--
Black or African American	--	--	--	--	--
Filipino	0	0	0	0	0
Hispanic or Latino	47	46	97.87	2.13	34.78
Native Hawaiian or Pacific Islander	0	0	0	0	0
Two or More Races	54	51	94.44	5.56	56.86
White	188	184	97.87	2.13	54.35
English Learners	--	--	--	--	--
Foster Youth	--	--	--	--	--
Homeless	15	13	86.67	13.33	38.46
Military	0	0	0	0	0
Socioeconomically Disadvantaged	132	128	96.97	3.03	46.88
Students Receiving Migrant Education Services	0	0	0	0	0
Students with Disabilities	57	56	98.25	1.75	33.93

2023-24 CAASPP Test Results in Math by Student Group

This table displays CAASPP test results in Math by student group for students grades three through eight and grade eleven taking and completing a state-administered assessment.

Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA divided by the total number of students who participated in both assessments.

To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

CAASPP Student Groups	CAASPP Total Enrollment	CAASPP Number Tested	CAASPP Percent Tested	CAASPP Percent Not Tested	CAASPP Percent Met or Exceeded
All Students	308	299	97.08	2.92	49.50
Female	148	140	94.59	5.41	45.00
Male	160	159	99.38	0.62	53.46
American Indian or Alaska Native	--	--	--	--	--
Asian	--	--	--	--	--
Black or African American	--	--	--	--	--
Filipino	0	0	0	0	0
Hispanic or Latino	47	45	95.74	4.26	37.78
Native Hawaiian or Pacific Islander	0	0	0	0	0
Two or More Races	54	51	94.44	5.56	50.98
White	188	184	97.87	2.13	53.80
English Learners	--	--	--	--	--
Foster Youth	--	--	--	--	--
Homeless	15	13	86.67	13.33	38.46
Military	0	0	0	0	0
Socioeconomically Disadvantaged	132	127	96.21	3.79	43.31
Students Receiving Migrant Education Services	0	0	0	0	0
Students with Disabilities	57	56	98.25	1.75	35.71

CAASPP Test Results in Science for All Students

This table displays the percentage of all students grades five, eight, and High School meeting or exceeding the State Standard.

Science test results include the CAST and the CAA for Science. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the CAST plus the total number of students who met the standard (i.e., achieved Level 3—Alternate) on the CAA for Science divided by the total number of students who participated in a science assessment.

To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

Subject	School 2022-23	School 2023-24	District 2022-23	District 2023-24	State 2022-23	State 2023-24
Science (grades 5, 8 and high school)	47.56	51.56	47.56	51.56	30.29	30.73

2023-24 CAASPP Test Results in Science by Student Group

This table displays CAASPP test results in Science by student group for students grades five, eight, and High School. Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Not Tested	Percent Met or Exceeded
All Students	67	64	95.52	4.48	51.56
Female	30	27	90.00	10.00	62.96
Male	37	37	100.00	0.00	43.24
American Indian or Alaska Native	--	--	--	--	--
Asian	--	--	--	--	--
Black or African American	0	0	0	0	0
Filipino	0	0	0	0	0
Hispanic or Latino	11	10	90.91	9.09	--
Native Hawaiian or Pacific Islander	0	0	0	0	0
Two or More Races	13	12	92.31	7.69	33.33
White	39	38	97.44	2.56	68.42
English Learners	--	--	--	--	--
Foster Youth	--	--	--	--	--
Homeless	--	--	--	--	--
Military	0	0	0	0	0
Socioeconomically Disadvantaged	29	27	93.10	6.90	51.85
Students Receiving Migrant Education Services	0	0	0	0	0
Students with Disabilities	--	--	--	--	--

B. Pupil Outcomes

State Priority: Other Pupil Outcomes

The SARC provides the following information relevant to the State priority: Other Pupil Outcomes (Priority 8): Pupil outcomes in the subject area of physical education.

2023-24 California Physical Fitness Test Results

This table displays the percentage of students participating in each of the five fitness components of the California Physical Fitness Test Results. The administration of the PFT requires only participation results for these five fitness areas. Percentages are not calculated and double dashes (--) appear in the table when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Grade Level	Component 1: Aerobic Capacity	Component 2: Abdominal Strength and Endurance	Component 3: Trunk Extensor and Strength and Flexibility	Component 4: Upper Body Strength and Endurance	Component 5: Flexibility
Grade 5	100	100	100	100	100

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3): Efforts the school district makes to seek parent input in making decisions regarding the school district and at each school site.

2024-25 Opportunities for Parental Involvement

If you would like to become involved in PTA, or be a classroom volunteer, we welcome you! Parent participation in all aspects of the school program is a strength of our district. In addition, leadership opportunities for parents are available through our School Site Council, our award-winning Parent Teachers Association, and the District Advisory Council. We are also always open to parent and community comments and suggestions. Please feel free to contact Darcie Rutter, Principal, at (707) 441-3900 for more information.

2023-24 Chronic Absenteeism by Student Group

Student Group	Cumulative Enrollment	Chronic Absenteeism Eligible Enrollment	Chronic Absenteeism Count	Chronic Absenteeism Rate
All Students	311	308	54	17.5
Female	149	147	26	17.7
Male	162	161	28	17.4
Non-Binary	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Asian	--	--	--	--
Black or African American	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	48	47	13	27.7
Native Hawaiian or Pacific Islander	--	--	--	--
Two or More Races	54	53	9	17.0
White	190	189	30	15.9
English Learners	--	--	--	--
Foster Youth	--	--	--	--
Homeless	17	17	6	35.3
Socioeconomically Disadvantaged	146	143	35	24.5
Students Receiving Migrant Education Services	--	--	--	--
Students with Disabilities	64	63	13	20.6

Note: To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

C. Engagement

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety

Suspensions and Expulsions

This table displays suspensions data.

Suspensions								
School 2021-22	School 2022-23	School 2023-24	District 2021-22	District 2022-23	District 2023-24	State 2021-22	State 2022-23	State 2023-24
1.83	0.6	2.57	1.23	1.03	2.07	3.17	3.6	3.28

This table displays expulsions data.

Expulsions								
School 2021-22	School 2022-23	School 2023-24	District 2021-22	District 2022-23	District 2023-24	State 2021-22	State 2022-23	State 2023-24
0	0	0	0	0	0	0.07	0.08	0.07

2023-24 Suspensions and Expulsions by Student Group

Student Group	Suspensions Rate	Expulsions Rate
All Students	2.57	0.00
Female	0.00	0.00
Male	4.94	0.00
Non-Binary	0.00	0.00
American Indian or Alaska Native	0.00	0.00
Asian	0.00	0.00
Black or African American	0.00	0.00
Filipino	0.00	0.00
Hispanic or Latino	4.17	0.00
Native Hawaiian or Pacific Islander	0.00	0.00
Two or More Races	1.85	0.00
White	1.58	0.00
English Learners	0.00	0.00
Foster Youth	0.00	0.00
Homeless	5.88	0.00
Socioeconomically Disadvantaged	4.11	0.00
Students Receiving Migrant Education Services	0.00	0.00
Students with Disabilities	6.25	0.00

Note: To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

2024-25 School Safety Plan

The Comprehensive School Safety Plan was adopted by the Board of Trustees in February, 2025. Key elements of the plan, including monthly fire drills, earthquake evacuation procedures, and lockdown policies are reviewed by staff and School Site Council in October each year, and are in effect throughout the year. The Cutten School Student Council provides input.

D. Other SARC Information Information Required in the SARC

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

2021-22 Elementary Average Class Size and Class Size Distribution

This table displays the 2021-22 average class size and class size distribution. The columns titled "Number of Classes" indicates how many classes fall into each size category (a range of total students per class). The "Other" category is for multi-grade level classes.

Grade Level	Average Class Size	Number of Classes with 1-20 Students	Number of Classes with 21-32 Students	Number of Classes with 33+ Students
3	14	3	2	
4	17	2	3	
5	24	1	3	1
6	17	1	3	
Other	160			2

2022-23 Elementary Average Class Size and Class Size Distribution

This table displays the 2022-23 average class size and class size distribution. The columns titled "Number of Classes" indicates how many classes fall into each size category (a range of total students per class). The "Other" category is for multi-grade level classes.

Grade Level	Average Class Size	Number of Classes with 1-20 Students	Number of Classes with 21-32 Students	Number of Classes with 33+ Students
3	22		4	
4	22		3	
5	21	1	3	
6	22	1	3	
Other	160			2

2023-24 Elementary Average Class Size and Class Size Distribution

This table displays the 2023-24 average class size and class size distribution. The columns titled "Number of Classes" indicates how many classes fall into each size category (a range of total students per class). The "Other" category is for multi-grade level classes.

Grade Level	Average Class Size	Number of Classes with 1-20 Students	Number of Classes with 21-32 Students	Number of Classes with 33+ Students
3	21	1	2	
4	23	1	3	
5	21	1	2	
6	27		3	
Other	116			3

2023-24 Ratio of Pupils to Academic Counselor

This table displays the ratio of pupils to Academic Counselor. One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Title	Ratio
Pupils to Academic Counselor	0

2023-24 Student Support Services Staff

This table displays the number of FTE support staff assigned to this school. One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time. The "Other" category is for all other student support services staff positions not listed.

Title	Number of FTE Assigned to School
Counselor (Academic, Social/Behavioral or Career Development)	
Library Media Teacher (Librarian)	
Library Media Services Staff (Paraprofessional)	
Psychologist	0.5
Social Worker	1
Nurse	
Speech/Language/Hearing Specialist	1
Resource Specialist (non-teaching)	
Other	

Fiscal Year 2022-23 Expenditures Per Pupil and School Site Teacher Salaries

This table displays the 2022-23 expenditures per pupil and average teacher salary for this school. Cells with N/A values do not require data.

Level	Total Expenditures Per Pupil	Expenditures Per Pupil (Restricted)	Expenditures Per Pupil (Unrestricted)	Average Teacher Salary
School Site	\$9,862	\$1,833	\$8,029	\$72,122
District	N/A	N/A	\$7,922	\$75,203
Percent Difference - School Site and District	N/A	N/A	1.3	-10.5
State	N/A	N/A	\$10,771	\$79,413
Percent Difference - School Site and State	N/A	N/A	-32.5	-16.7

Fiscal Year 2023-24 Types of Services Funded

In the Cutten Elementary School District, in addition to regular classroom instruction, we fund the following programs and services for students:

- ** 0.20 FTE Gifted and Talented Education Teacher
- ** 1.0 FTE Music Teacher

Fiscal Year 2023-24 Types of Services Funded

- ** 1.5 FTE Library Technician
- ** 1.0 FTE Technology Coordinator
- ** 2.0 FTE School Social Worker
- ** 2.0 FTE Speech and Language Pathologist
- ** 4.0 FTE Specialized Academic Instructor
- ** 1.0 FTE School Psychologist
- ** 0.5 FTE Expanded Learning Community Coordinator
- ** Bus transportation provided by 2 bus drivers
- ** 2 Reading Intervention Coordinators
- ** Three hour assistant in every classroom, daily, plus 30 minutes for targeted intervention

** Services provided to both Ridgewood (grades TK – 2) and Cutten School (grades 3 – 6)

Fiscal Year 2022-23 Teacher and Administrative Salaries

This table displays the 2022-23 Teacher and Administrative salaries. For detailed information on salaries, see the CDE Certification Salaries & Benefits web page at <http://www.cde.ca.gov/ds/fd/cs/>.

Category	District Amount	State Average for Districts in Same Category
Beginning Teacher Salary	\$48,633	\$51,352
Mid-Range Teacher Salary	\$67,550	\$80,424
Highest Teacher Salary	\$87,860	\$103,442
Average Principal Salary (Elementary)	\$98,100	\$124,852
Average Principal Salary (Middle)	\$0	\$135,030
Average Principal Salary (High)	\$0	
Superintendent Salary	\$112,200	\$145,237
Percent of Budget for Teacher Salaries	32.49	26.17
Percent of Budget for Administrative Salaries	4.7	6.29

Professional Development

The Cutten District implemented the Leadership Team in 2014. Teachers apply to be on the team and receive an annual stipend of \$2,000. This Team, that includes all administrators, meets weekly to plan professional development opportunities for teachers and evaluate the effectiveness of professional development opportunities offered. This year the team is focusing on the Science of Reading, Math Identity and Instruction Strategies, and Universal Design for Learning. Input is regularly sought from certificated staff to identify areas of focus for professional development. Professional development is offered during our preservice days at the beginning of each school year, an inservice day mid-year, and during our early release collaborative Wednesdays.

The District reimburses teachers for registration to selected professional development opportunities offered through the County Office of Education, and other professional resources.

To evaluate our system for professional growth and improvement for teachers, we survey certificated staff, teachers meet in grade level teams to assess needs, and we meet as a district several times a year to examine student achievement data to help assess need for professional development. New teachers participate in the Teacher Induction Program, formerly known as BTSA, and are mentored by veteran teachers. The North Coast School of Education's (NCSOE) North Coast Teacher Induction Program (NCTIP) is a two-year program that provides a link between the skills acquired in the Preliminary Credential Program to the experiences in the classroom. Candidates work with a Mentor Teacher to further develop the knowledge and skills

Professional Development

needed to achieve competency in the California Standards. Mentors provide support, experiences, and professional development to help candidates meet the CCTC requirements for a Clear Credential. When a new teacher is hired, experienced teachers provide continual support in all aspects of the profession. Grade level teams meet regularly to provide assistance and support to our newest teachers.

This table displays the number of school days dedicated to staff development and continuous improvement.

Subject	2022-23	2023-24	2024-25
Number of school days dedicated to Staff Development and Continuous Improvement	5	5	5

Ridgewood Elementary School

2023-2024 School Accountability Report Card (Published During the 2024-2025 School Year)

General Information about the School Accountability Report Card (SARC)

SARC Overview



By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements and access to prior year reports, see the California Department of Education (CDE) SARC web page at <https://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or the LCAP, see the CDE LCFF web page at <https://www.cde.ca.gov/fq/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

A hard copy of the School Accountability Report Card is available at your School Office, upon request.

DataQuest



DataQuest is an online data tool located on the CDE DataQuest web page at <https://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

California School Dashboard



The California School Dashboard (Dashboard) <https://www.caschooldashboard.org/> reflects California's new accountability and continuous improvement system and provides information about how LEAs and schools are meeting the needs of California's diverse student population. The Dashboard contains reports that display the performance of LEAs, schools, and student groups on a set of state and local measures to assist in identifying strengths, challenges, and areas in need of improvement.

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

Admission Requirements for the University of California (UC)

Admission requirements for the UC follow guidelines set forth in the Master Plan, which requires that the top one-eighth of the state's high school graduates, as well as those transfer students who have successfully completed specified college course work, be eligible for admission to the UC. These requirements are designed to ensure that all eligible students are adequately prepared for University-level work. For general admissions requirements, please visit the UC Admissions Information website at <https://admission.universityofcalifornia.edu/>.

Admission Requirements for the California State University (CSU)

Eligibility for admission to the CSU is determined by three factors: (1) Specific high school courses, (2) Grades in specified courses and test scores, and (3) Graduation from high school. Some campuses have higher standards for particular majors or students who live outside the local campus area. Because of the number of students who apply, a few campuses have higher standards (supplementary admission criteria) for all applicants. Most CSU campuses have local admission guarantee policies for students who graduate or transfer from high schools and colleges that are historically served by a CSU campus in that region. For admission, application, and fee information, see the CSU website at <https://www2.calstate.edu/>.

2024-25 School Contact Information

School Name	Ridgewood Elementary School
Street	2060 Ridgewood Dr.
City, State, Zip	Eureka, Ca, 95503
Phone Number	707-441-3930
Principal	Annette Sligh
Email Address	asligh@cuttensd.org
School Website	www.cuttensd.org
Grade Span	TK-2
County-District-School (CDS) Code	12-62745-6007744

2024-25 District Contact Information

District Name	Cuttens Elementary School District
Phone Number	(707) 441-3900
Superintendent	Becky MacQuarrie
Email Address	bmacquarrie@cuttensd.org
District Website	www.cuttensd.org

2024-25 School Description and Mission Statement

Cuttens is a single-attendance elementary school district with students at two sites. Ridgewood School provides instruction for students in transitional kindergarten through second grades, and Cuttens School serves students in third through six grades. We currently have a population of approximately 600 students. Both sites have a full-time Principal and the district has a full-time Superintendent. The staff totals about 90 people. The Comprehensive School Safety Plan describes programs in place at our schools as well as strategies for continued improvement in providing a safe and orderly school environment conducive to learning.

2024-25 School Description and Mission Statement

The Cutten School District, in partnership with our community, provides students with the academic and social skills necessary to become contributing members of a global community. We do this by creating a joyful, student-centered, and orderly learning environment rich in the arts and sciences, where everyone knows they are respected members of the "Cutten-Ridgewood Family".

About this School

2023-24 Student Enrollment by Grade Level

Grade Level	Number of Students
Kindergarten	115
Grade 1	77
Grade 2	67
Total Enrollment	259

2023-24 Student Enrollment by Student Group

Student Group	Percent of Total Enrollment
Female	52.1
Male	47.9
American Indian or Alaska Native	3.1
Asian	4.2
Hispanic or Latino	18.1
Native Hawaiian or Pacific Islander	0.4
Two or More Races	13.5
White	60.2
English Learners	5
Foster Youth	0.8
Homeless	3.9
Socioeconomically Disadvantaged	51.4
Students with Disabilities	10

A. Conditions of Learning State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

2020-21 Teacher Preparation and Placement

Authorization/Assignment	School Number	School Percent	District Number	District Percent	State Number	State Percent
Fully (Preliminary or Clear) Credentialed for Subject and Student Placement (properly assigned)	15.00	96.77	31.10	97.80	228366.10	83.12
Intern Credential Holders Properly Assigned	0.00	0.00	0.00	0.00	4205.90	1.53
Teachers Without Credentials and Misassignments ("ineffective" under ESSA)	0.00	0.00	0.00	0.00	11216.70	4.08
Credentialed Teachers Assigned Out-of-Field ("out-of-field" under ESSA)	0.00	0.00	0.00	0.00	12115.80	4.41
Unknown/Incomplete/NA	0.50	3.23	0.70	2.20	18854.30	6.86
Total Teaching Positions	15.50	100.00	31.80	100.00	274759.10	100.00

Note: The data in this table is based on full-time equivalent (FTE) status. One FTE equals one staff member working full-time; one FTE could also represent two staff members who each work 50 percent of full-time. Additionally, an assignment is defined as a position that an educator is assigned based on setting, subject, and grade level. An authorization is defined as the services that an educator is authorized to provide to students.

2021-22 Teacher Preparation and Placement

Authorization/Assignment	School Number	School Percent	District Number	District Percent	State Number	State Percent
Fully (Preliminary or Clear) Credentialed for Subject and Student Placement (properly assigned)	15.10	94.75	31.30	97.39	234405.20	84.00
Intern Credential Holders Properly Assigned	0.00	0.00	0.00	0.00	4853.00	1.74
Teachers Without Credentials and Misassignments ("ineffective" under ESSA)	0.00	0.00	0.00	0.00	12001.50	4.30
Credentialed Teachers Assigned Out-of-Field ("out-of-field" under ESSA)	0.50	3.13	0.50	1.55	11953.10	4.28
Unknown/Incomplete/NA	0.30	2.06	0.30	1.02	15831.90	5.67
Total Teaching Positions	16.00	100.00	32.20	100.00	279044.80	100.00

Note: The data in this table is based on Full-Time Equivalent (FTE) status. One FTE equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time. Additionally, an assignment is defined as a position that an educator is assigned based on setting, subject, and grade level. An authorization is defined as the services that an educator is authorized to provide to students.

2022-23 Teacher Preparation and Placement

Authorization/Assignment	School Number	School Percent	District Number	District Percent	State Number	State Percent
Fully (Preliminary or Clear) Credentialed for Subject and Student Placement (properly assigned)	12.50	92.66	28.10	96.57	231142.40	83.24
Intern Credential Holders Properly Assigned	0.00	0.00	0.00	0.00	5566.40	2.00
Teachers Without Credentials and Misassignments ("ineffective" under ESSA)	0.00	0.00	0.00	0.00	14938.30	5.38
Credentialed Teachers Assigned Out-of-Field ("out-of-field" under ESSA)	0.00	0.00	0.00	0.00	11746.90	4.23
Unknown/Incomplete/NA	0.90	7.34	0.90	3.39	14303.80	5.15
Total Teaching Positions	13.40	100.00	29.10	100.00	277698.00	100.00

Note: The data in this table is based on Full-Time Equivalent (FTE) status. One FTE equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time. Additionally, an assignment is defined as a position that an educator is assigned based on setting, subject, and grade level. An authorization is defined as the services that an educator is authorized to provide to students.

Teachers Without Credentials and Misassignments (considered "ineffective" under ESSA)

Authorization/Assignment	2020-21	2021-22	2022-23
Permits and Waivers	0.00	0.00	0
Misassignments	0.00	0.00	0
Vacant Positions	0.00	0.00	0
Total Teachers Without Credentials and Misassignments	0.00	0.00	0

Credentialed Teachers Assigned Out-of-Field (considered "out-of-field" under ESSA)

Indicator	2020-21	2021-22	2022-23
Credentialed Teachers Authorized on a Permit or Waiver	0.00	0.00	0
Local Assignment Options	0.00	0.50	0
Total Out-of-Field Teachers	0.00	0.50	0

Class Assignments

Indicator	2020-21	2021-22	2022-23
Misassignments for English Learners (a percentage of all the classes with English learners taught by teachers that are misassigned)	0.00	0	0
No credential, permit or authorization to teach (a percentage of all the classes taught by teachers with no record of an authorization to teach)	0.00	0	0

Note: For more information refer to the Updated Teacher Equity Definitions web page at <https://www.cde.ca.gov/pd/ee/teacherequitydefinitions.asp>.

2024-25 Quality, Currency, Availability of Textbooks and Other Instructional Materials

Year and month in which the data were collected	September 2024		
Subject	Textbooks and Other Instructional Materials/year of Adoption	From Most Recent Adoption ?	Percent Students Lacking Own Assigned Copy
Reading/Language Arts	National Geographic Reach for Reading, 2017	Yes	0.0%
Mathematics	McGraw Hill My Math, 2014	Yes	0.0%
Science	Foss, 2021	Yes	0.0%
History-Social Science	McGraw Hill, 2024	Yes	0.0%
Foreign Language	N/A		0.0%
Health	SPARK PE, 2018		0.0%
Visual and Performing Arts	N/A		0.0%
Science Laboratory Equipment (grades 9-12)	N/A		0.0%

Note: Cells with N/A values do not require data.

School Facility Conditions and Planned Improvements

Ridgewood Elementary School provides a safe, clean, tobacco-free educational environment for students. One maintenance employee and two custodians ensure the good condition and cleanliness of our buildings, restrooms, and grounds. All classrooms and support services rooms are equipped with a telephone, an intercom system, and access to the Internet. A security system is present to protect every room.

Visitors are welcomed at Ridgewood School and sign in at the school office. Due to the close-knit nature of our school, unfamiliar visitors on campus are very rare and are immediately greeted by school personnel.

Ridgewood Elementary School was built in 1957. The school has 14 regular classrooms, a library, a multipurpose room (the commons, where assemblies take place one morning each week), a student support resource room (the Learning Lane), and a breakfast room, which is also available for small group instruction and to provide quality after-school care.

School Facility Conditions and Planned Improvements

The playground has enjoyed recent equipment upgrades with the addition of a transitional kindergarten playground, and borders two baseball fields, a playing field, a wall ball court, and our own redwood forest. All facilities and equipment are designed for primary students.

Year and month of the most recent FIT report

August, 2024

System Inspected	Rate Good	Rate Fair	Rate Poor	Repair Needed and Action Taken or Planned
Systems: Gas Leaks, Mechanical/HVAC, Sewer	X			
Interior: Interior Surfaces	X			
Cleanliness: Overall Cleanliness, Pest/Vermin Infestation	X			
Electrical	X			
Restrooms/Fountains: Restrooms, Sinks/ Fountains	X			
Safety: Fire Safety, Hazardous Materials	X			
Structural: Structural Damage, Roofs	X			
External: Playground/School Grounds, Windows/Doors/Gates/Fences	X			

Overall Facility Rate

Exemplary	Good	Fair	Poor
X			

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

Statewide Assessments

(i.e., California Assessment of Student Performance and Progress [CAASPP] System includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. Only eligible students may participate in the administration of the CAAs. CAAs items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with the most significant cognitive disabilities).

The CAASPP System encompasses the following assessments and student participation requirements:

1. **Smarter Balanced Summative Assessments and CAAs for ELA** in grades three through eight and grade eleven.
2. **Smarter Balanced Summative Assessments and CAAs for mathematics** in grades three through eight and grade eleven.
3. **California Science Test (CAST) and CAAs for Science** in grades five, eight, and once in high school (i.e., grade ten, eleven, or twelve).

College and Career Ready

The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study.

Percentage of Students Meeting or Exceeding the State Standard on CAASPP

This table displays CAASPP test results in ELA and mathematics for all students grades three through eight and grade eleven taking and completing a state-administered assessment.

To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

ELA and mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3-Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Subject	School 2022-23	School 2023-24	District 2022-23	District 2023-24	State 2022-23	State 2023-24
English Language Arts/Literacy (grades 3-8 and 11)					46	
Mathematics (grades 3-8 and 11)					34	

2023-24 CAASPP Test Results in ELA by Student Group

This table displays CAASPP test results in ELA by student group for students grades three through eight and grade eleven taking and completing a state-administered assessment.

ELA test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus

the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA divided by the total number of students who participated in both assessments.

To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

CAASPP Student Groups	CAASPP Total Enrollment	CAASPP Number Tested	CAASPP Percent Tested	CAASPP Percent Not Tested	CAASPP Percent Met or Exceeded
All Students					
Female					
Male					
American Indian or Alaska Native					
Asian					
Black or African American					
Filipino					
Hispanic or Latino					
Native Hawaiian or Pacific Islander					
Two or More Races					
White					
English Learners					
Foster Youth					
Homeless					
Military					
Socioeconomically Disadvantaged					
Students Receiving Migrant Education Services					
Students with Disabilities					

2023-24 CAASPP Test Results in Math by Student Group

This table displays CAASPP test results in Math by student group for students grades three through eight and grade eleven taking and completing a state-administered assessment.

Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA divided by the total number of students who participated in both assessments.

To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

CAASPP Student Groups	CAASPP Total Enrollment	CAASPP Number Tested	CAASPP Percent Tested	CAASPP Percent Not Tested	CAASPP Percent Met or Exceeded
All Students					
Female					
Male					
American Indian or Alaska Native					
Asian					
Black or African American					
Filipino					
Hispanic or Latino					
Native Hawaiian or Pacific Islander					
Two or More Races					
White					
English Learners					
Foster Youth					
Homeless					
Military					
Socioeconomically Disadvantaged					
Students Receiving Migrant Education Services					
Students with Disabilities					

CAASPP Test Results in Science for All Students

This table displays the percentage of all students grades five, eight, and High School meeting or exceeding the State Standard.

Science test results include the CAST and the CAA for Science. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the CAST plus the total number of students who met the standard (i.e., achieved Level 3—Alternate) on the CAA for Science divided by the total number of students who participated in a science assessment.

To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

Subject	School 2022-23	School 2023-24	District 2022-23	District 2023-24	State 2022-23	State 2023-24
Science (grades 5, 8 and high school)			47.56	51.56	30.29	30.73

2023-24 CAASPP Test Results in Science by Student Group

This table displays CAASPP test results in Science by student group for students grades five, eight, and High School. Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Not Tested	Percent Met or Exceeded
All Students					
Female					
Male					
American Indian or Alaska Native					
Asian					
Black or African American					
Filipino					
Hispanic or Latino					
Native Hawaiian or Pacific Islander					
Two or More Races					
White					
English Learners					
Foster Youth					
Homeless					
Military					
Socioeconomically Disadvantaged					
Students Receiving Migrant Education Services					
Students with Disabilities					

B. Pupil Outcomes

State Priority: Other Pupil Outcomes

The SARC provides the following information relevant to the State priority: Other Pupil Outcomes (Priority 8): Pupil outcomes in the subject area of physical education.

2023-24 California Physical Fitness Test Results

This table displays the percentage of students participating in each of the five fitness components of the California Physical Fitness Test Results. The administration of the PFT requires only participation results for these five fitness areas. Percentages are not calculated and double dashes (--) appear in the table when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Grade Level	Component 1: Aerobic Capacity	Component 2: Abdominal Strength and Endurance	Component 3: Trunk Extensor and Strength and Flexibility	Component 4: Upper Body Strength and Endurance	Component 5: Flexibility

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3): Efforts the school district makes to seek parent input in making decisions regarding the school district and at each school site.

2024-25 Opportunities for Parental Involvement

If you would like to become involved as a school volunteer, our doors are wide open! Parent assistance is an important part of our school day, especially during language arts instruction and any other small group instruction. Parents sing along at assemblies and are very active in our award-winning Parent Teacher Association, District Advisory Council, and the School Site Council. Please feel free to contact Annette Sligh, Principal, at (707) 441-3930 for more information.

2023-24 Chronic Absenteeism by Student Group

Student Group	Cumulative Enrollment	Chronic Absenteeism Eligible Enrollment	Chronic Absenteeism Count	Chronic Absenteeism Rate
All Students	268	268	53	19.8
Female	142	142	30	21.1
Male	126	126	23	18.3
Non-Binary	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Asian	11	11	3	27.3
Black or African American	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	48	48	14	29.2
Native Hawaiian or Pacific Islander	--	--	--	--
Two or More Races	37	37	9	24.3
White	161	161	24	14.9
English Learners	13	13	5	38.5
Foster Youth	--	--	--	--
Homeless	20	20	8	40.0
Socioeconomically Disadvantaged	153	153	42	27.5
Students Receiving Migrant Education Services	--	--	--	--
Students with Disabilities	36	36	7	19.4

Note: To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

C. Engagement

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety

Suspensions and Expulsions

This table displays suspensions data.

Suspensions								
School 2021-22	School 2022-23	School 2023-24	District 2021-22	District 2022-23	District 2023-24	State 2021-22	State 2022-23	State 2023-24
0.41	1.61	1.49	1.23	1.03	2.07	3.17	3.6	3.28

This table displays expulsions data.

Expulsions								
School 2021-22	School 2022-23	School 2023-24	District 2021-22	District 2022-23	District 2023-24	State 2021-22	State 2022-23	State 2023-24
0	0	0	0	0	0	0.07	0.08	0.07

2023-24 Suspensions and Expulsions by Student Group

Student Group	Suspensions Rate	Expulsions Rate
All Students	1.49	0.00
Female	0.00	0.00
Male	3.17	0.00
Non-Binary	0.00	0.00
American Indian or Alaska Native	0.00	0.00
Asian	0.00	0.00
Black or African American	0.00	0.00
Filipino	0.00	0.00
Hispanic or Latino	2.08	0.00
Native Hawaiian or Pacific Islander	0.00	0.00
Two or More Races	2.70	0.00
White	1.24	0.00
English Learners	0.00	0.00
Foster Youth	0.00	0.00
Homeless	0.00	0.00
Socioeconomically Disadvantaged	1.96	0.00
Students Receiving Migrant Education Services	0.00	0.00
Students with Disabilities	0.00	0.00

Note: To protect student privacy, double dashes (--) are used in the table when the cell size within a selected student population is ten or fewer.

2024-25 School Safety Plan

The Comprehensive School Safety Plan was adopted by the Board of Trustees February 12, 2024. Key elements of the plan, including monthly fire drills, earthquake evacuation procedures, and lockdown policies are reviewed by staff and School Site Council in early October each year, and are in effect throughout the year.

D. Other SARC Information Information Required in the SARC

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

2021-22 Elementary Average Class Size and Class Size Distribution

This table displays the 2021-22 average class size and class size distribution. The columns titled "Number of Classes" indicates how many classes fall into each size category (a range of total students per class). The "Other" category is for multi-grade level classes.

Grade Level	Average Class Size	Number of Classes with 1-20 Students	Number of Classes with 21-32 Students	Number of Classes with 33+ Students
K	12	7		
1	11	6		
2	13	5	2	
Other	237			1

2022-23 Elementary Average Class Size and Class Size Distribution

This table displays the 2022-23 average class size and class size distribution. The columns titled "Number of Classes" indicates how many classes fall into each size category (a range of total students per class). The "Other" category is for multi-grade level classes.

Grade Level	Average Class Size	Number of Classes with 1-20 Students	Number of Classes with 21-32 Students	Number of Classes with 33+ Students
K	15	6	1	
1	14	5		
2	16	2	2	
Other	231			1

2023-24 Elementary Average Class Size and Class Size Distribution

This table displays the 2023-24 average class size and class size distribution. The columns titled "Number of Classes" indicates how many classes fall into each size category (a range of total students per class). The "Other" category is for multi-grade level classes.

Grade Level	Average Class Size	Number of Classes with 1-20 Students	Number of Classes with 21-32 Students	Number of Classes with 33+ Students
K	14	5	1	
1	15	5		
2	17	1	3	
Other	227			1

2023-24 Ratio of Pupils to Academic Counselor

This table displays the ratio of pupils to Academic Counselor. One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Title	Ratio
Pupils to Academic Counselor	0

2023-24 Student Support Services Staff

This table displays the number of FTE support staff assigned to this school. One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time. The "Other" category is for all other student support services staff positions not listed.

Title	Number of FTE Assigned to School
Counselor (Academic, Social/Behavioral or Career Development)	
Library Media Teacher (Librarian)	
Library Media Services Staff (Paraprofessional)	
Psychologist	0.5
Social Worker	1
Nurse	
Speech/Language/Hearing Specialist	1
Resource Specialist (non-teaching)	
Other	

Fiscal Year 2022-23 Expenditures Per Pupil and School Site Teacher Salaries

This table displays the 2022-23 expenditures per pupil and average teacher salary for this school. Cells with N/A values do not require data.

Level	Total Expenditures Per Pupil	Expenditures Per Pupil (Restricted)	Expenditures Per Pupil (Unrestricted)	Average Teacher Salary
School Site	\$9,883	\$2,085	\$7,798	\$68,719
District	N/A	N/A	\$7,922	\$75,203
Percent Difference - School Site and District	N/A	N/A	-1.6	-15.4
State	N/A	N/A	\$10,771	\$79,413
Percent Difference - School Site and State	N/A	N/A	-35.3	-21.5

Fiscal Year 2023-24 Types of Services Funded

In the Cutten Elementary School District, in addition to regular classroom instruction, we fund the following programs and services for students:

- ** .20 FTE Gifted and Talented Education Teacher
- ** 1.0 FTE Music Teacher
- ** 1.5 FTE Library Technician
- ** 0.90 FTE Technology Coordinator
- ** 2.0 FTE School Social Worker
- ** 2.0 FTE Speech & Language Pathologist
- ** 4.0 FTE Specialized Academic Instruction Teachers
- ** 1.0 FTE School Psychologist
- ** 0.5 FTE Expanded Learning Community Coordinator
- ** Bus transportation provided by 2 bus drivers
- ** 2 Reading Intervention Coordinators
- ** Three hour assistant in every classroom, daily, plus 30 minutes for targeted intervention

Fiscal Year 2023-24 Types of Services Funded

** Services provided to both Ridgewood (grades TK – 2) and Cutten School (grades 3 – 6)

Fiscal Year 2022-23 Teacher and Administrative Salaries

This table displays the 2022-23 Teacher and Administrative salaries. For detailed information on salaries, see the CDE Certification Salaries & Benefits web page at <http://www.cde.ca.gov/ds/fd/cs/>.

Category	District Amount	State Average for Districts in Same Category
Beginning Teacher Salary	\$48,633	\$51,352
Mid-Range Teacher Salary	\$67,550	\$80,424
Highest Teacher Salary	\$87,860	\$103,442
Average Principal Salary (Elementary)	\$98,100	\$124,852
Average Principal Salary (Middle)	\$0	\$135,030
Average Principal Salary (High)	\$0	
Superintendent Salary	\$112,200	\$145,237
Percent of Budget for Teacher Salaries	32.49	26.17
Percent of Budget for Administrative Salaries	4.7	6.29

Professional Development

The Cutten District implemented the Leadership Team in 2014. Teachers apply to be on the team and receive an annual stipend of \$2,000. This Team, that includes all administrators, meets weekly to plan professional development opportunities for teachers and evaluate the effectiveness of professional development opportunities offered. This year the team is focusing on the Science of Reading, Math Identity and Instruction Strategies, and Universal Design for Learning. Input is regularly sought from certificated staff to identify areas of focus for professional development. Professional development is offered during our preservice days at the beginning of each school year, and in service day mid year and during our early release collaborative Wednesdays.

The District reimburses teachers for registration to selected professional development opportunities offered through the County Office of Education, and other professional resources.

To evaluate our system for professional growth and improvement for teachers, we survey certificated staff, teachers meet in grade level teams to assess needs, and we meet as a district several times a year to examine student achievement data to help assess need for professional development. New teachers participate in the Teacher Induction Program, formerly known as BTSA and are mentored by veteran teachers. The North Coast School of Education's (NCSOE) North Coast Teacher Induction Program (NCTIP) is a two-year program that provides a link between the skills acquired in the Preliminary Credential Program to the experiences in the classroom. Candidates work with a Mentor Teacher to further develop the knowledge and skills needed to achieve competency in the California Standards. Mentors provide support, experiences, and professional development to help candidates meet the CCTC requirements for a Clear Credential. When a new teacher is hired, experienced teachers provide continual support in all aspects of the profession. Grade level teams meet regularly to provide assistance and support to our newest teachers.

This table displays the number of school days dedicated to staff development and continuous improvement.

Subject	2022-23	2023-24	2024-25
Number of school days dedicated to Staff Development and Continuous Improvement	5	5	5



Pearson

INVOICE

Customer Bill-to:
CUTTEN SD
4182 WALNUT DR
EUREKA, CA 95503-6223

Attention:
Accounts Payable

Customer Contact: Tonja Speed;707-
441-3900;tspeed@cuttensd.org

NCS Pearson, Inc.
5601 Green Valley Dr.
Bloomington, MN 55337
Tax ID No:
41-0850527

Invoice Number : 27189241
Delivery Number : 529647772
Date : 25-NOV-2024
Due Date : 25-NOV-2024
Payment Terms : IMMEDIATE
Customer Account : 3860151
Order Number : 56957245
Currency : USD
Shipment Terms : Prepaid
Certiport Customer ID :
Purchase Order Number :
Number of Pages : Page 1 of 2

Total Ordered Quantity (No. of Items)	Net Amount	USD	\$294.14
	Tax Total	USD	\$22.80
	Invoice Total	USD	\$316.94
	Amount Due	USD	\$0.00

6 Do not send additional payment for this invoice

**** CREDIT CARD REMITTANCE OF \$316.94 PROCESSED ON 25-NOV-24 ****



Pearson

Invoice Number: 27189241

Invoice Number: 27189241								Page 2 of 2	
Order Number	PO Number	Item Number	Item Description	Quantity	List Price	Discount %	Net Price	Tax	Line Total
56957245		30807	BASC-3 PRS PRESCHOOL RECORD FORMS QTY 25 (PRINT)	1	55.70	NET	55.70	4.32	60.02
56957245		30801	BASC-3 TRS PRESCHOOL RECORD FORMS QTY 25 (PRINT)	1	55.20	NET	55.20	4.28	59.48
56957245		30813	BASC-3 PRS ADOLESCENT RECORD FORMS QTY 25 (PRINT)	1	55.70	NET	55.70	4.32	60.02
56957245		30805	BASC-3 TRS ADOLESCENT RECORD FORMS QTY 25 (PRINT)	1	55.70	NET	55.70	4.32	60.02
56957245		30821	BASC-3 SRP ADOLESCENT RECORD FORMS QTY 25 (PRINT)	1	55.20	NET	55.20	4.27	59.47
56957245			FREIGHT Shipping and Handling	1	16.64		16.64	1.28	17.93
				Subtotal	Total Other Charges		Total Tax	Invoice Total	
					USD		USD	USD	USD
					\$277.50		\$16.64	\$22.80	\$36.94

By placing your order, you hereby agree to the Terms and Conditions which govern your purchase: pearsonassessments.com/returns : pearsonassessments.com/terms

For questions, please visit our support site at: <https://www.pearsonassessments.com/contact-us.html>

TRANSMITTAL LETTER

We are pleased to provide our audit proposal to Cutten Elementary School District ("CESD") for the years ending June 30, 2026 through June 30, 2028.

Auditor's responsibility will we be to provide the following:

1. A report on the CESD's financial statements in accordance with auditing standards generally accepted in the United States of America.
2. A report on the CESD's 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*, issued by the Comptroller General of the United States of America.
3. A report on CESD's Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance.
4. A report on CESD's State Compliance.
5. A report on CESD' Measure L's Bond Performance.
6. Perform non-attest services, which is overseen by management and is management's responsibility, as follows:
 - a. Compilation of the CESD's financial statements based off the District's trial balance.
 - b. Spreadsheet calculation of other postemployment benefits ("OPEB") using the alternative measurement method (as specified by Governmental Accounting Standards Board Statement No. 74), based on CalPERS flat file and assumptions, as approved by management.
7. Fee and Hours
 - a. For each fiscal year, not to exceed \$20,000 (year 1), \$21,000 (year 2), and \$22,000 (year 3). Travel is to be fully reimbursed, this will be divided by the other districts we travel to on that trip.
 - b. Approximately 70 hours
8. Timeframe
 - a. Fieldwork on or around June 15th and November 15th
 - b. Report issuance on or around December 15, 2026.
9. Peer review was completed on August 31, 2022 and the result was the same as previous year (**Pass**), please see Firm #900006140576 at the following web address:
https://peerreview.aicpa.org/public_file_search.html

The sections that follow, as required by the RFP, demonstrate our experience and ability to complete the requirements for this audit, as well as our audit approach. This is an irrevocable offer not to exceed sixty (60) days. For purposes of this proposal Robert T. Dennis is authorized to make representations for RT Dennis Accountancy. If you have any questions or concerns please feel free to contact us.



Robert T. Dennis, CPA
Proprietor



PCO #11.1

Adams Commercial General Contracting, Inc.
339 2nd Street
Eureka, California 95501
Phone: (707) 443-6000
Fax: (707) 268-8381

Project: - RWS2 (Ridgewood Elementary Mod., Ph. 2)
2060 Ridgewood Drive
Eureka, California 95503

Prime Contract Potential Change Order #11.1: Insulation Materials Change

TO:	Cutten Elementary School District 4182 Walnut Drive Eureka, California 95503	FROM:	ACGC, Inc. 339 2nd Street Eureka, California 95501
PCO NUMBER/REVISION:	11.1 / 1	CONTRACT:	1 - Prime Contract
REQUEST RECEIVED FROM:	Frederick Bauer (Studio W Architects)	CREATED BY:	Travis Manning (ACGC, Inc.)
STATUS:	Pending - In Review	CREATED DATE:	12/17/2025
REFERENCE:	RFI 13, PCO 008	PRIME CONTRACT CHANGE ORDER:	None
FIELD CHANGE:	No		
LOCATION:		ACCOUNTING METHOD:	Unit/Quantity Based
SCHEDULE IMPACT:		PAID IN FULL:	No
EXECUTED:	No	SIGNED CHANGE ORDER RECEIVED DATE:	
		TOTAL AMOUNT:	(\$3,738.54)

POTENTIAL CHANGE ORDER TITLE: Insulation Materials Change

CHANGE REASON: Client Request

POTENTIAL CHANGE ORDER DESCRIPTION: (The Contract Is Changed As Follows)

Materials Credit to install R21 unfaced batt insulation in lieu of R30 FSK batt insulation.
Revision 1 Credit for removal of ridge vent

ATTACHMENTS:

#	Budget Code	Description	Qty	Units	Unit Cost	Pre-Markup Subtotal	O&P (15.00% Includes Cost Type (5))	O&P (10.00% Includes Cost Type (1))	Subtotal	
1	50400.C Materials.Credit	Credit for insulation materials change	1.0	ls	\$(5,748.13)	\$(5,748.13)	\$0.00	\$0.00	\$(5,748.13)	
2	50400.M Materials	Unfaced R21 Insulation	1.0	ls	\$1,966.63	\$1,966.63	\$294.99	\$0.00	\$2,261.62	
3	53600.C Subcontractors.Credit	Credit for removal of ridge vent	1.0	ls	\$(350.00)	\$(350.00)	\$0.00	\$0.00	\$(350.00)	
						Subtotal:	\$(4,131.50)	\$294.99	\$0.00	\$(3,836.51)
						Bond (1.50%):			\$33.92	
						Insurance (2.79%):			\$64.05	
						Grand Total:			\$(3,738.54)	

Cutten Elementary School District
4182 Walnut Drive
Eureka, California 95503

ACGC, Inc.
339 2nd Street
Eureka, California 95501

12/19/2025

SIGNATURE

DATE

SIGNATURE

DATE

SIGNATURE

DATE

Change Order 1

Celebrating 100 years



PO Box 1111, Eureka, CA 95502
Office 707.443.3088 Fax 707.445.5790
Contractor License Number
Oregon 75780 California 249538
sachlo@mcmurrayandsons.com

Phone number: (707) 443-6000	Date: 12/18/2025
Customer Name ADAMS CONSTRUCTION	Customer Address 339 2nd Street, Eureka, California, 95501
Job Address Ridgewood Elem. School Building A 2060 Ridgewood Drive	Job Number: 161270

SCOPE OF WORK

To: Remove ridge vent from scope of work

\$ 350.00

Weather days and Subcontractor's ability to work in certain weather will be at Subcontractor's discretion only. Over the years Subcontractor has become very attuned to what conditions are safe and workable. Subcontractor will require the ability to monitor their work schedule accordingly.. Weather days shall not affect the scheduled work days for completion unless by written change order.



Signature Date

Adams Commercial General Contracting, Inc.
 339 2nd Street
 Eureka, California 95501
 Phone: (707) 443-6000
 Fax: (707) 268-8381

Project: - RWS2 (Ridgewood Elementary Mod., Ph. 2)
 2060 Ridgewood Drive
 Eureka, California 95503

Prime Contract Potential Change Order #008: Roof spray foam insulation

TO:	Cutten Elementary School District 4182 Walnut Drive Eureka, California 95503	FROM:	ACGC, Inc. 339 2nd Street Eureka, California 95501
PCO NUMBER/REVISION:	008 / 0	CONTRACT:	1 - Prime Contract
REQUEST RECEIVED FROM:	Frederick Bauer (Studio W Architects)	CREATED BY:	Travis Manning (ACGC, Inc.)
STATUS:	Pending - In Review	CREATED DATE:	11/11/2025
REFERENCE:	RFI 15	PRIME CONTRACT CHANGE ORDER:	None
FIELD CHANGE:	No		
LOCATION:		ACCOUNTING METHOD:	Unit/Quantity Based
SCHEDULE IMPACT:		PAID IN FULL:	No
EXECUTED:	No	SIGNED CHANGE ORDER RECEIVED DATE:	
		TOTAL AMOUNT:	\$21,948.81

POTENTIAL CHANGE ORDER TITLE: Roof spray foam insulation

CHANGE REASON: Design Development

POTENTIAL CHANGE ORDER DESCRIPTION: (The Contract Is Changed As Follows)

Labor and materials to provide spray foam insulation @ R11, 2" thick with fire resistant paint coating as per RFI 15.

ATTACHMENTS:

[AA6.1 BUILDING A SECTION_revised roof insulation approach_11.05.25 \(1\).pdf](#)

#	Budget Code	Description	Qty	Units	Unit Cost	Pre-Markup Subtotal	O&P (15.00% Includes Cost Type (5))	O&P (10.00% Includes Cost Type (1))	Subtotal
1	53600.S Subcontractors	Labor and materials per attached quote	1.0	ls	\$19,125.00	\$19,125.00	\$0.00	\$1,912.50	\$21,037.50
						Subtotal:	\$19,125.00	\$0.00	\$1,912.50
									Bond (1.50%): \$315.56
									Insurance (2.79%): \$595.75
									Grand Total: \$21,948.81

Cutten Elementary School District
4182 Walnut Drive
Eureka, California 95503

ACGC, Inc.
339 2nd Street
Eureka, California 95501



11/13/2025

SIGNATURE DATE

SIGNATURE DATE

SIGNATURE DATE



#1041570
License No.

732 B St, Eureka, CA 95501

Estimate

Print Date: 11/11/2025

Page 1 of 1

Estimate #: 81274-00
Date: 11/11/2025
Terms: Due on receipt
PO #:
Plan ID:
Sales Rep: Robert Muir
Phone #: (707) 834-1227
Email: R.Muir.JNG@gmail.com

Customer Name:
ACGC
339 2nd St
Eureka, CA 95502
will@acgeinc.com
P: 707-443-6000

Will

Job Name:
Ridgewood Revised Roof
tmanning@acgeinc.com
P: 707-443-6000

Travis Manning

Description

RIDGEWOOD FOAM ROOF PER SUPPLIED PLANS PACKAGE:

Package Accepted (please circle one): YES / NO

R-11 Closed Cell Foam Sprayed to the underside of the roof sheathing.
DC-315 Fire Paint
DIR# PW-LR 1000532808

RIDGEWOOD FOAM ROOF PER SUPPLIED PLANS PACKAGE TOTAL: \$19,125.00 (Package Is Included In Total)

Terms of Service: All prices quoted are subject to acceptance within a 30 day period. During the completion of the work in this agreement, if additional work not listed in this agreement is required, there will be an additional cost to complete such work. All R Values are average. When spray foam is being sprayed, no one is allowed in the building under any circumstances other than JNG Insulation Pros employees.

The balance shall be paid in full at the completion of the service rendered. Disputed items or minor repairs must be brought to the attention of JNG Insulation Pros within 10 days in writing. Should it become necessary to place this account in the hands of an attorney for collection, the customer agrees to pay costs of collection, including but not limited to, reasonable attorney's fees whether or not suit is filed, based on the unpaid balance. JNG Insulation Pros reserves the right under the Mechanics Lien Law to file a claim against the property for services rendered but not paid.

Please sign and date this quote and return to: jnginsulationpros@gmail.com

Thank you for your business!

AUTHORIZED SALES SIGNATURE

DATE

Subtotal: \$19,125.00

SIGNATURE

PRINT NAME

DATE

Grand Total \$19,125.00