2024-2025 Financial Audit Report

Ontario-Montclair School District

950 West D Street

Ontario, CA 91762

www.omsd.net

Board Approved: January 22, 2026

Financial Statements
June 30, 2025

Ontario-Montclair School District

Independent Auditor's Report

To the Governing Board
Ontario-Montclair School District
Ontario, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ontario-Montclair School 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 *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 15 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

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10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2025

950 West D Street, Ontario, California 91762 • (909) 418-6450 • FAX: (909) 459-2555
BUSINESS SERVICES DIVISION

James Q. Hammond, Ed.D.
Superintendent

Phil Hillman, CPA
Chief Business Official

This section of Ontario-Montclair School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025, with comparative information from the fiscal year ending June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

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

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

The Primary unit of the government is the Ontario-Montclair School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

Governmental Activities - All of the District's services are reported in this category. This includes the education of transitional kindergarten through grade eight students, the operation of child development/preschool activities, and the ongoing effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal grants, State grants, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $165,538,494 for the fiscal year ended June 30, 2025. Of this amount, $(203,040,747) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2025	2024*
Assets		
Current and other assets	$ 332,420,005	$ 359,710,790
Capital assets	330,583,058	315,721,809
Total assets	663,003,063	675,432,599
Deferred Outflows of Resources	122,484,560	135,668,222
Liabilities		
Current liabilities	50,816,345	43,967,367
Long-term liabilities other than OPEB and Pension	169,108,533	156,236,266
Net other postemployment benefits (OPEB) liability	57,876,229	59,047,840
Aggregate net pension liability	302,667,385	330,794,974
Total liabilities	580,468,492	590,046,447
Deferred Inflows of Resources	39,480,637	26,580,316
Net Position		
Net investment in capital assets	217,652,167	203,449,966
Restricted	150,927,074	164,820,407
Unrestricted (deficit)	(203,040,747)	(173,796,315)
Total net position	$ 165,538,494	$ 194,474,058

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 15 for further information.

The $(203,040,747) in unrestricted net position (deficit) of governmental activities represents the accumulated results of all past years' operations.

Changes in Net Position

The results of this year′s operations for the District as a whole are reported in the *Statement of Activities* on page 16. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2025	2024*
Revenues		
Program revenues		
Charges for services and sales	$ 3,419,984	$ 1,770,116
Operating grants and contributions	148,502,189	187,264,020
Capital grants and contributions	1,722,008	1,675,051
General revenues		
Federal and State aid not restricted	241,136,848	249,410,626
Property taxes	44,070,788	41,321,551
Other general revenues	16,813,276	16,379,601
Total revenues	455,665,093	497,820,965
Expenses		
Instruction-related	332,109,317	336,729,705
Pupil services	62,839,915	61,834,436
Administration	26,477,002	26,231,503
Plant services	35,245,182	35,178,623
All other services	9,501,500	8,116,980
Total expenses	466,172,916	468,091,247
Change in net position	$ (10,507,823)	$ 29,729,718

* The expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 15 for further information.

Governmental Activities

As reported in the *Statement of Activities* on page 16, the cost of all of our governmental activities this year was $466,172,916. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $44,070,788, because the cost was paid by those who benefited from the programs ($3,419,984) or by other governments and organizations who subsidized certain programs with grants and contributions ($150,224,197). We paid for the remaining "public benefit" portion of our governmental activities with $257,950,124 in Federal and State funds and with other revenues, like interest and general entitlements.

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

Table 3

	2025		2024*	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction-related	$ 332,109,317	$ (253,231,665)	$ 336,729,705	$ (230,254,985)
Pupil services	62,839,915	(30,670,692)	61,834,436	(30,255,999)
Administration	26,477,002	(21,473,592)	26,231,503	(20,731,123)
Plant services	35,245,182	(12,687,786)	35,178,623	5,521,571
All other services	9,501,500	5,535,000	8,116,980	(1,661,524)
Total	$ 466,172,916	$ (312,528,735)	$ 468,091,247	$ (277,382,060)

* The expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 15 for further information.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $259,543,992, which is a decrease of $35,723,752, or 12.1% from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	July 1, 2024	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2025
General	$ 201,099,478	$ 417,566,355	$ 451,600,224	$ 167,065,609
Student Activity	470,575	970,813	907,777	533,611
Child Development	2,217,178	5,722,720	5,346,448	2,593,450
Cafeteria	9,010,099	22,815,195	22,630,388	9,194,906
Deferred Maintenance	273	16	-	289
Building	28,235,977	1,564,169	8,338,152	21,461,994
Capital Facilities	4,677,610	3,335,431	52,825	7,960,216
County School Facilities	10,201,819	1,722,008	2,352,146	9,571,681
Special Reserve Fund for Capital Outlay Projects	28,516,408	6,933,112	4,703,695	30,745,825
Bond Interest and Redemption	10,838,327	9,647,628	10,069,544	10,416,411
Total	$ 295,267,744	$ 470,277,447	$ 506,001,199	$ 259,543,992

Over the course of the year, the District revises its Budget as it attempts to deal with unexpected changes in revenues and expenditures. The final revision to the Budget was posted as of June 30, 2025. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 70.)

As is typical of any fiscal year, revisions were made to the 2024-2025 Budget due to State budget updates, changes in student enrollment and attendance, changes to Federal, State, and Local grant awards, and other revisions to revenue and expenditure accounts as warranted by changing conditions, such as collective bargaining settlements.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2025, the District had a carrying value of $330,583,058 in a broad range of capital assets (net of depreciation and amortization), including land and construction in progress, buildings and improvements, equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, depreciation, and amortization) of $14,861,249 or 4.7%, from last year.

Table 5

	Governmental Activities	
	2025	2024
Land and construction in progress	$ 21,788,476	$ 43,489,891
Buildings and improvements	297,961,306	261,033,049
Equipment	7,897,918	6,432,474
Right-to-use leased assets	1,712,959	1,958,562
Right-to-use subscription IT assets	1,222,399	2,807,833
Total	$ 330,583,058	$ 315,721,809

Several capital projects were planned for the 2024-2025 year. We present more detailed information about our capital assets in the notes to financial statements.

Long-Term Liabilities other than OPEB and Pension

At the end of this year, the District had $169,108,533 in long-term liabilities other than OPEB and pension outstanding versus $156,236,266 last year, resulting in an increase of $12,872,267, or 8.24%, from last year. Those long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2025	2024*
General obligation bonds - net (financed with property taxes)	$ 143,063,353	$ 147,156,191
Compensated absences	22,848,741	5,012,928
Leases	1,790,771	2,064,195
Subscription-based IT arrangements	882,878	1,561,228
Claims liability	522,790	441,724
Total	$ 169,108,533	$ 156,236,266

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 15 for further information.

We present more detailed information regarding our long-term liabilities in the notes to financial statements.

OPEB and Pension Liabilities

At year-end, the District had a net OPEB liability of $57,876,229 versus $59,047,840 last year, resulting in a decrease of $1,171,611, or 2.0%, from last year.

In addition, at year end, the District had an aggregate net pension liability of $302,667,385 versus $330,794,974 last year, resulting in a decrease of $28,127,589, or 8.5%, from last year.

We present more detailed information regarding our OPEB and pension liabilities in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget, for the 2025-2026 year, which was adopted on June 26, 2025, the District Board of Trustees and management used the following criteria and assumptions:

A. ADA Assumptions

1. Regular ADA (excluding County Office of Education ADA) is estimated to decline in fiscal year 2025-2026:
   a. 2025-2026: 16,739 Estimated P-2 (Estimates will be revised at 1st Interim Budget based on actual enrollment)
   b. 2024-2025: 17,100 Actual P-2 2023-2024: 17,129 Actual P-2

B. Revenue Assumptions

1. Local Control Funding Formula (LCFF) is budgeted to increase to $266.1 million:
   a. Cost of Living Adjustment (COLA) of 2.30%.
   b. A three-year rolling average unduplicated pupil percentage of 89.31%, the count of pupils who are English Learner students, Free or Reduced-Price Meal students, and/or Foster Youth.
   c. Local property taxes of $32,438,795.

C. Expenditure Assumptions

1. Step and column salary increases have been provided for all applicable contract positions. In addition, due to the pension reform, the District has increased its contribution to CalPERS and CalSTRS.
2. Federal, State, Local categorical grants, along with entitlement programs, are budgeted based on the expenditure spending plan.

D. Fund Balance

The total District budgeted 2025-2026 Ending Fund Balance is based on the District's 2024-2025 General Fund Estimated Actuals Report and 2025-2026 General Fund Adopted Budget Report. This balance is estimated to be $110.3 million, which includes but not limited to, Nonspendable balances of $0.6 million, Assigned balances of $42.4 million, Restricted balances of $54.4 million, and an Economic Uncertainties balance of $12.9 million.

E. Multi-Year Projection

In order to obtain a positive certification on State-required Interim Financial Reports, the District must prepare, and the District Governing Board of Trustees approve, a Multi-Year Projection that includes a solvent financial picture for the current fiscal year (2025-2026) and two subsequent fiscal years (2026-2027 and 2027-2028).

F. Subsequent Budget Revisions

After the 2025-2026 Budget Adoption, the District submitted budget revisions at 1st Interim Budget reflecting the changes in LCFF revenue due to changes in projected enrollment, Unduplicated Pupil Count and changes in the funded ADA projections. The District also submitted expenditure changes based on 2025-2026 collective bargaining agreements.

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 the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Business Official, Mr. Phil Hillman, CPA, at Ontario-Montclair School District, 950 West D Street, Ontario, California 91762 or email at Phil.Hillman@omsd.net.

	Governmental Activities
Assets	
Deposits and investments	$ 285,002,094
Restricted assets - pension trust	7,021,823
Receivables	38,631,721
Prepaid expense	724,760
Stores inventories	1,039,607
Capital assets not depreciated or amortized	21,788,476
Capital assets, net of accumulated depreciation and amortization	308,794,582
Total assets	663,003,063
Deferred Outflows of Resources	
Deferred charge on refunding	425,655
Deferred outflows of resources related to OPEB	3,339,033
Deferred outflows of resources related to pensions	118,719,872
Total deferred outflows of resources	122,484,560
Liabilities	
Accounts payable	44,525,913
Accrued interest payable	2,204,872
Unearned revenue	4,085,560
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	7,538,113
OPEB liability due within one year	2,163,976
Long-term liabilities other than OPEB and pensions due in more than one year	161,570,420
Other postemployment benefits (OPEB) liability due in more than one year	55,712,253
Aggregate net pension liability	302,667,385
Total liabilities	580,468,492
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	12,071,859
Deferred inflows of resources related to pensions	27,408,778
Total deferred inflows of resources	39,480,637
Net Position	
Net investment in capital assets	217,652,167
Restricted for	
Debt service	8,058,787
Capital projects	17,531,897
Educational programs	83,435,309
Self-insurance	23,741,750
Cafeteria	8,587,318
Other activities	2,550,190
Other restrictions - pension trust	7,021,823
Unrestricted (deficit)	(203,040,747)
Total net position	$ 165,538,494

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 295,535,271	$ 703,893	$ 71,467,040	$ 1,722,008	$ (221,642,330)
Instruction-related activities					
Supervision of instruction	9,080,276	62,686	2,600,470	-	(6,417,120)
Instructional library, media, and technology	1,274,389	-	177,815	-	(1,096,574)
School site administration	26,219,381	2,350	2,141,390	-	(24,075,641)
Pupil services					
Home-to-school transportation	7,578,614	-	114,461	-	(7,464,153)
Food services	20,484,980	782	20,118,235	-	(365,963)
All other pupil services	34,776,321	646,239	11,289,506	-	(22,840,576)
Administration					
Data processing	10,152,813	-	357,706	-	(9,795,107)
All other administration	16,324,189	93,575	4,552,129	-	(11,678,485)
Plant services	35,245,182	98,546	22,458,850	-	(12,687,786)
Ancillary services	921,872	-	978,794	-	56,922
Enterprise services	1,666,931	-	-	-	(1,666,931)
Interest on long-term liabilities	6,173,681	-	-	-	(6,173,681)
Other outgo	739,016	1,811,913	12,245,793	-	13,318,690
Total governmental activities	$ 466,172,916	$ 3,419,984	$ 148,502,189	$ 1,722,008	(312,528,735)
General Revenues and Subventions					
Property taxes, levied for general purposes					32,493,650
Property taxes, levied for debt service					9,111,376
Taxes levied for other specific purposes					2,465,762
Federal and State aid not restricted to specific purposes					241,136,848
Interest, investment earnings and change in fair market valuations					11,894,768
Miscellaneous					4,918,508
Total general revenues and subventions					302,020,912
Change in Net Position					(10,507,823)
Net Position - Beginning, as previously reported					194,474,058
Adjustments (Note 15)					(18,427,741)
Net Position - Beginning, as restated					176,046,317
Net Position - Ending					$ 165,538,494

	General Fund	Building Fund	Total Non-Major Governmental Funds	Total Governmental Funds
Assets				
Deposits and investments	$ 176,117,283	$ 21,311,927	$ 64,819,906	$ 262,249,116
Restricted assets - pension trust	7,021,823	-	-	7,021,823
Receivables	33,058,485	298,221	5,013,925	38,370,631
Due from other funds	4,471,100	-	4,275,196	8,746,296
Prepaid expenditures	724,760	-	-	724,760
Stores inventories	468,569	-	571,038	1,039,607
Total assets	$ 221,862,020	$ 21,610,148	$ 74,680,065	$ 318,152,233
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 41,068,665	$ 148,154	$ 1,561,694	$ 42,778,513
Due to other funds	9,642,186	-	2,101,982	11,744,168
Unearned revenue	4,085,560	-	-	4,085,560
Total liabilities	54,796,411	148,154	3,663,676	58,608,241
Fund Balances				
Nonspendable	1,293,329	-	607,588	1,900,917
Restricted	90,457,132	21,461,994	39,085,816	151,004,942
Committed	-	-	289	289
Assigned	61,767,141	-	31,322,696	93,089,837
Unassigned	13,548,007	-	-	13,548,007
Total fund balances	167,065,609	21,461,994	71,016,389	259,543,992
Total liabilities and fund balances	$ 221,862,020	$ 21,610,148	$ 74,680,065	$ 318,152,233

Total Fund Balance - Governmental Funds		$ 259,543,992
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 549,611,325	
Accumulated depreciation and amortization is	(219,028,267)	
Net capital assets		330,583,058
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(2,204,872)
An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.		23,741,750
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Deferred charge on refunding	425,655	
Other postemployment benefits (OPEB) liability	3,339,033	
Aggregate net pension liability	118,719,872	
Total deferred outflows of resources		122,484,560
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Other postemployment benefits (OPEB) liability	(12,071,859)	
Aggregate net pension liability	(27,408,778)	
Total deferred inflows of resources		(39,480,637)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(302,667,385)

The District’s OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		$ (57,876,229)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds	$ (123,330,016)	
Unamortized premium	(8,814,875)	
Compensated absences	(22,848,741)	
Leases	(1,790,771)	
Subscription-based IT arrangements	(882,878)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest on the general obligation bonds to date is	(10,918,462)	
Total long-term liabilities		(168,585,743)
Total net position - governmental activities		$ 165,538,494

	General Fund	Building Fund	Total Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Local Control Funding Formula (LCFF)	$ 266,163,555	$ -	$ -	$ 266,163,555
Federal sources	23,559,976	-	17,762,027	41,322,003
Other State sources	86,246,820	-	11,318,441	97,565,261
Other local sources	39,002,768	1,564,169	16,710,383	57,277,320
Total revenues	414,973,119	1,564,169	45,790,851	462,328,139
Expenditures				
Current				
Instruction	287,633,382	-	4,445,930	292,079,312
Instruction-related activities				
Supervision of instruction	8,841,950	-	382,408	9,224,358
Instructional library, media, and technology	1,277,773	-	-	1,277,773
School site administration	26,735,482	-	217,105	26,952,587
Pupil services				
Home-to-school transportation	8,860,016	-	-	8,860,016
Food services	217,679	-	19,395,771	19,613,450
All other pupil services	35,221,884	-	27,091	35,248,975
Administration				
Data processing	9,179,854	-	-	9,179,854
All other administration	15,014,430	-	905,798	15,920,228
Plant services	32,794,143	-	1,750,028	34,544,171
Ancillary services	25,660	-	907,777	933,437
Other outgo	739,016	-	-	739,016
Facility acquisition and construction	14,376,797	8,338,152	6,090,940	28,805,889
Debt service				
Principal	1,692,309	-	4,762,270	6,454,579
Interest and other	164,100	-	5,407,274	5,571,374
Total expenditures	442,774,475	8,338,152	44,292,392	495,405,019
Excess (Deficiency) of Revenues Over Expenditures	(27,801,356)	(6,773,983)	1,498,459	(33,076,880)
Other Financing Sources (Uses)				
Transfers in	1,770,431	-	5,356,072	7,126,503
Other sources - leases	557,827	-	-	557,827
Other sources - SBITAs	264,978	-	-	264,978
Transfers out	(8,825,749)	-	(1,770,431)	(10,596,180)
Net Financing Sources (Uses)	(6,232,513)	-	3,585,641	(2,646,872)
Net Change in Fund Balances	(34,033,869)	(6,773,983)	5,084,100	(35,723,752)
Fund Balance - Beginning	201,099,478	28,235,977	65,932,289	295,267,744
Fund Balance - Ending	$ 167,065,609	$ 21,461,994	$ 71,016,389	$ 259,543,992

Total Net Change in Fund Balances - Governmental Funds		$ (35,723,752)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlay to purchase, build, or lease capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation and amortization expense in the period.		
Capital outlay	$ 31,764,710	
Depreciation and amortization expense	(16,900,110)	
Net expense adjustment		14,864,600
A loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(3,351)
Right-to-use leased assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(557,827)
Right-to-use subscription IT assets acquired this year were financed with Subscription-Based IT Arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(264,978)
In the Statement of Activities, certain operating expenses, such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between compensated absences earned and used.		591,928
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows/inflows of resources and net pension liability during the year.		6,292,906

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows/inflows of resources and OPEB liability during the year.	$ (2,986,168)
Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	574,683
Deferred charge on refunding amortization	(91,521)
Payments of principal on long-term liabilities is an expenditure in the governmental funds, but reduce long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	2,860,000
Private placement debt issuances	1,820,000
Leases	831,251
Subscription-based IT arrangements	943,328
Interest on long-term liabilities in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the net result of two factors. First, accrued interest on the general obligation bonds decreased by $76,376, and second, $1,161,845 of additional accumulated interest was accreted on the District's "capital appreciation" general obligation bonds.	(1,085,469)
An Internal Service Fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	1,426,547
Change in net position of governmental activities	$ (10,507,823)

	Governmental Activities - Internal Service Fund
Assets	
Current assets	
Deposits and investments	$ 22,752,978
Receivables	261,090
Due from other funds	5,366,990
Total current assets	28,381,058
Liabilities	
Current liabilities	
Accounts payable	1,747,400
Due to other funds	2,369,118
Current portion of claims liability	130,928
Total current liabilities	4,247,446
Noncurrent liabilities	
Noncurrent portion of claims liability	391,862
Total liabilities	4,639,308
Net Position	
Restricted	$ 23,741,750

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges to other funds for services	$ 4,358,380
Other local revenues	603,283
Total operating revenues	4,961,663
Operating Expenses	
Payroll costs	255,526
Supplies and materials	103,528
Insurance	7,772,635
Other operating cost	105,729
Total operating expenses	8,237,418
Operating Loss	(3,275,755)
Nonoperating Revenues	
Fair market value adjustments	309,633
Interest income	922,992
Total nonoperating revenues	1,232,625
Loss before transfers	(2,043,130)
Transfers in	3,469,677
Change in Net Position	1,426,547
Total Net Position - Beginning	22,315,203
Total Net Position - Ending	$ 23,741,750

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash received from assessments made to other funds	$ 5,600,113
Cash received for miscellaneous revenues and reimbursements	603,283
Cash payments to employees for services	(255,526)
Other operating cash payments	(209,257)
Cash payments for claims	(7,452,730)
Net Cash Used for Operating Activities	(1,714,117)
Investing Activities	
Fair market value adjustments	309,633
Interest on investments	959,980
Net Cash From Investing Activities	1,269,613
Noncapital Financing Activities	
Transfer in from other funds	3,469,677
Net Change in Cash and Cash Equivalents	3,025,173
Cash and Cash Equivalents - Beginning	19,727,805
Cash and Cash Equivalents - Ending	$ 22,752,978
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	$ (3,275,755)
Changes in assets and liabilities	
Receivables	(56,983)
Due from other funds	974,142
Accounts payable	238,839
Due to other funds	324,574
Claims liability and SELF assessments	81,066
Net Cash Used for Operating Activities	$ (1,714,117)

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Ontario-Montclair School District (the District) was organized in 1884 under the laws of the State of California. The District operates under a locally-elected five-member Board form of government and provides educational services to grades TK-8 as mandated by the State. The District operates 26 elementary schools, 6 middle schools, an Online Academy, a community day school, an independent study program, and a childcare program.

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

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

Two funds currently defined as special revenue funds in the *California State Accounting Manual* (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, *Special Reserve Fund for Other Than Capital Outlay Projects*, and Fund 20, *Special Reserve Fund for Postemployment Benefits*, are not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as extensions of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of $18,946,186.

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

Non-Major Governmental Funds

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

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

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

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

- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for State apportionments and the District's contributions for deferred maintenance purposes (*Education Code* Sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

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

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

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

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

Debt Service Funds The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term liabilities.

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

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

- **Internal Service Fund** Internal Service Funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates Workers′ Compensation, Property and Liability, and Other Postemployment Benefit programs that are accounted for in the Internal Service Fund.

Basis of Accounting - Measurement Focus

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

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

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

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 fund is presented in a separate column. Non-major governmental funds are aggregated and presented in a single column. The Internal Service Fund is presented in a single column on the face of the proprietary fund statements.

- **Governmental Funds** All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances report on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

Restricted Assets - Pension Trust

The District has established an irrevocable trust with Public Agency Retirement Services (PARS) for the express purpose of accumulating resources to pay future CalPERS and CalSTRS employer contributions. As of June 30, 2025, the balance of the trust was $7,021,823.

Prepaid Expenditures (Expenses)

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

Stores Inventories

Stores inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental type funds when consumed rather than when purchased.

Capital Assets, Depreciation, and Amortization

Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $15,000. Federally funded assets maintain a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statement of net position. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and improvements, 20 to 50 years; vehicles, eight to 15 years; equipment, two to 15 years. Land is not depreciated.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right-to-use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from three to five years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right-to-use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from two to five years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities column of the Statement of Net Position.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, a liability for compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District’s financial statements. Credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District’s liability for compensated absences.

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums, and Discounts

Debt premiums, discounts, and debt issuance costs related to prepaid insurance are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Lease Liabilities

Lease liabilities represent the District's obligation to make lease payments arising from the lease. The District recognizes a lease liability in the government-wide financial statements. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

Subscription Liabilities

Subscription liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of the subscription payments is discounted based on a borrowing rate determined by the District.

Fund Balances - Governmental Funds

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and liabilities. Net position related to net of investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $150,927,074 of net position restricted by enabling legislation.

Operating Revenues and Expenses - Proprietary Funds

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

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental columns of the Statement of Activities.

Estimates

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

Property Tax

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

Adoption of New Accounting Standard

Implementation of GASB Statement No. 101

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 15.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

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

Governmental activities	$ 285,002,094

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

Cash on hand and in banks	$ 539,540
Cash with fiscal agent	88,000
Cash in revolving	136,550
Investments	284,238,004
Total deposits and investments	$ 285,002,094

Policies and Practices

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

Investment in County Treasury

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

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by primarily investing in the San Bernardino County Treasury Investment Pool.

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

Investment Type	Reported Amount	Weighted Average Maturity in Days/ Maturity Date
San Bernardino County Treasury Investment Pool	$ 284,238,004	729

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the San Bernardino County Investment Pool were rated by Fitch Ratings as AAAf/S1.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, $347,436 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized by securities held by the pledging financial institution, but not in the name of the District.

Note 3 - Receivables

Receivables at June 30, 2025, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Funds
Federal Government					
Categorical aid	$ 5,038,428	$ -	$ 3,016,955	$ 8,055,383	$ -
State Government					
Categorical aid	22,408,778	-	1,358,435	23,767,213	-
Lottery	1,118,341	-	-	1,118,341	-
Special education	1,674,607	-	-	1,674,607	-
Local Government					
Interest	1,988,436	298,221	625,593	2,912,250	247,510
Other local sources	829,895	-	12,942	842,837	13,580
Total	$ 33,058,485	$ 298,221	$ 5,013,925	$ 38,370,631	$ 261,090

Note 4 - Capital Assets

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

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	$ 6,160,798	$ -	$ -	$ 6,160,798
Construction in progress	37,329,093	23,075,622	(44,777,037)	15,627,678
Total capital assets not being depreciated or amortized	43,489,891	23,075,622	(44,777,037)	21,788,476
Capital assets being depreciated and amortized				
Buildings and improvements	410,575,721	37,217,732	-	447,793,453
Site improvements	31,708,964	12,303,584	-	44,012,548
Furniture and equipment	26,830,479	2,628,270	(216,303)	29,242,446
Right-to-use leased buildings and improvements	1,268,524	557,827	-	1,826,351
Right-to-use leased furniture and equipment	1,744,992	-	(306,650)	1,438,342
Right-to-use subscription IT assets	5,658,183	758,712	(2,907,186)	3,509,709
Total capital assets being depreciated and amortized	477,786,863	53,466,125	(3,430,139)	527,822,849
Total capital assets	521,276,754	76,541,747	(48,207,176)	549,611,325
Accumulated depreciation and amortization				
Buildings and improvements	(165,518,208)	(11,318,489)	-	(176,836,697)
Site improvements	(15,733,428)	(1,274,570)	-	(17,007,998)
Furniture and equipment	(20,398,005)	(1,159,475)	212,952	(21,344,528)
Right-to-use leased buildings and improvements	(430,057)	(523,029)	-	(953,086)
Right-to-use leased furniture and equipment	(624,897)	(280,401)	306,650	(598,648)
Right-to-use subscription IT assets	(2,850,350)	(2,344,146)	2,907,186	(2,287,310)
Total accumulated depreciation and amortization	(205,554,945)	(16,900,110)	3,426,788	(219,028,267)
Net depreciable and amortizable capital assets	272,231,918	36,566,015	(3,351)	308,794,582
Governmental activities capital assets, net	$ 315,721,809	$ 59,641,637	$ (44,780,388)	$ 330,583,058

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

Instruction	$ 12,188,109
Supervision of instruction	16,481
School site administration	4,111
Home-to-school transportation	1,485
Food services	1,058,016
All other pupil services	328,895
Data processing	1,161,594
All other administration	1,380,376
Plant services	761,043
Total depreciation and amortization expense, governmental activities	$ 16,900,110

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2025, between major and non-major governmental funds, and the internal service fund are as follows:

	Due From			
Due To	General Fund	Non-Major Governmental Funds	Internal Service Fund	Total
General Fund	$ -	$ 2,101,982	$ 2,369,118	$ 4,471,100
Non-Major Governmental Funds	4,275,196	-	-	4,275,196
Internal Service Fund	5,366,990	-	-	5,366,990
Total	$ 9,642,186	$ 2,101,982	$ 2,369,118	$ 14,113,286

A balance of $849,520 is due to the General Fund from the Child Development Non-Major Governmental Fund for the reimbursement of payroll and indirect costs.

A balance of $1,246,961 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for the reimbursement of payroll and indirect costs.

The balance of $2,369,118 is due to the General Fund from the Internal Service Fund for the reimbursement of operating costs.

A balance of $4,155,094 is due to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects from the General Fund for Redevelopment Dissolution Act (RDA) tax revenues and facility and technology costs.

A balance of $120,102 is due to the Cafeteria Non-Major Governmental Fund from the General Fund for reimbursement of operating costs.

The balance of $5,366,990 is due to the Internal Service Fund from the General Fund for charges for workers' compensation insurance, property and liability insurance, and for a contribution for the other postemployment benefits (OPEB) liability.

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

Operating Transfers

Interfund transfers for the year ended June 30, 2025, consisted of the following:

	Transfers From		
Transfer To	General Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 1,770,431	$ 1,770,431
Non-Major Governmental Funds	5,356,072	-	5,356,072
Internal Service Fund	3,469,677	-	3,469,677
Total	$ 8,825,749	$ 1,770,431	$ 10,596,180

The Special Reserve Non-Major Governmental Fund for Capital Outlay Projects transferred to the General Fund for replacement of student and staff devices.	$ 1,770,431
The General Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for capital project reserves, redevelopment funds, and technology project reserves.	5,356,072
The General Fund transferred to the Internal Service Fund for property and liability claims.	3,469,677
Total	$ 10,596,180

Note 6 - Accounts Payable

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

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Funds
Vendor payables	$ 10,008,779	$ 148,154	$ 1,180,798	$ 11,337,731	$ 1,747,400
LCFF apportionment	10,045,751	-	-	10,045,751	-
Salaries and benefits	21,014,135	-	380,896	21,395,031	-
Total	$ 41,068,665	$ 148,154	$ 1,561,694	$ 42,778,513	$ 1,747,400

Note 7 - Unearned Revenue

Unearned revenue at June 30, 2025, consisted of the following:

	General Fund
Federal financial assistance	$ 591,959
State categorical aid	1,319,090
Other local	2,174,511
Total	$ 4,085,560

Note 8 - Long-Term Liabilities Other than OPEB and Pension

Summary

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

	Balance July 1, 2024, as Restated	Additions	Deductions	Balance June 30, 2025	Due in One Year
General obligation bonds	$ 129,621,633	$ 1,161,845	$ (2,860,000)	$ 127,923,478	$ 1,085,000
Unamortized premium	9,389,558	-	(574,683)	8,814,875	-
Private placement debt - General obligation bonds	8,145,000	-	(1,820,000)	6,325,000	1,960,000
Compensated absences	23,440,669	-	(591,928)	22,848,741	2,974,980
Leases	2,064,195	557,827	(831,251)	1,790,771	809,862
Subscription-based IT arrangements	1,561,228	264,978	(943,328)	882,878	577,343
Claims liability	441,724	208,825	(127,759)	522,790	130,928
Total	$ 174,664,007	$ 2,193,475	$ (7,748,949)	$ 169,108,533	$ 7,538,113

The change in compensated absences is presented as a net change.

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. The leases are paid by the General Fund and Special Reserve Fund for Capital Outlay Projects. The subscription-based IT arrangements are paid by the General Fund. The claims liability is paid by the Internal Service Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	July 1, 2024	Accreted Interest	Redeemed	June 30, 2025
Series B	2006	8/1/2030	4.50-5.00%	$ 9,999,646	$ 2,985,091	$ 243,579	$ -	$ 3,228,670
Series C	2008	8/1/2032	4.50-8.90%	7,999,994	3,535,388	236,749	-	3,772,137
Series D	2009	8/1/2030	2.00-6.56%	4,100,263	7,511,154	681,517	-	8,192,671
2016 Refunding Series A	2016	8/1/2027	3.00-5.00%	4,280,000	2,150,000	-	(470,000)	1,680,000
2016 Refunding Series B	2016	8/1/2034	2.50-5.00%	18,770,000	15,905,000	-	(970,000)	14,935,000
Series 2017A	2017	8/1/2046	2.00-5.00%	35,000,000	25,505,000	-	(100,000)	25,405,000
Series 2019B	2019	8/1/2048	4.00-5.00%	45,000,000	42,030,000	-	(1,320,000)	40,710,000
Series 2023C	2023	8/1/2052	5.00%	30,000,000	30,000,000	-	-	30,000,000
2013 Refunding	2013	8/1/2027	3.25%	19,835,000	8,145,000	-	(1,820,000)	6,325,000
					$ 137,766,633	$ 1,161,845	$ (4,680,000)	$ 134,248,478

Debt Service Requirements to Maturity – Includes Private Placement Debt

The General Obligation Bonds mature through 2053 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Current Interest to Maturity	Total
2026	$ 3,045,000	$ -	$ 5,234,219	$ 8,279,219
2027	4,000,000	-	5,125,388	9,125,388
2028	4,500,000	678,762	5,017,331	10,196,093
2029	3,600,555	2,541,032	4,949,931	11,091,518
2030	4,316,440	651,778	4,925,106	9,893,324
2031-2035	27,611,483	2,024,951	22,920,266	52,556,700
2036-2040	12,900,000	-	19,197,788	32,097,788
2041-2045	21,705,000	-	14,688,625	36,393,625
2046-2050	36,125,000	-	7,781,281	43,906,281
2051-2053	16,445,000	-	1,348,856	17,793,856
Total	$ 134,248,478	$ 5,896,523	$ 91,188,791	$ 231,333,792

Leases

The District has entered into agreements to lease various equipment and two warehouses. As of June 30, 2025, the District recognized right-to-use leased assets totaling $1,712,959 and lease liabilities totaling $1,790,771 related to these agreements. The District is required to make principal and interest payments through November 2028 and the lease agreements have a discount rate of 5.0%.

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 809,862	$ 73,137	$ 882,999
2027	567,042	36,257	603,299
2028	372,885	14,417	387,302
2029	40,982	504	41,486
Total	$ 1,790,771	$ 124,315	$ 1,915,086

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District entered into SBITAs for the use of instructional, data management, video communication, and student information software. At June 30, 2025, the District has recognized total right-to-use subscription IT assets of $1,222,399 and total SBITA liabilities of $882,878 related to these agreements. During the fiscal year, the District recorded $2,344,146 in amortization expense related to these agreements. The District is required to make annual principal and interest payments through June 2028. The subscriptions have interest rates ranging from 4.0% to 5.0%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 577,343	$ 39,011	$ 616,354
2027	183,881	13,047	196,928
2028	121,654	4,866	126,520
Total	$ 882,878	$ 56,924	$ 939,802

Claims Liability

The District is self-insured against claims for workers' compensation injuries, and property and liability claims. The liability as of June 30, 2025, totaling $522,790 is made up of $31,789 for the claims obligation for the workers' compensation program as established by an actuarial study performed by a third party and $491,001 for the claims obligation established for the property and liability insurance program based on an estimate of claims outstanding at year end.

Note 9 - Other Postemployment Benefit (OPEB) Liability

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

OPEB Plan	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plans	$ 56,909,407	$ 3,339,033	$ 12,071,859	$ 5,838,770
Medicare Premium Payment (MPP) Program	966,822	-	-	(173,575)
Total	$ 57,876,229	$ 3,339,033	$ 12,071,859	$ 5,665,195

The details of each plan are as follows:

District Plans

OPEB Plan	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
General Trust	$ 56,133,485	$ 3,335,669	$ 12,071,859	$ 5,829,033
Grantor Trust	701,630	3,364	-	16,311
Board of Trustees	74,292	-	-	(6,574)
Total	$ 56,909,407	$ 3,339,033	$ 12,071,859	$ 5,838,770

Plan Administration

The District's General Trust and Grantor Trust Postemployment Benefits Plans are administered by Public Agency Retirement Services (PARS), whereas the Board of Trustees Postemployment Benefits Plan is administered by the District's governing board. These Plans are single-employer defined benefit plans that provide other postemployment benefits (OPEB) to eligible retirees and their spouses. For the Board of Trustees Plan, no assets are held in a trust that satisfies the criteria outlined in paragraph 4 of GASB Statement No. 75.

Financial information for PARS can be found on the PARS website at: https://www.pars.org/.

Plans Membership

At the June 30, 2024 valuation date, the Plans' membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	163
Active employees	2,653
	2,816

Benefits Provided

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

Contributions

The contribution requirements of the Plans members and the District are established and may be amended by the District, the Ontario-Montclair Teachers Association (OMTA), the local California Service Employees Association (CSEA), and unrepresented groups. Voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, OMTA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2025, the District contributed $2,674,430 to the Plans, all of which was used for current benefits.

Net OPEB Liability of the District

The District's net OPEB liability of $56,909,407 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. The components of the net OPEB liability of the District at June 30, 2025, were as follows:

Total OPEB liability	$ 70,973,342
Plan fiduciary net position	(14,063,935)
District's net OPEB liability	$ 56,909,407
Plan fiduciary net position as a percentage of the total OPEB liability	19.82%

Actuarial Assumptions

The total OPEB liability as of June 30, 2025 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2024 and rolling forward the total OPEB liability to June 30, 2025. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

General Trust	
Inflation	2.50%
Salary increases	2.75%, average, including inflation
Investment rate of return	5.47%, net of OPEB plan investment expense, including inflation for 2025
Health care cost trend rates	4.00%

The discount rate was based on the real rate of return expected for plan assets plus long-term inflation assumption.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Mortality for Miscellaneous and Schools Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The long-term expected rate of return on OPEB plan investment was determined using a rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average.

Asset Class	Percentage of Portfolio	Assumed Gross Return
All U.S. Domestic Stock	60%	7.250%
Long-Term Corporate Bonds	40%	4.250%

Grantor Trust	
Inflation	2.50%
Salary increases	2.75%, average, including inflation
Investment rate of return	5.20%, net of OPEB plan investment expense, including inflation for 2025
Health care cost trend rates	4.00%

The discount rate was based on the real rate of return expected for plan assets plus long-term inflation assumption.

Mortality rates were based on the 2021 CalPERS Mortality for Miscellaneous and Schools Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The long-term expected rate of return on OPEB plan investment was determined using a rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average.

Asset Class	Percentage of Portfolio	Assumed Gross Return
All U.S. Domestic Stock	60%	7.250%
Long-Term Corporate Bonds	40%	4.250%

Board of Trustees

Inflation	2.50%
Salary increases	2.75%, average, including inflation
Discount rate	5.20% for 2025
Health care cost trend rates	4.00%

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

Mortality rates were based on the 2021 CalPERS Retiree Mortality for Miscellaneous and Schools Employees Table for miscellaneous employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actual experience study for the period July 1, 2023 to June 30, 2024.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2024	$ 70,797,607	$ 12,890,164	$ 57,907,443
Service cost	4,233,327	-	4,233,327
Interest	3,328,873	-	3,328,873
Contributions-employer	-	2,674,430	(2,674,430)
Net investment income	-	1,276,475	(1,276,475)
Changes of assumptions	(4,707,438)	-	(4,707,438)
Benefit payments	(2,679,027)	(2,674,430)	(4,597)
Administrative expense	-	(102,704)	102,704
Net change in total OPEB liability	175,735	1,173,771	(998,036)
Balance at June 30, 2025	$ 70,973,342	$ 14,063,935	$ 56,909,407

Changes of assumptions and other inputs reflect the following:

- The General Trust plan investment rate of return changed from 4.65% in 2024 to 5.47% in 2025.
- The Grantor Trust plan investment rate of return changed from 4.75% in 2024 to 5.20% in 2025.
- The Board of Trustees plan discount rate changed from 3.93% in 2024 to 5.20% in 2025.

Sensitivity of the Net OPEB Liability to Changes in the Investment Rate of Return/Discount Rate

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 an investment rate of return/discount rate that is one percent lower or higher than the current investment rate of return/discount rate:

General Trust - Investment Rate of Return	Net OPEB Liability
1% decrease (4.47%)	$ 61,765,452
Current Investment rate or return (5.47%)	56,133,485
1% increase (6.47%)	51,545,263

Grantor Trust - Investment Rate of Return	Net OPEB Liability
1% decrease (4.20%)	$ 804,008
Current investment rate of return (5.20%)	701,630
1% increase (6.20%)	619,077

Board of Trustees - Discount Rate	Net OPEB Liability
1% decrease (4.20%)	$ 82,005
Current discount rate (5.20%)	74,292
1% increase (6.20%)	68,655

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 one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.00%)	$ 48,920,064
Current healthcare cost trend rate (4.00%)	56,909,407
1% increase (5.00%)	65,826,953

OPEB Expense, 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 $5,838,770. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	General Trust	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,757,595	$ 1,726,951
Changes of assumptions	578,074	9,889,813
Net difference between projected and actual earnings on OPEB plan investments	-	455,095
Total	$ 3,335,669	$ 12,071,859

	Grantor Trust	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ 3,364	$ -

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (656,534)
2027	(1,123,944)
2028	(1,086,408)
2029	(949,861)
2030	(841,254)
Thereafter	(4,074,825)
	$ (8,732,826)

Medicare Premium Payment (MPP) Program

Plan Description

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

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

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of $966,822 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.3627%, and 0.3758%, resulting in a net decrease in the proportionate share of 0.0131%.

For the year ended June 30, 2025, the District recognized OPEB expense of $(173,575).

Actuarial Methods and Assumptions

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Measurement Date	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2023	June 30, 2022
Experience Study	July 1, 2007 through June 30, 2022	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.93%	3.65%
Medicare Part A Premium Cost Trend Rate	5.00%	4.50%
Medicare Part B Premium Cost Trend Rate	6.50%	5.40%

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among 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.

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

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

Discount Rate

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

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.93%)	$ 1,043,175
Current discount rate (3.93%)	966,822
1% increase (4.93%)	899,680

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (4.00% Part A and 5.50% Part B)	$ 895,657
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	966,822
1% increase (6.00% Part A and 7.50% Part B)	1,046,274

Note 10 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Revolving cash	$ 100,000	$ -	$ 36,550	$ 136,550
Stores inventories	468,569	-	571,038	1,039,607
Prepaid expenditures	724,760	-	-	724,760
Total nonspendable	1,293,329	-	607,588	1,900,917
Restricted				
Legally restricted programs	83,435,309	-	11,137,508	94,572,817
Other restrictions - pension trust	7,021,823	-	-	7,021,823
Capital projects	-	21,461,994	17,531,897	38,993,891
Debt services	-	-	10,416,411	10,416,411
Total restricted	90,457,132	21,461,994	39,085,816	151,004,942
Committed				
Deferred maintenance program	-	-	289	289
Assigned				
Board policy reserve	35,309,908	-	-	35,309,908
Classified professional growth funds	8,474	-	-	8,474
Site discretionary carryover	6,935,198	-	-	6,935,198
Site donations	417,995	-	-	417,995
Reserve for fair value adjustments	2,390,321	-	-	2,390,321
Certificated teacher initiation funds	45,947	-	-	45,947
Retiree benefits	2,385,116	-	-	2,385,116
Facility and deferred maintenance	8,802	-	-	8,802
Common core and textbook adoptions	4,682,782	-	-	4,682,782
Post employment benefits liability	9,582,598	-	-	9,582,598
Preschool reserve	-	-	576,871	576,871
Capital projects	-	-	30,745,825	30,745,825
Total assigned	61,767,141	-	31,322,696	93,089,837
Unassigned				
Reserve for economic uncertainties	13,548,007	-	-	13,548,007
Total	$ 167,065,609	$ 21,461,994	$ 71,016,389	$ 259,543,992

Note 11 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. To mitigate this potential loss, the District has established an Internal Service Fund to account for and finance its uninsured risks of loss for property and liability coverage. Under this program, the Internal Service Fund provides coverage for up to a maximum of $50,000 for each general liability claim and $50,000 for each property damage claim. During fiscal year ending June 30, 2025, the District participated in the Alliance of Schools for Cooperative Insurance Programs (ASCIP) and the Schools Excess Liability Fund (SELF) public entity risk pools for property and liability insurance coverage in excess of self-insured limits. Settled claims have not exceeded the insured coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. In addition, the District purchases commercial insurance for property and liability claims in excess of coverage provided by the Internal Service Fund and for all other risks of loss.

Workers' Compensation

The District's workers' compensation risks are financed on a combination of self-insured and risk transfer basis.

In the current fiscal year, the District participated in Alliance of Schools for Cooperative Insurance Programs (ASCIP) joint powers agency. The intent of which is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in ASCIP. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all participants. Each participant pays its workers' compensation premium based on its individual rate. Participation in ASCIP is limited to districts that can meet ASCIP's selection criteria.

In prior years, the District established a fund to self-insure itself for workers' compensation coverage. The workers' compensation experience of the District was calculated and applied to a premium rate, which was utilized to charge funds for the administration of the program. Activity and related claims liability for these claims is recorded in an Internal Service Fund.

Employee Medical Benefits

The District has contracted with Southern California Employee Benefit Association (SCEBA) to provide employee medical and surgical benefits. Dental and vision coverage is provided through the purchase of commercial insurance. The District provides benefits to District employees electing to participate in the plan by paying a premium based on the number of employees participating in the plan.

Claims Liability

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

Unpaid Claims Liability

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2023 to June 30, 2025:

	Workers' Compensation	Property and Liability	Total
Liability Balance, July 1, 2023	$ 581,487	$ 351,110	$ 932,597
Claims and changes in estimates	(483,447)	114,356	(369,091)
Claims payments	(316)	(121,466)	(121,782)
Liability Balance, July 1, 2024	97,724	344,000	441,724
Claims and changes in estimates	(65,935)	274,760	208,825
Claims payments	-	(127,759)	(127,759)
Liability Balance, June 30, 2025	$ 31,789	$ 491,001	$ 522,790
Assets available to pay claims at June 30, 2025	$ 4,216,924	$ 1,126,755	$ 5,343,679

At June 30, 2025 and 2024, estimated unpaid losses for workers' compensation of $39,171 and $118,159, respectively, are reflected at their net present values of $31,789 and $97,724, respectively. At June 30, 2025 and 2024, unpaid losses for workers' compensation are discounted at 3.5%. Property and Liability claims are undiscounted.

Note 12 - Employee Retirement Systems

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

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 166,995,083	$ 70,190,281	$ 26,424,350	$ 17,715,501
CalPERS	135,672,302	48,529,591	984,428	28,359,656
Total	$ 302,667,385	$ 118,719,872	$ 27,408,778	$ 46,075,157

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

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

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

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

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

Contributions

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the District's total contributions were $31,357,726.

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

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

Total Net Pension Liability, Including State Share:	
District's proportionate share of net pension liability	$ 166,995,083
State's proportionate share of the net pension liability associated with the District	76,617,919
Total	$ 243,613,002

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.2486% and 0.2541%, resulting in a net decrease in the proportionate share of 0.0055%.

For the year ended June 30, 2025, the District recognized pension expense of $17,715,501. In addition, the District recognized pension expense and revenue of $6,975,165 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 31,357,726	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	19,212,255	7,042,745
Differences between projected and actual earnings on pension plan investments	-	673,819
Differences between expected and actual experience in the measurement of the total pension liability	18,889,294	7,302,601
Changes of assumptions	731,006	11,405,185
Total	$ 70,190,281	$ 26,424,350

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (11,194,875)
2027	13,482,792
2028	(1,100,032)
2029	(1,861,704)
Total	$ (673,819)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 2,093,848
2027	2,339,023
2028	1,744,416
2029	4,248,817
2030	3,995,600
Thereafter	(1,339,680)
Total	$ 13,082,024

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007 through June 30, 2022
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class for the year ended June 30, 2024, are summarized in the following table:

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 297,029,608
Current discount rate (7.10%)	166,995,083
1% increase (8.10%)	58,410,858

California Public Employees Retirement System (CalPERS)

Plan Description

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

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

Benefits Provided

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

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

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	27.050%	27.050%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were $21,010,337.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $135,672,302. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.3796% and 0.3792%, resulting in a net increase in the proportionate share of 0.0004%.

For the year ended June 30, 2025, the District recognized pension expense of $28,359,656. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 21,010,337	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	7,876,214	13,426
Differences between projected and actual earnings on pension plan investments	5,270,085	-
Differences between expected and actual experience in the measurement of the total pension liability	11,374,139	971,002
Changes of assumptions	2,998,816	-
Total	$ 48,529,591	$ 984,428

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (45,432)
2027	8,193,784
2028	(1,210,733)
2029	(1,667,534)
Total	$ 5,270,085

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 11,576,042
2027	7,049,366
2028	2,639,333
Total	$ 21,264,741

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.54%
Global equity non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

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

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

Discount rate	Net Pension Liability
1% decrease (5.90%)	$ 201,542,338
Current discount rate (6.90%)	135,672,302
1% increase (7.90%)	81,258,410

Alternative Retirement Program

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Public Agency Retirement System (PARS) to act as their administrators and Union Bank of California to act as trustee and investment manager for the District's alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 3.75% of an employee's gross earnings. An employee is required to contribute 3.75% of his or her gross earnings to the pension plan.

During the year, the District's required and actual contributions amounted to $252,688.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $15,470,768 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves and in the original budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule*.

Note 13 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

Construction Commitments

As of June 30, 2025, the District had the following commitments with respect to unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Arroyo - Portable Classroom	$ 524,115	9/30/2025
El Camino - Portable Classroom	349,737	9/30/2025
Euclid - Portable Classroom	493,571	9/30/2025
Hawthorne - Portable Classroom	140,981	9/30/2025
Howard - Portable Classroom	462,792	9/30/2025
Lehigh - Playground - Primary	395,320	9/30/2025
Vineyard - 2 Portable Classrooms	324,378	9/30/2025
Vineyard - Playground - Kinder	476,035	9/30/2025
Vineyard - Shade Structure	141,146	9/30/2025
Vina Danks - Bldg B New Construction	4,232,143	9/30/2027
Vina Danks - WATC	19,919,765	9/30/2027
	$ 27,459,983	

Note 14 - Participation in Public Entity Risk Pools and Joint Power Authorities

The District participates in the following public entity risk pools. The Alliance of Schools for Cooperative Insurance Programs (ASCIP) provides property and liability insurance and workers' compensation coverage. The District participates in the Southern California Schools Employee Benefit Association (SCSEBA) for health benefits coverage. Annual premiums are paid to each JPA.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

During the year ended June 30, 2025, the District made payments of $6,155,958 and $41,223,342 to ASCIP and SCSEBA, respectively.

Note 15 - Restatement

Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences current portion and compensated absences noncurrent portion were increased by $3,810,671 and $14,617,070, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the table below.

	Governmental Activities
Net Position	
Beginning, as previously reported on June 30, 2024	$ 194,474,058
Change in accounting principle	(18,427,741)
Beginning, as restated on July 1, 2024	$ 176,046,317

Required Supplementary Information
June 30, 2025

Ontario-Montclair School District

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variances - Positive (Negative) Final to Actual
Revenues				
Local Control Funding Formula	$ 265,589,372	$ 266,080,714	$ 266,163,555	$ 82,841
Federal sources	20,572,071	23,513,343	23,559,976	46,633
Other State sources	82,707,055	85,393,960	86,246,820	852,860
Other local sources	17,523,927	37,352,145	39,002,768	1,650,623
Total revenues [1]	386,392,425	412,340,162	414,973,119	2,632,957
Expenditures				
Current				
Certificated salaries	163,014,270	170,019,349	171,432,604	(1,413,255)
Classified salaries	72,660,864	76,861,663	77,656,645	(794,982)
Employee benefits	114,219,085	117,155,300	117,220,610	(65,310)
Books and supplies	16,731,274	12,089,020	11,658,204	430,816
Services and operating expenditures	50,773,051	48,335,203	46,442,506	1,892,697
Other outgo	(723,853)	(6,666)	(139,073)	132,407
Capital outlay	12,309,963	17,332,571	16,646,570	686,001
Debt service				
Debt service - principal	-	-	1,692,309	(1,692,309)
Debt service - interest and other	-	-	164,100	(164,100)
Total expenditures [1]	428,984,654	441,786,440	442,774,475	(988,035)
Deficiency of Revenues Over Expenditures	(42,592,229)	(29,446,278)	(27,801,356)	1,644,922
Other Financing Sources (Uses)				
Transfers in	8,131,694	9,902,125	1,770,431	(8,131,694)
Other sources - leases	-	-	557,827	557,827
Other sources - SBITAs	-	-	264,978	264,978
Transfers out	(4,620,000)	(7,417,876)	(8,825,749)	(1,407,873)
Net Financing Sources (Uses)	3,511,694	2,484,249	(6,232,513)	(8,716,762)
Net Change in Fund Balances	(39,080,535)	(26,962,029)	(34,033,869)	(7,071,840)
Fund Balance - Beginning	201,099,478	201,099,478	201,099,478	-
Fund Balance - Ending	$ 162,018,943	$ 174,137,449	$ 167,065,609	$ (7,071,840)

[1] Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, and Fund 20, Special Reserve Fund for Postemployment Benefits for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however, are not included in the original and final General Fund budgets.

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	$ 4,233,327	$ 3,769,718	$ 3,776,929	$ 3,042,231
Interest	3,328,873	3,114,612	2,854,926	2,516,526
Difference between expected and actual experience	-	(472,083)	-	3,696,824
Changes of assumptions	(4,707,438)	(522,158)	(875,818)	(188,578)
Benefit payments	(2,679,027)	(2,637,327)	(2,225,444)	(2,307,774)
Net change in total OPEB liability	175,735	3,252,762	3,530,593	6,759,229
Total OPEB Liability - Beginning	70,797,607	67,544,845	64,014,252	57,255,023
Total OPEB Liability - Ending (a)	$ 70,973,342	$ 70,797,607	$ 67,544,845	$ 64,014,252
Plan Fiduciary Net Position				
Contributions - employer	$ 2,674,430	$ 2,635,403	$ 2,223,578	$ 2,304,744
Net investment income	1,276,475	1,344,791	808,478	(1,618,500)
Benefit payments	(2,674,430)	(2,635,403)	(2,223,578)	(2,304,744)
Administrative expense	(102,704)	(94,459)	(84,352)	(96,191)
Net change in plan fiduciary net position	1,173,771	1,250,332	724,126	(1,714,691)
Plan Fiduciary Net Position - Beginning	12,890,164	11,639,832	10,915,706	12,630,397
Plan Fiduciary Net Position - Ending (b)	$ 14,063,935	$ 12,890,164	$ 11,639,832	$ 10,915,706
District's Net OPEB Liability - Ending (a) - (b)	$ 56,909,407	$ 57,907,443	$ 55,905,013	$ 53,098,546
Plan Fiduciary Net Position As A Percentage Of The Total OPEB Liability	19.82%	18.21%	17.23%	17.05%
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Net OPEB Liability As A Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022

[1] The District's OPEB Plan is administered through a trust; however the contributions to the trust are not based on a measure of pay. Therefore, no measure of payroll is presented.

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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 3,475,995	$ 4,807,935	$ 4,452,642	$ 4,333,471
Interest	2,027,086	2,189,246	1,986,677	1,977,000
Difference between expected and actual experience	-	(2,608,975)	-	-
Changes of assumptions	(4,362,884)	(2,661,499)	1,184,177	-
Benefit payments	(2,354,303)	(2,214,414)	(2,131,797)	(2,052,996)
Net change in total OPEB liability	(1,214,106)	(487,707)	5,491,699	4,257,475
Total OPEB Liability - Beginning	58,469,129	58,956,836	53,465,137	49,207,662
Total OPEB Liability - Ending (a)	$ 57,255,023	$ 58,469,129	$ 58,956,836	$ 53,465,137
Plan Fiduciary Net Position				
Contributions - employer	$ 2,351,312	$ 2,205,050	$ 2,122,812	$ 2,044,357
Net investment income	2,507,038	174,650	628,425	594,975
Benefit payments	(2,351,312)	(2,205,050)	(2,122,812)	(2,044,357)
Administrative expense	(89,667)	(57,960)	(102,432)	(73,248)
Net change in plan fiduciary net position	2,417,371	116,690	525,993	521,727
Plan Fiduciary Net Position - Beginning	10,213,026	10,096,336	9,570,343	9,048,616
Plan Fiduciary Net Position - Ending (b)	$ 12,630,397	$ 10,213,026	$ 10,096,336	$ 9,570,343
District's Net OPEB Liability - Ending (a) - (b)	$ 44,624,626	$ 48,256,103	$ 48,860,500	$ 43,894,794
Plan Fiduciary Net Position As A Percentage Of The Total OPEB Liability	22.06%	17.47%	17.12%	17.90%
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Net OPEB Liability As A Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

[1] The District's OPEB Plan is administered through a trust; however the contributions to the trust are not based on a measure of pay. Therefore, no measure of payroll is presented.

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

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.3627%	0.3758%	0.3422%	0.3264%
Proportionate share of the net OPEB liability	$ 966,822	$ 1,140,397	$ 1,127,302	$ 1,302,073
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.3390%	0.3842%	0.3831%	0.3925%
Proportionate share of the net OPEB liability	$ 1,651,998	$ 1,430,902	$ 1,466,503	$ 1,651,288
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.2486%	0.2541%	0.2280%	0.2172%	0.2237%
Proportionate share of the net pension liability	$ 166,995,083	$ 193,514,885	$ 158,444,625	$ 98,830,806	$ 216,803,431
State's proportionate share of the net pension liability	76,617,919	92,718,423	79,348,449	49,727,828	111,762,194
Total	$ 243,613,002	$ 286,233,308	$ 237,793,074	$ 148,558,634	$ 328,565,625
Covered Payroll	$ 165,206,220	$ 155,630,162	$ 133,172,465	$ 116,864,180	$ 119,092,556
Proportionate share of the net pension liability as a percentage of its covered payroll	101%	124%	119%	85%	182%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.2172%	0.2135%	0.2168%	0.2289%	0.2340%
Proportionate share of the net pension liability	$ 196,172,158	$ 196,180,406	$ 200,497,590	$ 185,121,927	$ 157,517,723
State's proportionate share of the net pension liability	107,025,009	112,322,458	118,612,680	105,386,611	83,309,511
Total	$ 303,197,167	$ 308,502,864	$ 319,110,270	$ 290,508,538	$ 240,827,234
Covered Payroll	$ 115,381,413	$ 115,359,369	$ 111,330,723	$ 109,833,607	$ 109,831,644
Proportionate share of the net pension liability as a percentage of its covered payroll	170%	170%	180%	169%	143%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

CalPERS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.3796%	0.3792%	0.3349%	0.3131%	0.3154%
Proportionate share of the net pension liability	$ 135,672,302	$ 137,280,089	$ 115,222,821	$ 63,670,433	$ 96,764,918
Covered payroll	$ 76,095,547	$ 66,272,495	$ 52,734,251	$ 45,354,879	$ 45,758,146
Proportionate share of the net pension liability as a percentage of its covered payroll	178%	207%	218%	140%	211%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.3218%	0.3299%	0.3225%	0.3175%	0.3255%
Proportionate share of the net pension liability	$ 93,775,316	$ 87,957,904	$ 76,990,174	$ 62,713,529	$ 47,986,310
Covered payroll	$ 41,740,643	$ 43,384,805	$ 41,362,673	$ 37,662,725	$ 36,038,807
Proportionate share of the net pension liability as a percentage of its covered payroll	225%	203%	186%	167%	133%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

CalSTRS	2025	2024	2023	2022	2021
Contractually required contribution	$ 31,357,726	$ 31,554,388	$ 29,725,361	$ 22,532,781	$ 18,873,565
Contributions in relation to the contractually required contribution	31,357,726	31,554,388	29,725,361	22,532,781	18,873,565
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's payroll	$ 164,176,576	$ 165,206,220	$ 155,630,162	$ 133,172,465	$ 116,864,180
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.92%	16.15%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 20,364,827	$ 18,784,094	$ 16,646,357	$ 14,005,405	$ 11,785,146
Contributions in relation to the contractually required contribution	20,364,827	18,784,094	16,646,357	14,005,405	11,785,146
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's payroll	$ 119,092,556	$ 115,381,413	$ 115,359,369	$ 111,330,723	$ 109,833,607
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%

CalPERS	2025	2024	2023	2022	2021
Contractually required contribution	$ 21,010,337	$ 20,302,292	$ 16,813,332	$ 12,081,417	$ 9,388,460
Contributions in relation to the contractually required contribution	21,010,337	20,302,292	16,813,332	12,081,417	9,388,460
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's payroll	$ 77,672,226	$ 76,095,547	$ 66,272,495	$ 52,734,251	$ 45,354,879
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	22.910%	20.700%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 9,023,964	$ 7,539,195	$ 6,738,094	$ 5,744,448	$ 4,461,903
Contributions in relation to the contractually required contribution	9,023,964	7,539,195	6,738,094	5,744,448	4,461,903
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's payroll	$ 45,758,146	$ 41,740,643	$ 43,384,805	$ 41,362,673	$ 37,662,725
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

At June 30, 2025, the District major fund exceeded the budgeted amount in total as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund	$ 449,204,316	$ 451,600,224	$ 2,395,908

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

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

- Change *in Benefit Terms* – There were no changes in benefit terms.
- *Changes of Assumptions*
  - The General Trust plan investment rate of return changed from 4.65% in 2024 to 5.47% in 2025.
  - The Grantor Trust plan investment rate of return changed from 4.75% in 2024 to 5.20% in 2025.
  - The Board of Trustees plan discount rate changed from 3.93% in 2024 to 5.20% in 2025.

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% since the previous valuation.

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

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

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

Schedule of the District 's Contributions

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

Supplementary Information
June 30, 2025

Ontario-Montclair School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education			
Special Education Cluster (IDEA)			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	$ 4,610,172
Alternative Dispute Resolution	84.027A	13007	28,953
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	216,335
Subtotal			4,855,460
Preschool Grants, Part B, Sec 619	84.173	13430	81,103
Preschool Staff Development, Part B, Sec 619	84.173A	13431	2,691
Subtotal			83,794
Subtotal Special Education Cluster (IDEA)			4,939,254
Early Intervention Grants	84.181	23761	31,105
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	7,675,117
COVID-19 American Rescue Plan – Homeless Children and Youth II (ARP HCY II)	84.425W	15566	49,358
Subtotal			7,724,475
Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	8,517,368
Title IX, Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332	104,060
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	354,545
Title III, English Learner Student Program	84.365	14346	533,121
Title II, Part A, Supporting Effective Instruction	84.367	14341	687,997
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	668,051
Total U.S. Department of Education			23,559,976
U.S. Department of Agriculture			
Passed through California Department of Education			
Child Nutrition Cluster			
School Breakfast Needy	10.553	13526	2,397,870
Commodities	10.555	[1]	2,114,026
School Lunch - Section 4	10.555	13523	1,280,550
School Lunch - Section 11	10.555	13524	8,506,433
Subtotal			11,901,009
Subtotal Child Nutrition Cluster			14,298,879

[1] Direct award, no pass-through entity identifying number.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
Passed through California Department of Social Services			
Child and Adult Care Food Program (CACFP)			
CACFP Claims - Centers and Family Day Care Homes	10.558	13529	$ 3,179,495
Cash in Lieu of Commodities	10.558	13534	215,316
Subtotal			3,394,811
Total U.S. Department of Agriculture			17,693,690
U.S. Department of Health and Human Services			
Passed through California Department of Social Services			
Child Care and Development Fund (CCDF) Cluster			
Quality Improvement Activities	93.575	13942	68,337
Subtotal Child Care and Development Fund (CCDF) Cluster			68,337
Total U.S. Department of Health and Human Services			68,337
Total Federal Financial Assistance			$ 41,322,003

	Final Report	
	Second Period Report 9DBC7378	Annual Report 66D67428
Regular ADA		
Transitional kindergarten through third	7,563.91	7,533.54
Fourth through sixth	5,653.09	5,624.49
Seventh and eighth	3,823.02	3,798.48
Total regular ADA	17,040.02	16,956.51
Extended Year Special Education		
Transitional kindergarten through third	-	14.78
Fourth through sixth	-	5.99
Seventh and eighth	-	2.39
Total extended year special education	-	23.16
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	23.86	24.20
Fourth through sixth	17.18	18.25
Seventh and eighth	18.33	16.06
Total special education, nonpublic, nonsectarian schools	59.37	58.51
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.08	0.08
Seventh and eighth	0.22	0.22
Total extended year special education, Nonpublic, nonsectarian schools	0.30	0.30
Total ADA	17,099.69	17,038.48

					Traditional Calendar			Multitrack Calendar			
Grade Level	1986-1987 Minutes Requirement	2024-2025 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Status
Kindergarten	36,000	37,770	-	37,770	180	-	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		54,245	-	54,245	180	-	180	N/A	N/A	N/A	Complied
Grade 2		54,245	-	54,245	180	-	180	N/A	N/A	N/A	Complied
Grade 3		54,245	-	54,245	180	-	180	N/A	N/A	N/A	Complied
Grades 4 - 8	54,000										
Grade 4		56,180	-	56,180	180	-	180	N/A	N/A	N/A	Complied
Grade 5		56,180	-	56,180	180	-	180	N/A	N/A	N/A	Complied
Grade 6		56,180	-	56,180	180	-	180	N/A	N/A	N/A	Complied
Grade 7		56,705	-	56,705	180	-	180	N/A	N/A	N/A	Complied
Grade 8		56,705	-	56,705	180	-	180	N/A	N/A	N/A	Complied

See Notes to Supplementary Information

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2025.

	(Budget) 2026 [1]	2025	2024 [1]	2023 [1]
General Fund [3]				
Revenues	$ 385,478,040	$ 413,444,359	$ 453,561,452	$ 480,724,356
Other sources	4,666,747	10,724,930	3,951,125	2,444,914
Total revenues and other sources	390,144,787	424,169,289	457,512,577	483,169,270
Expenditures	422,804,386	442,774,475	456,037,053	392,325,379
Other uses and transfers out	5,630,000	8,825,749	6,403,027	7,472,912
Total expenditures and other uses	428,434,386	451,600,224	462,440,080	399,798,291
Increase/(Decrease) in Fund Balance	(38,289,599)	(27,430,935)	(4,927,503)	83,370,979
Ending Fund Balance	$ 109,829,824	$ 148,119,423	$ 175,550,358	$ 180,477,861
Available Reserves [2]	$ 12,853,032	$ 13,548,007	$ 13,873,204	$ 11,993,949
Available Reserves as a Percentage of Total Outgo	3.00%	3.00%	3.00%	3.00%
Long-Term Liabilities [4]	N/A	$ 529,652,147	$ 546,079,080	$ 488,995,117
K-12 Average Daily Attendance at P-2	16,743	17,100	17,129	17,259

The General Fund balance has decreased by $32,358,438 over the past two years. The fiscal year 2025-2026 budget projects a decrease of $38,289,599 (25.9%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures and other uses (total outgo).

The District has incurred operating deficits in two of the past three years and anticipates incurring an operating deficit during the 2025-2026 fiscal year. Total long-term liabilities have increased by $47,417,478 over the past two years.

Average daily attendance has decreased by 159 over the past two years. A decrease of 357 ADA is anticipated during fiscal year 2025-2026.

[1] Financial information for 2026, 2024, and 2023 are included for analytical purposes only and has not been subjected to audit.

[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects.

[3] General Fund amounts do not include activity related to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, and Fund 20, Special Reserve Fund for Postemployment Benefits, as required by GASB Statement No. 54.

[4] Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 15 for further information.

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets									
Deposits and investments	$ 539,540	$ 3,261,274	$ 6,890,575	$ 285	$ 7,869,749	$ 9,542,359	$ 26,299,713	$ 10,416,411	$ 64,819,906
Receivables	-	426,061	4,058,374	4	95,968	125,740	307,778	-	5,013,925
Due from other funds	-	-	120,102	-	-	-	4,155,094	-	4,275,196
Stores inventories	-	-	571,038	-	-	-	-	-	571,038
Total assets	$ 539,540	$ 3,687,335	$ 11,640,089	$ 289	$ 7,965,717	$ 9,668,099	$ 30,762,585	$ 10,416,411	$ 74,680,065
Liabilities and Fund Balances									
Liabilities									
Accounts payable	$ 5,929	$ 244,365	$ 1,198,222	$ -	$ -	$ 96,418	$ 16,760	$ -	$ 1,561,694
Due to other funds	-	849,520	1,246,961	-	5,501	-	-	-	2,101,982
Total liabilities	5,929	1,093,885	2,445,183	-	5,501	96,418	16,760	-	3,663,676
Fund Balances									
Nonspendable	-	-	607,588	-	-	-	-	-	607,588
Restricted	533,611	2,016,579	8,587,318	-	7,960,216	9,571,681	-	10,416,411	39,085,816
Committed	-	-	-	289	-	-	-	-	289
Assigned	-	576,871	-	-	-	-	30,745,825	-	31,322,696
Total fund balances	533,611	2,593,450	9,194,906	289	7,960,216	9,571,681	30,745,825	10,416,411	71,016,389
Total liabilities and fund balances	$ 539,540	$ 3,687,335	$ 11,640,089	$ 289	$ 7,965,717	$ 9,668,099	$ 30,762,585	$ 10,416,411	$ 74,680,065

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues									
Federal sources	$ -	$ 68,337	$ 17,693,690	$ -	$ -	$ -	$ -	$ -	$ 17,762,027
Other State sources	-	5,355,022	4,807,272	-	-	1,118,028	-	38,119	11,318,441
Other local sources	970,813	299,361	314,233	16	3,335,431	603,980	1,577,040	9,609,509	16,710,383
Total revenues	970,813	5,722,720	22,815,195	16	3,335,431	1,722,008	1,577,040	9,647,628	45,790,851
Expenditures									
Current									
Instruction	-	4,445,930	-	-	-	-	-	-	4,445,930
Instruction-related activities									
Supervision of instruction	-	382,408	-	-	-	-	-	-	382,408
School site administration	-	217,105	-	-	-	-	-	-	217,105
Pupil services									
Food services	-	-	19,395,771	-	-	-	-	-	19,395,771
All other pupil services	-	27,091	-	-	-	-	-	-	27,091
Administration									
All other administration	-	273,359	604,730	-	27,709	-	-	-	905,798
Plant services	-	555	1,084,920	-	-	-	664,553	-	1,750,028
Ancillary services	907,777	-	-	-	-	-	-	-	907,777
Facility acquisition and construction	-	-	1,544,967	-	25,116	2,352,146	2,168,711	-	6,090,940
Debt service									
Principal	-	-	-	-	-	-	82,270	4,680,000	4,762,270
Interest and other	-	-	-	-	-	-	17,730	5,389,544	5,407,274
Total expenditures	907,777	5,346,448	22,630,388	-	52,825	2,352,146	2,933,264	10,069,544	44,292,392
Excess (Deficiency) of Revenues Over Expenditures	63,036	376,272	184,807	16	3,282,606	(630,138)	(1,356,224)	(421,916)	1,498,459
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	5,356,072	-	5,356,072
Transfers out	-	-	-	-	-	-	(1,770,431)	-	(1,770,431)
Net Financing Sources	-	-	-	-	-	-	3,585,641	-	3,585,641
Net Change in Fund Balances	63,036	376,272	184,807	16	3,282,606	(630,138)	2,229,417	(421,916)	5,084,100
Fund Balance - Beginning	470,575	2,217,178	9,010,099	273	4,677,610	10,201,819	28,516,408	10,838,327	65,932,289
Fund Balance - Ending	$ 533,611	$ 2,593,450	$ 9,194,906	$ 289	$ 7,960,216	$ 9,571,681	$ 30,745,825	$ 10,416,411	$ 71,016,389

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Ontario-Montclair School District (the District) under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the District.

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

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

Food Donation
Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the District did not report any commodities in inventory.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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

Other Information
June 30, 2025

Ontario-Montclair School District

Organization

The Ontario-Montclair School District (the District) was established in 1884 and consists of an area comprising approximately 26 square miles. The District operates 26 elementary schools, 6 middle schools, an Online Academy, a community day school, an independent study program, and a child care program. There were no boundary changes during the year.

Governing Board

MEMBER	POSITION HELD AS OF JUNE 30, 2025	TERM EXPIRES
Elvia M. Rivas	President	2026
Sonia Alvarado	Vice President	2026
Kristen “Kris” Brake	Clerk	2026
Flora Martinez	Member	2028
Sarah S. Galvez	Member	2028

Administration

NAME	TITLE
Dr. James Q. Hammond	Superintendent
Dr. Hector Macias	Deputy Superintendent, Human Resources
Phil Hillman, CPA	Chief Business Official
Robert F. Gallagher	Assistant Superintendent, Learning and Teaching
Dr. Alana Hughes-Hunter	Assistant Superintendent, SELPA & Equity

Independent Auditor’s Reports
June 30, 2025

Ontario-Montclair School District

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

To the Governing Board
Ontario-Montclair School District
Ontario, 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 Ontario-Montclair 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 and have issued our report thereon dated December 4, 2025.

Adoption of New Accounting Standard

As discussed in Note 15 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

We noted certain matters that we reported to management of the District in a separate letter dated December 4, 2025.

Purpose of this Report

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

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2025

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

To the Governing Board
Ontario-Montclair School District
Ontario, California

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Ontario-Montclair School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2025

eidebailly.com
10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE

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

To the Governing Board
Ontario-Montclair School District
Ontario, California

Report on Compliance

Opinion on State Compliance

We have audited Ontario-Montclair School District's (the District) compliance with the requirements specified in the *2024-2025 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, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 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 (*Government Auditing Standards)*, and the *2024-2025 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 *2024-2025 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 *2024-2025 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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Yes
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001. Our opinion on state compliance is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 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 by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2025

Schedule of Findings and Questioned Costs
June 30, 2025

Ontario-Montclair School District

Financial Statements

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

Federal Awards

Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Title I, Part A, Basic Grants Low Income and Neglected	84.010

Dollar threshold used to distinguish between Type A and Type B programs:	$1,239,660
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

None reported.

None reported.

The following finding represents a significant deficiency and an instance of noncompliance that is required to be reported by the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
40000	State Compliance

2025-001 40000 – After School Education and Safety Program

Criteria

According to California *Education Code* Section 8483(a)(2) related to the after school program, it is the intent of the Legislature that elementary and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except as allowed by the early release policy. Pupil attendance records must be maintained to verify and support the program's compliance with this requirement.

Condition

While verifying the total students served in the after-school program at Montera Elementary School for the month of September 2024, the auditor noted that the sign-out sheets did not indicate the arrival times, departure times, or reasons for early release from the program. Therefore, it could not be determined if students were released early from the program.

Cause

The cause of the condition appears to be a result of the third-party vendor failing to use sign-out sheets containing arrival times, departure times, and reasons for early release.

Effect

The District was not compliant with *Education Code* Section 8483(a)(2) for the 2024-2025 fiscal year since early release information was not maintained for Montera Elementary School.

Questioned Costs

Under the provisions of the program, there are no questioned costs associated with this condition.

Repeat Finding

No.

Recommendation

We recommend the District to verify that all after school program personnel are aware of documentation requirements related to pupil attendance and continue to enforce its early release policy by communicating with parents the importance of documenting the reason for early release/late arrival. Also, prior to submission of attendance information to the State, the District should ensure the totals reported agree with the monthly totals received from all third-party vendors. An individual from the District should review monthly attendance numbers to verify that accurate information is being sent to the State for reporting.

Corrective Action Plan and Views of Responsible Officials

The District will implement additional training for after-school program providers to ensure adherence to early-release policies. Additionally, the District will incorporate training on early release into the monthly after-school provider meetings to enhance compliance and increase accuracy. District officials will review monthly sign-out sheets from after-school providers to verify accuracy.

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

State Compliance Findings

2024-001 10000 – Attendance

Criteria

Pursuant to California *Education Code* Section 42238.02, the Second Period (P2) and Annual (PA) reports of attendance submitted to the California Department of Education must reconcile back to supporting documents that the Local Educational Agency (LEA) has prepared in connection with the calculation of its Average Daily Attendance (ADA) reported on each of the reporting line items.

Condition

The District reported the following ADA on the PA attendance report:

	Annual
Extended Year Special Education, Nonpublic, Nonsectarian Schools	
Transitional kindergarten through third	19.70
Fourth through sixth	9.69
Seventh and eighth	8.88
Total extended year special education, Nonpublic, nonsectarian schools	38.27

However, through review of supporting records, it was noted that the PA attendance report should have contained the following ADA totals:

	Annual
Extended Year Special Education, Nonpublic, Nonsectarian Schools	
Transitional kindergarten through third	2.18
Fourth through sixth	0.96
Seventh and eighth	0.73
Total extended year special education, Nonpublic, nonsectarian schools	3.87

Cause

The cause of the condition was due to the District's use of an incorrect divisor in the calculation of ADA for the PA attendance report for the noted programs in the table above. The P2 report of attendance was not affected.

Effect

There was no impact to the P2 report of attendance as the divisor at P2 was correct. The District overreported 34.40 ADA on the PA attendance report. There is no fiscal impact in the current year, as the District is funded based on prior year ADA.

The estimated dollar value of the inappropriately reported ADA is shown in the table below:

	Decrease in ADA	Derived alue of ADA	Estimate of Dollar Value by Grade Span
Extended Year Special Education, Nonpublic, Nonsectarian Schools			
Transitional kindergarten through third	17.52	$ 15,310.21	$ 268,234.88
Fourth through sixth	8.73	14,077.12	122,893.26
Seventh and eithy	8.15	14,493.74	118,123.98
Total extended year special education, Nonpublic, nonsectarian schools	34.4		$ 509,252.12

Questioned Costs

There are no questioned costs associated with the identified condition.

Recommendation

The District should improve upon existing attendance review procedures to ensure that ADA is reported accurately.

Current Status

Implemented.

2024-002 72000 – School Accountability Report Card

Criteria

As required by California *Education Code* Section 33126(b) (8), the School Accountability Report Card (SARC) shall include, but is not limited to, an assessment of the safety, cleanliness, and adequacy of school facilities, including any need for maintenance.

Condition

The SARC includes, among other information, a report on adequacy of school facilities which is derived from the Facilities Inspection Tool (FIT). For Corona Elementary and Hawthorne Elementary, the District was unable to provide FITs that agreed to the facility ratings reported on each site's SARC. Without being able to compare the information, we could not determine whether the facility status information in the SARCs was accurately reported.

Cause

The condition identified appears to have materialized primarily due to the lack of proper review processes.

Effect

The District has not complied with requirements identified in California *Education Code* Section 33126 (a) which states that the SARC shall provide data including adequacy of school facilities by which a parent can make meaningful comparisons between public schools. The adequacy of school facilities reported on the SARC could not be verified.

Questioned Costs

There are no questioned costs associated with the identified condition.

Recommendation

The District should become familiar with all requirements identified in California *Education Code* Section 33126. The Facility Inspection Tools should be kept on file to substantiate the condition of the District's facilities as reported on the SARC. Additionally, the District should provide management oversight to employees responsible for performing key compliance requirements.

Current Status

Implemented.

Management
Ontario-Montclair School District
Ontario, California

In planning and performing our audit of the financial statements of Ontario-Montclair School District (the District) for the year ended June 30, 2025, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 4, 2025, on the government-wide financial statements of the District.

Associated Student Body (ASB)

<u>Oaks Middle School</u>

Observations

1. Based on the review of the cash receipting procedures, it was noted that three of four receipts tested were not deposited in a timely manner. The delay in deposits ranged from 12 to 19 days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.
2. Based on the review of the disbursement procedures, it was noted that one of five disbursements tested were not approved prior to transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.

Recommendations

1. The ASB should, at a minimum, make their deposits once a week to minimize the amount of cash held at the site. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure, including the maximum cash on hand that should be maintained at the site.
2. The site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases.

We will review the status of the current year comments during our next audit engagement.

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2025

eidebailly.com
10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE