PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 13, 2024

NEW ISSUE – BOOK-ENTRY-ONLY **RATING: S&P: "A"**
(See "RATING" herein.)

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the District described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

$6,910,000*
ARVIN UNION SCHOOL DISTRICT
(Kern County, California)

$5,910,000*	$1,000,000*
GENERAL OBLIGATION BONDS	**GENERAL OBLIGATION BONDS**
ELECTION OF 2018	**ELECTION OF 2014**
SERIES 2024D	**SERIES 2024E**
(BANK QUALIFIED)	**(BANK QUALIFIED)**

Dated: Date of Delivery **Due: November 1, as shown on inside cover**.

The General Obligation Bonds, Election of 2018, Series 2024D (Bank Qualified) (the "Measure G Bonds") of the Arvin Union School District (the "District") were authorized at a bond election conducted in the District on November 6, 2018 (the "2018 Election"), at which more than 55% of the voters within the District voting on the measure voted to approve the issuance by the District of $15,000,000 aggregate principal amount of bonds (the "Measure G Authorization"), as more fully described herein. The General Obligation Bonds, Election of 2014, Series 2024E (Bank Qualified) (the "Measure E Bonds" and, together with the Measure G Bonds, the "Bonds") of the District were authorized at a bond election conducted in the District on November 4, 2014 (the "2014 Election"), at which more than 55% of the voters within the District voting on the measure voted to approve the issuance by the District of $15,000,000 aggregate principal amount of bonds (the "Measure E Authorization"), as more fully described herein. The proceeds of the Bonds are being used to finance the construction, acquisition, furnishing and equipping of certain District facilities and to pay certain costs of issuance associated therewith, as more fully described herein under the caption "PLAN OF FINANCE." The Measure G Bonds are the fourth and final series of bonds issued pursuant to the Measure G Authorization approved by the voters at the 2018 Election, and, following the issuance thereof, no authorization under the 2018 Election will remain.* The Measure E Bonds are the fifth and final series of bonds issued pursuant to the Measure E Authorization approved by the voters at the 2014 Election, and, following the issuance thereof, no authorization under the 2014 Election will remain*.

The Bonds will be issued in authorized denominations of $5,000 principal amount or integral multiples thereof, and are payable as to principal amount or redemption price at the office of Zions Bancorporation, National Association, as paying agent for the Bonds (the "Paying Agent").

The Bonds will mature on the dates and in the amounts and bear interest at the rates shown on the inside cover hereof. Interest on the Bonds is payable commencing May 1, 2025, and semiannually thereafter on November 1 and May 1 of each year. See "THE BONDS" herein.

The Bonds are issued in fully registered form and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds as described herein under the caption "THE BONDS – Book-Entry-Only System" and in Appending E – "THE BOOK-ENTRY-ONLY SYSTEM."

The Bonds are subject to redemption prior to maturity as described herein*. See "THE BONDS – Optional Redemption" and "– Mandatory Sinking Fund Redemption" herein.

The Bonds are general obligations of the District only and are not obligations of the County of Kern, the State of California or any of its other political subdivisions. The Board of Supervisors of the County of Kern has the power and is obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, premium, if any, and interest on each Bond as the same becomes due and payable.

MATURITY SCHEDULE
On Inside Cover

The Bonds are being sold pursuant to competitive bid, as set forth in the official Notice of Sale of the District, a copy of which is appended hereto as APPENDIX F – "NOTICE OF SALE" (the "Notice of Sale"). Prospective purchasers of the Bonds are directed to the terms of the Notice of Sale respecting the process for submission of qualifying bids, the required terms of the Bonds, the manner of award and other matters. The Bonds may be subject to redemption as specified in the Notice of Sale. Bidders for the purchase of the Bonds may specify a requirement for the purchase of municipal bond insurance as a part of their proposals.

The District may apply to obtain an insurance policy, which, if obtained, would insure the scheduled payment of principal and interest on the Bonds when due. The District's decision whether or not to obtain such a policy will be made at or about the time of the pricing of the Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the District will obtain such a policy, and, if so, whether such policy will cover all or fewer than all of the Bonds. See "BOND INSURANCE" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued and received by the Original Purchaser (as defined herein), subject to the approval of legality by Nixon Peabody LLP, San Francisco, California, Bond Counsel, and certain other conditions. Nixon Peabody LLP is acting as Disclosure Counsel for the issue. It is anticipated that the Bonds will be available for delivery in definitive form through the facilities of DTC on or about October __, 2024.

Dated: September __, 2024

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* Preliminary, subject to change.

MATURITY SCHEDULE

$5,910,000*
ARVIN UNION SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES 2024D
(BANK QUALIFIED)

$_______ Serial Bonds

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	CUSIP No.† (043303)

$______, __% Term Bonds due November 1, 20___, Priced to Yield ____% CUSIP† 043303____

* Preliminary, subject to change.
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. None of the District, its agents, or counsel assumes responsibility for the accuracy of such numbers The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

MATURITY SCHEDULE

$1,000,000*
ARVIN UNION SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2014, SERIES 2024E
(BANK QUALIFIED)

$________ Serial Bonds

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	CUSIP No.† (043303)

$______, __% Term Bonds due November 1, 20___, Priced to Yield ____% CUSIP† 043303____

*Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. None of the District, its agents, or counsel assumes responsibility for the accuracy of such numbers The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the District to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District.

The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Although certain information set forth in this Official Statement has been provided by the County of Kern (the "County"), the County has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement.

The Bonds have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), in reliance upon exemptions contained in Section 3(a)(2) of the Securities Act and Section 3(a)(12) of the Exchange Act, and have not been registered or qualified under the securities laws of any state.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"), as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the District that has been deemed final by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

IN CONNECTION WITH THIS OFFERING, THE ORIGINAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE ORIGINAL PURCHASER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS, BANKS OR OTHERS AT PRICES LOWER OR HIGHER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE ORIGINAL PURCHASER.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Statements included or incorporated by reference in the following information constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the Exchange Act, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "project," "expect," "estimate," "budget" or other similar words. The achievement of results or other expectations contained in forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Actual results may differ from the District's forecasts. The District is not obligated and does not plan to issue any updates or revisions to the forward looking statements in any event.

The District maintains a website and certain social media accounts. However, the information presented thereon is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.

ARVIN UNION SCHOOL DISTRICT
Kern County, State of California

District Administrators

Georgia Rhett, Superintendent
Chris Davis, Chief Business Officer

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Nixon Peabody LLP
San Francisco, CA

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, CA

Paying Agent

Zions Bancorporation, National Association
Los Angeles, California

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$6,910,000*
ARVIN UNION SCHOOL DISTRICT
(Kern County, California)

$5,910,000*
GENERAL OBLIGATION BONDS
ELECTION OF 2018
SERIES 2024D
(BANK QUALIFIED)

$1,000,000
GENERAL OBLIGATION BONDS
ELECTION OF 2014
SERIES 2024E
(BANK QUALIFIED)

INTRODUCTION

General

The Arvin Union School District (the "District"), a school district of the State of California (the "State"), proposes to issue $5,910,000* aggregate principal amount of its General Obligation Bonds Election of 2018, Series 2024D (Bank Qualified) (the "Measure G Bonds"), under and pursuant to a bond authorization for the issuance and sale of not more than $15,000,000 of general obligation bonds (the "Measure G Authorization") approved by more than 55% of voters within the District voting on the measure at an election held on November 6, 2018 (the "2018 Election"). The District also proposes to issue $1,000,000* aggregate principal amount of its General Obligation Bonds Election of 2014, Series 2024E (Bank Qualified) (the "Measure E Bonds," and, together with the Measure G Bonds, the "Bonds"), under and pursuant to a bond authorization for the issuance and sale of not more than $15,000,000 of general obligation bonds (the "Measure E Authorization") approved by more than 55% of voters within the District voting on the measure at an election held on November 4, 2014 (the "2014 Election").

The proceeds of the Bonds are being used to finance the construction, acquisition, furnishing and equipping of certain District facilities, to pay capitalized interest on the Bonds, and to pay certain costs of issuance associated therewith as more fully described under the caption "PLAN OF FINANCE" herein.

The Measure G Bonds are the fourth and final series of bonds issued pursuant to the Measure G Authorization, after which no authorization will remain for the issuance of subsequent series of the District's general obligation bonds under the Measure G Authorization.* The Measure E Bonds are the fifth and final series of bonds issued pursuant to the Measure E Authorization, after which no authorization will remain for issuance of subsequent series of the District's general obligation bonds under the Measure E Authorization.* The District has other general obligation bonds outstanding pursuant to other authorizations. All general obligation bonds of the District, including the Bonds of this issue, are payable solely from *ad valorem* property taxes, which may be levied upon all taxable property in the District. See the caption "– Proposition 39" under the heading "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein.

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT, SECURED BY AND PAYABLE SOLELY FROM *AD VALOREM* PROPERTY TAXES ASSESSED ON TAXABLE PROPERTIES WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE OR AMOUNT. THE BONDS ARE NOT AN OBLIGATION OF THE GENERAL FUND OF THE DISTRICT OR OF THE COUNTY OF KERN (THE "COUNTY"). SEE "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" HEREIN.

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* Preliminary, subject to change.

The District

The District, located in the County, was established in 1913. The District is comprised of an area of approximately 270 square miles within the County. The District serves students in grades kindergarten through 8th grade. The District currently operates three (3) elementary schools and one middle school and has an enrollment of approximately 2,800 students. The teacher to student ratio in kindergarten to third grade is 24 to 1, grades 4-6 is 30 to 1, and grades 7-8 is 30 to 1. See APPENDIX A – "THE DISTRICT."

The District has certain existing lease financing obligations as set forth in APPENDIX A and direct and overlapping bonded indebtedness as set forth under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Direct and Overlapping Debt." The District's audited financial statements for fiscal year 2022-23 are attached hereto as APPENDIX C. For further information concerning the District, see APPENDIX A – "THE DISTRICT."

Description of the Bonds

Form and Registration. The Bonds will be issued in the form of current interest bonds, will be issued in fully registered form only, and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), who will act as securities depository for the Bonds. See "THE BONDS – Book-Entry-Only System" herein and APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM" hereto. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds purchased. In the event that the book-entry-only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bondowners," or "Holders" of the Bonds (other than under the caption "TAX MATTERS") will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. The Bonds will be issued in initial denominations of $5,000 or any integral multiple thereof.

Redemption.* The Bonds are subject to redemption prior to their stated maturity as further described herein. See "THE BONDS –Redemption" herein.

Payments. The Bonds will be dated as of their initial date of delivery (the "Date of Delivery"), and interest on the Bonds will accrue from the Date of Delivery, and is payable semiannually on each May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing May 1, 2025. The principal amount of the Bonds is payable at maturity or at earlier redemption upon surrender of the applicable Bond for payment. Payments of the principal of and interest on the Bonds will be made by Zions Bancorporation, National Association as the initial paying agent for the Bonds, (the "Paying Agent") to DTC for subsequent distribution through DTC Participants (the "DTC Participants") to the Beneficial Owners of the Bonds.

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Agreement (defined herein) relating to the Bonds, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in compliance with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"). The specific nature of the information to be made

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* Preliminary, subject to change.

available and of the notices of listed events is summarized under "LEGAL MATTERS – Continuing Disclosure" herein and in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

Professional Involved in the Offering

Nixon Peabody LLP is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Nixon Peabody LLP will receive compensation from the District contingent upon the sale and delivery of the Bonds. Fieldman, Rolapp & Associates, Inc., Irvine, California, is acting as Municipal Advisor to the District with respect to the Bonds.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "estimate," "project," "budget," or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED FROM SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

THE BONDS

Authority for Issuance and Security for the Bonds

The Bonds are general obligations of the District only. The Bonds are issued pursuant to the provisions of (i) Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, as amended, (ii) applicable provisions of the Education Code of the State, as amended, (iii) Article XIIIA of the California Constitution (collectively, the "Act"), (iv) the Authorization, and (v) a resolution of the Board of Trustees of the District adopted on September 10, 2024 (the "Resolution"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein. All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

Purpose of Issue

The District submitted a project list (the "Measure G Project List") to the voters at the 2018 Election, specifying the Measure G Projects, from which a number of components will be financed with the proceeds of the Measure G Bonds. Details regarding the Measure G Project List and the proposed components to be financed are set forth under the caption "PLAN OF FINANCE" herein.

The District submitted a project list (the "Measure E Project List") to the voters at the 2014 Election, specifying the Measure E Projects, from which a number of components will be financed with the proceeds of the Measure E Bonds. Details regarding the Measure E Project List and the proposed components to be financed are set forth under the caption "PLAN OF FINANCE" herein.

A portion of the net proceeds of sale of the Bonds, after payment of costs of issuance, shall be deposited into the separate Building Funds established under the Resolution (each, a "Building Fund" and collectively, the "Building Funds"). The District shall, from time to time, disburse or cause to be disbursed amounts from the respective Building Fund to pay project costs; provided, however, that the proceeds of sale of the Measure G Bonds shall be applied only to the financing of the Measure G Projects and the Measure E Bonds shall be applied only to the financing of the Measure E Projects. Interest earned on the investment of monies held in each Building Fund shall be retained in such Building Fund.

Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued may be transferred to the "Arvin Union School District General Obligation Bonds, Election of 2018, Series 2024D Debt Service Fund" and the "Arvin Union School District General Obligation Bonds, Election of 2014, Series 2024E Debt Service Fund" (each, a "Debt Service Fund" and collectively, the "Debt Service Funds"), as appropriate and as directed by the District, and applied to the payment of the principal of and interest on the Bonds of the related series. Moneys in the Debt Service Funds are expected to be invested through the Kern County Treasury Pool. See "THE KERN COUNTY TREASURY POOL" herein.

Permitted Investments

Under State law, the District is generally required to pay all moneys received from any source into the County treasury to be held on behalf of the District. The proceeds from the sale of the Bonds to the extent of the principal amount thereof, will be deposited in the County Treasury to the credit of the appropriate Building Fund and shall be accounted for, together with the proceeds of other bonds of the District separately from all other District and County funds. Such proceeds shall be applied solely for the purposes for which the Bonds were authorized. Any premium or accrued interest received by the District will be deposited in the appropriate Debt Service Fund of the District in the County treasury. Interest and earnings on each fund will accrue to that fund.

All funds held by the Kern County Treasurer-Tax Collector (the "Treasurer") in the Building Funds and the Debt Service Funds are expected to be invested at the sole discretion of the County Treasurer, on behalf of the District, in such investments as are authorized by Section 53601 and following of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time.

Description of the Bonds

The Bonds will be dated their Date of Delivery. The Bonds will be issued in authorized denominations of $5,000 or any integral multiple thereof. The Bonds will be issued with principal amount payable at the maturity dates of the respective Bonds or upon their redemption. **The Bonds are not subject to acceleration.**

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Owners (as defined herein) or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest or premium, if any, on the Bonds are payable by wire transfer by the Paying Agent, to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants (the "DTC Participants") for subsequent disbursement to the Beneficial Owners. Payments of principal of, and premium, if any, on any Bonds shall be made only upon the surrender of such Bonds to the Paying Agent. See APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM" herein.

Payment of the Bonds

Interest on each Bond shall accrue from its dated date. Interest on the Bonds shall be computed using a year of three hundred and sixty (360) days comprised of twelve (12) 30-day months and shall be payable on each Interest Payment Date, commencing May 1, 2025, to the registered owner (each, an "Owner") thereof as of the close of business on the fifteenth (15th) calendar day of the month next preceding any Interest Payment Date (whether or not such day is a business day) (a "Record Date"). Interest on each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond, interest thereon is in default, interest thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of $1,000,000 aggregate principal amount or more of such Bonds, to the bank account in the United States specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent, which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

Optional Redemption*

The Measure G Bonds maturing on or before November 1, 20___, are not subject to optional redemption prior to their respective stated maturity dates. The Measure G Bonds maturing on or after November 1, 20___, may be redeemed before maturity, at the option of the District, from any source of available funds, in whole or in part on any date on or after November 1, 20___, at par, together with interest accrued thereon on the date of redemption, without premium. For the purposes of such selection, the Measure G Bonds will be redeemed to consist of $5,000 portions by principal amount, and any such portions may be separated redeemed.

The Measure E Bonds maturing on or before November 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Measure E Bonds maturing on or after November 1, 20__, may be redeemed before maturity, at the option of the District, from any source of available funds, in whole or in part on any date on or after November 1, 20__, at par, together with interest accrued thereon on the date of redemption, without premium. For the purposes of such selection, the Measure E Bonds will be redeemed to consist of $5,000 portions by principal amount, and any such portions may be separated redeemed.

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* Preliminary, subject to change.

Mandatory Sinking Fund Redemption*

The Measure G Bonds maturing on November 1, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity in part on any November 1 on or after November 1, 20__, at a redemption price equal to 100% of their principal amount, together with accrued interest thereon to the date fixed for redemption, without premium, on the dates and in the aggregate principal amounts listed below:

Mandatory Sinking Fund Payment Date (November 1)	Mandatory Sinking Fund Payment

(1) Maturity.

The Measure E Bonds maturing on November 1, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity in part on any November 1 on or after November 1, 20__, at a redemption price equal to 100% of their principal amount, together with accrued interest thereon to the date fixed for redemption, without premium, on the dates and in the aggregate principal amounts listed below:

Mandatory Sinking Fund Payment Date (November 1)	Mandatory Sinking Fund Payment

(1) Maturity.

Selection of Bonds for Redemption

Whenever provision is made for the redemption of Bonds of a series and less than all outstanding Bonds of that series are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds of that series for redemption in such order as the District may direct, or, in the absence of such direction, by lot. Within a maturity, the Paying Agent shall select Bonds for redemption in such order as the District may direct, or in the absence of such direction, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; *provided, however,* that the portion of any Bond to be redeemed in part shall be in the principal amount of five thousand US dollars ($5,000) or any integral multiple thereof.

Notice of Redemption

When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, shall give notice (each, a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds and series or designated portions thereof (in the case of any Bond to be redeemed in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP® numbers (if any) assigned to the Bonds to be redeemed, (f) the bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original

* Preliminary, subject to change.

issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest on such Bonds shall cease to accrue and become payable.

The Paying Agent shall take the following actions with respect to each such Redemption Notice: (i) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first-class mail, postage prepaid, at their addresses appearing on the Bond Register and the Municipal Securities Rulemaking Board (the "MSRB"; and (ii) in the event that the Bonds are no longer held in book-entry-only form, at least 20 but not more than 45 days before the redemption date, such Redemption Notice shall be given by (1) first-class mail, postage prepaid, (2) telephonically confirmed facsimile transmission, or (3) overnight delivery service, to each of the Securities Depositories and to the MSRB.

"Securities Depositories" means DTC and, in accordance with then-current guidelines of the SEC, such other addresses and/or such other securities depositories as the District may designate in a certificate delivered to the Paying Agent.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by issue, series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Conditional Notice of Redemption

Any Redemption Notice may be made conditional upon the satisfaction of certain conditions and/or the receipt of sufficient moneys to pay the redemption price of the designated Bonds and may be rescinded by the District at any time prior to the scheduled date of redemption by so notifying the Paying Agent, who shall notify the Owners of the affected Bonds and the MSRB in the event such conditions are not met or are not expected to be met and/or such funds are not received or are not expected to be received, in the same manner in which the Redemption Notice was originally given.

Partial Redemption of Bonds

Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption

Notice having been given as required in the Resolution, and the moneys for redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund or deposited with a duly appointed escrow agent, in trust, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest to such redemption date, shall be held by the Paying Agent, or deposited by a duly appointed escrow agent, in trust, so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given, then from and after such redemption date, and any conditions to such redemption described in the Redemption Notice shall be met, interest on the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

Transfer and Exchange

Any Bond may be exchanged for Bonds of like series, tenor, maturity and principal amount upon presentation and surrender at the principal office of the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of such Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like series and tenor and of any authorized denomination or denominations equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Discharge and Defeasance

All or any portion of the outstanding maturities of the Bonds of a series may be defeased prior to maturity in of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bonds, and when the same become due and payable;

(b) by depositing with the Paying Agent or with a duly appointed escrow agent, in trust, at or before maturity, cash which together with the amounts transferred from or then on deposit in the applicable Debt Service Fund (and the accounts therein other than amounts that are not available to pay Debt Service) together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay such Bonds at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(c) by depositing with an escrow agent selected by the District in accordance with the Resolution, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series) or obligations which are unconditionally guaranteed by the United States of America, or “prerefunded” municipal obligations rated in the highest category by Moody’s or S&P, and, with respect to any Bonds designated hereunder as exempt from federal income taxes, permitted under Section 149(b) of the Code (defined below) and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, as fully verified by the report of an independent certified public accountant, to pay and discharge such Bonds at maturity or earlier redemption thereof, for which notice has been given or provided for, including any premium and all interest thereon. Notwithstanding that any Bonds of the affected series have not been surrendered for payment;

all obligations of the District and the Paying Agent with respect to all such Bonds will cease and terminate. However, the obligation of the Paying Agent to pay or cause to be paid all sums due thereon, and the obligation of the District to pay the Paying Agent certain amounts due under the Resolution, shall not terminate.

Book-Entry-Only System

The Bonds will be issued under a book-entry system, evidencing ownership of the Bonds in principal amounts of $5,000 or integral multiples thereof, with no physical distribution of Bonds made to the public. DTC will act as depository for the Bonds, which will be immobilized in their custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC. For further information regarding DTC and the book-entry system, see APPENDIX E hereto.

PLAN OF FINANCE

Measure G Bonds

The District intends to apply the net proceeds of sale of the Measure G Bonds to various capital improvements included on the Project List approved by the voters at the 2018 Election. The Board of Trustees retains the ability to set priorities among listed Projects, in order to meet the needs of the District and its students. The Project List includes the following components:

- ***Modernization/Classroom Upgrade Projects:***

Install energy-efficient systems, including heating, ventilation and cooling systems for cost savings; replace existing window systems with energy-efficient systems; replace older ceilings and lighting systems with building code-compliant, energy-efficient systems; paint, re-floor and improve ceilings, doors and hardware in existing classrooms; upgrade facilities to comply with Americans with Disability Act requirements and current building codes.

- ***Replacing Portables with Permanent Facilities:***

Replace existing portables nearing the end of their useful lives with permanent facilities.

- ***Technology and Infrastructure Improvements:***

Make infrastructure improvements at facilities to increase campus connectivity to support educational programs and permit District students to achieve competence in the use of computers and access to the internet.

- ***Furnishings and Equipment:***

Furnish and equip classrooms, science labs and multipurpose rooms and facilities, with a focus on the acquisition of desks, tables, chairs and shelving that can be reconfigured for multiple classroom uses.

- ***Collaboration Spaces:***

Construct or reconfigure spaces adjacent to classrooms that can be used for break-out activities, small group assignments, tutoring and team teaching.

- ***Fitness and Indoor Play Areas/Locker Rooms:***

At Haven Middle School, create, furnish and equip indoor fitness space supporting physical education, which can be used for gatherings during inclement weather and on days with unhealthy air quality; at Haven Middle School, upgrade and modernize all locker room facilities.

- ***Playfield Improvements:***

Upgrade playfields, hard courts, tracks, fitness stations and equipment storage facilities at schools; add shade structures at play areas; upgrade and replace playground equipment to meet current safety standards.

- ***Food Service Upgrades/Expansion and Covered Dining:***

Modernize and improve the District's multipurpose rooms and kitchen facilities to accommodate students during meal and snack times; add shade structures for students to take outdoor meals and snacks.

- ***Library/Media Center Upgrades:***

Update the Library/Media Center for student accessibility; add technology upgrades to Library/Media Center to aid in student access to technology.

- ***Student Services Facilities:***

Create spaces to provide services to students and parents, including a parent center, a community-based health clinic and spaces for professional development and staff meetings.

- ***Parking, Drop-Off Safety Improvements:***

Improve driveways, turnouts and access points to provide safer student drop-off; build or improve parking lots to provide sufficient capacity for busses and private vehicles; add pedestrian walkways to improve traffic flow around schools.

- ***Security and Classroom Buildings Systems:***

Install new security systems, such as security (surveillance) cameras, outdoor lighting, perimeter fencing, gates and classroom door locks and related electrical systems; upgrade emergency communication systems; upgrade fire alarm systems to automatic systems, repair and replace fire safety equipment, add sprinklers and fire safety doors; upgrades to schools in order to meet handicap accessibility requirements; replace/upgrade existing signage, bells and clocks.

- ***Water Filtration and Plumbing Systems:***

Undertake plumbing and site utility upgrades in order to address poor water quality in the area and install water filtration systems where necessary.

- ***Outdoor Learning, Hardscapes and Landscaping:***

Improve exterior spaces at all schools to permit their use for outdoor learning; landscape exteriors to minimize water use and increase flexibility in outdoor learning; furnish outdoor learning spaces, as appropriate.

Measure E Bonds

The District intends to apply the net proceeds of sale of the Measure E Bonds to various capital improvements included on the Project List approved by the voters at the 2014 Election. The Board of Trustees retains the ability to set priorities among listed Projects, in order to meet the needs of the District and its students. The Project List includes the following components:

- ***Modernization/Classroom Upgrade Projects:***

Install energy-efficient systems, including heating, ventilation and cooling systems for cost savings; replace existing window systems with energy-efficient systems; replace older ceilings, heating, ventilation, air conditioning and lighting systems with building code-compliant, energy-efficient systems; paint, re-floor and improve ceilings, doors and hardware in existing classrooms; upgrade facilities to comply with Americans with Disability Act requirements and current building codes.

- ***Replacing Portables with Permanent Facilities:***

Replace existing portables nearing the end of their useful lives with permanent facilities.

- ***Technology and Infrastructure Improvements:***

Make infrastructure improvements at facilities to increase campus connectivity to support educational programs and permit District students to achieve competence in the use of computers and access to the internet.

- ***Furnishings and Equipment:***

Furnish and equip classrooms, science labs and multipurpose rooms and facilities, with a focus on the acquisition of desks, tables, chairs and shelving that can be reconfigured for multiple classroom uses.

- ***Collaboration Spaces:***

Construct or reconfigure spaces adjacent to classrooms that can be used for break-out activities, small group assignments, tutoring and team teaching.

- ***Fitness and Indoor Play Areas/Locker Rooms:***

At Haven Middle School, create, furnish and equip indoor fitness space supporting physical education, which can be used for gatherings during inclement weather and on days with unhealthy air quality; at Haven Middle School, upgrade and modernize all locker room facilities.

- ***Playfield Improvements:***

Upgrade playfields, hard courts, tracks, fitness stations and equipment storage facilities at schools; add shade structures at play areas; upgrade and replace playground equipment to meet current safety standards.

- ***Food Service Upgrades/Expansion and Covered Dining:***

Modernize and improve the District's multipurpose rooms and kitchen facilities to accommodate students during meal and snack times; add shade structures for students to take outdoor meals and snacks.

- ***Library/Media Center Upgrades:***

Update the Library/Media Center for student accessibility; add technology upgrades to Library/Media Center to aid in student access to technology.

- ***Student Services Facilities:***

Create spaces to provide services to students and parents, including a parent center, a community-based health clinic and spaces for professional development and staff meetings.

- ***Parking, Drop-Off Safety Improvements:***

Improve driveways, turnouts and access points to provide safer student drop-off; build or improve parking lots to provide sufficient capacity for busses and private vehicles; add pedestrian walkways to improve traffic flow around schools.

- ***Security and Classroom Buildings Systems:***

Install new security systems, such as security (surveillance) cameras, outdoor lighting, perimeter fencing, gates and classroom door locks and related electrical systems; upgrade emergency communication systems; upgrade fire alarm systems to automatic systems, repair and replace fire safety equipment, add sprinklers and fire safety doors; upgrades to schools in order to meet handicap accessibility requirements; replace/upgrade existing signage, bells and clocks; make HVAC improvements at all schools.

- ***Water Filtration and Plumbing Systems:***

Undertake plumbing and site utility upgrades in order to address poor water quality in the area and install water filtration systems where necessary.

- ***Outdoor Learning, Hardscapes and Landscaping:***

Improve exterior spaces at all schools to permit their use for outdoor learning; landscape exteriors to minimize water use and increase flexibility in outdoor learning; furnish outdoor learning spaces, as appropriate.

ESTIMATED SOURCES AND USES

The proceeds of the Measure G Bonds are expected to be applied as follows:

Sources of Funds	
Principal Amount	
Original Issue Premium	
Total Sources	
Uses of Funds	
Deposit to Measure G Building Fund	
Deposit to Debt Service Fund for the Measure G Bonds	
Costs of Issuance[1]	
Total Uses	

[1] Includes payment of Original Purchaser's discount, Bond and Disclosure Counsel fees, Municipal Advisor fees, Paying Agent fees, rating agency fees, bond insurance premium, if any, Preliminary Official Statement and Official Statement printing and other costs of issuance.

The proceeds of the Measure E Bonds are expected to be applied as follows:

Sources of Funds	
Principal Amount	
Original Issue Premium	
Total Sources	
Uses of Funds	
Deposit to Measure E Building Fund	
Deposit to Debt Service Fund for the Measure E Bonds	
Costs of Issuance[1]	
Total Uses	

[1] Includes payment of Original Purchaser's discount, Bond and Disclosure Counsel fees, Municipal Advisor fees, Paying Agent fees, rating agency fees, bond insurance premium, if any, Preliminary Official Statement and Official Statement printing and other costs of issuance.

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DEBT SERVICE SCHEDULE

The following table summarizes the debt service requirements for the Bonds and the other outstanding general obligation bonds of the District, assuming no optional redemption:

Year Ending November 1	Outstanding Bonds[(2)]	The Measure G Bonds Principal	The Measure G Bonds Interest	The Measure E Bonds Principal	The Measure E Bonds Interest	Total Debt Service[(2)]
2024	$1,870,450					
2025	1,833,625					
2026	1,597,175					
2027	1,674,544					
2028	1,728,931					
2029	1,801,925					
2030	1,853,569					
2031	1,938,494					
2032	1,996,706					
2033	2,097,694					
2034	2,190,569					
2035	2,250,681					
2036	2,344,706					
2037	2,435,581					
2038	2,538,519					
2039	2,630,231					
2040	2,738,968					
2041	2,840,956					
2042	2,939,394					
2043	3,069,581					
2044	3,180,769					
2045	3,312,856					
2046	3,424,756					
2047	3,562,263					
2048	2,789,069					
2049	1,656,625					
2050	1,522,500					
Total[(1)]	$63,821,138					

[(1)] Totals may not add due to rounding.
[(2)] Includes all debt service on the District's general obligation bonds, including those issued pursuant to the District's other general obligation bond authorizations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Certain Existing Obligations" herein.

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SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are general obligations of the District only, and the Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* property taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. The levy may include an allowance for an annual reserve, established for the purposes of avoiding fluctuating tax levies. However, the County is not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representations that the County will do so in future years.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIIIA of the California Constitution. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein.

The State-reimbursed exemption currently provides a credit of $7,000 of the full value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies.

In addition, certain classes of property such as churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

Economic and other factors beyond the District's control, such as a decline in general economic conditions or a general market decline in land values, changes in supply and demand for real property in the area, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or other government regulations such as zoning, or the complete or partial destruction, or the complete or partial destruction of taxable property caused by natural or manmade disaster such as earthquake, fire or wildfire, flood, toxic dumping, etc., or outbreaks of infectious disease (including the COVID-19 pandemic) could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the District's outstanding general obligation bonds, including the Bonds. See " – Effect of Natural Disasters on Assessed Valuations" herein.

The District's fiscal year 2024-25 total assessed valuation of property within its boundaries is $2,054,841,677. Shown in the following tables are the assessed valuations of property in the District during the past five fiscal years, fiscal year 2024-25 assessed valuation and parcels by land use, per parcel fiscal year 2024-25 assessed valuation of single family homes, fiscal year 2024-25 assessed valuation by jurisdiction, and the twenty largest secured taxpayers in the District for fiscal year 2024-25.

ARVIN UNION SCHOOL DISTRICT
SUMMARY OF ASSESSED VALUATIONS
FISCAL YEARS 2020-21 THROUGH 2024-25

Fiscal Year	Local Secured	Utility	Unsecured	Total
2020-21	$1,237,168,300	$297,151,601	$36,266,583	$1,570,586,484
2021-22	1,387,709,611	321,151,601	72,894,743	1,781,755,955
2022-23	1,478,829,808	240,551,601	73,849,370	1,793,230,779
2023-24	1,616,887,327	242,951,601	83,995,115	1,943,834,043
2024-25	1,741,645,433	226,097,372	87,098,872	2,054,841,677

Source: California Municipal Statistics, Inc.

ARVIN UNION SCHOOL DISTRICT
2024-25 Assessed Valuation and Parcels by Land Use

	2024-25 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	$ 482,064,131	24.50%	1,012	17.75%
Commercial/Office	51,316,649	2.61	155	2.72
Vacant Commercial	3,318,708	0.17	28	0.49
Recreational	395,574	0.02	2	0.04
Industrial	560,138,159	28.47	127	2.23
Vacant Industrial	1,929,632	0.10	12	0.21
Power Plant/Utility Roll	226,097,372	11.49	4	0.07
Government/Social/Institutional	222,607	0.01	75	1.32
Subtotal Non-Residential	$1,325,482,832	67.36%	1,415	24.82%
Residential:				
Single Family Residence	$ 569,319,579	28.93%	3,266	57.29%
Condominium	$2,838,855	0.14	24	0.42
Mobile Home	5,560,772	0.28	211	3.70
Mobile Home Park	7,792,053	0.40	7	0.12
2-4 Residential Units	31,924,506	1.62	224	3.93
5+ Residential Units/Apartments	14,141,802	0.72	28	0.49
Vacant Residential	10,682,406	0.54	526	9.23
Subtotal Residential	$ 642,259,973	32.64%	4,286	75.18%
Total	$1,967,742,805	100.00%	5,701	100.00%

[1] Total Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

ARVIN UNION SCHOOL DISTRICT
Per Parcel 2024-25 Assessed Valuation of Single Family Homes

	No. of Parcels	2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	3,266	$569,319,579	$174,317	$160,539

2024-25 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	28	0.857%	0.857%	$ 493,114	0.087%	0.087%
$25,000 -$49,999	94	2.878	3.735	3,704,921	0.651	0.737
$50,000 - $74,999	202	6.185	9.920	12,779,823	2.245	2.982
$75,000 - $99,999	272	8.328	18.249	24,282,436	4.265	7.247
$100,000 - $124,999	551	16.871	35.119	62,529,261	10.983	18.230
$125,000 - $149,999	371	11.359	46.479	50,492,004	8.869	27.099
$150,000 - $174,999	266	8.145	54.623	43,182,617	7.585	34.684
$175,000 - $199,999	226	6.920	61.543	42,341,875	7.437	42.122
$200,000 - $224,999	334	10.227	71.770	71,072,394	12.484	54.605
$225,000 - $249,999	339	10.380	82.149	80,952,215	14.219	68.824
$250,000 - $274,999	238	7.287	89.437	62,145,976	10.916	79.740
$275,000 - $299,999	120	3.674	93.111	34,378,463	6.039	85.779
$300,000 - $324,999	71	2.174	95.285	22,117,501	3.885	89.664
$325,000 - $349,999	63	1.929	97.214	21,222,110	3.728	93.391
$350,000 - $374,999	51	1.562	98.775	18,189,005	3.195	96.586
$375,000 - $399,999	9	0.276	99.051	3,509,742	0.616	97.203
$400,000 - $424,999	10	0.306	99.357	4,105,521	0.721	97.924
$425,000 - $449,999	0	0.000	99.357	0	0.000	97.924
$450,000 - $474,999	9	0.276	99.633	4,128,876	0.725	98.649
$475,000 - $499,999	3	0.092	99.724	1,486,351	0.261	98.910
$500,000 and greater	9	0.276	100.000	6,205,374	1.090	100.000
	3,266	100.000%		$569,319,579	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

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ARVIN UNION SCHOOL DISTRICT
2024-25 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Arvin	$ 762,742,619	37.12%	$ 762,742,619	100.00%
Unincorporated Kern County	1,292,099,058	62.88	64,418,409,159	2.01
Total District	$2,054,841,677	100.00%		
Kern County	$2,054,841,677	100.00%	$120,988,610,898	1.70%

Source: California Municipal Statistics, Inc.

The 20 largest taxpayers in the District, as shown on the 2024-25 secured tax roll, and the amounts of their assessed valuation for all taxing jurisdictions within the District, are shown below. As further discussed under "– *Appeals of Assessed Value; Proposition 8 Reductions*" herein, the *ad valorem* property tax is subject to certain appeals and reclassification, and may be challenged from time to time. The below table does not take into account any such appeal or challenge.

ARVIN UNION SCHOOL DISTRICT
2024-25 Largest Total Secured Taxpayers

	Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total(1)
1.	National Cement Company of California	Industrial	$ 370,617,649	18.83%
2.	Pastoria Energy Facility, LLC	Power Plant	225,900,000	11.48
3.	Tejon Ranch Co.	Industrial	84,377,110	4.29
4.	Anthony Vineyards Inc.	Industrial	72,378,902	3.68
5.	Granite Construction Co	Industrial	57,455,975	2.92
6.	Grimmway Enterprises Inc.	Industrial	33,532,267	1.70
7.	Giumarra Vineyards Corp.	Agricultural	24,042,099	1.22
8.	Bear Mt. Arvin LP	Agricultural	18,762,456	0.95
9.	Thomas R. & Ruth M. Fry Trust	Agricultural	17,820,821	0.91
10.	Diamond Farming Co.	Agricultural	17,517,292	0.89
11.	Crystal Organic Farms LLC	Agricultural	15,873,171	0.81
12.	Delano Farms Co. Inc.	Agricultural	14,416,117	0.73
13.	Sapphire Prop Holdings LLC	Agricultural	12,273,028	0.62
14.	Blue River Farms LLC	Agricultural	12,052,992	0.61
15.	Bolthouse Land Company LLC	Agricultural	11,955,841	0.61
16.	Mettler Group LLC	Agricultural	9,612,280	0.49
17.	Mzirp Inc.	Agricultural	9,296,215	0.47
18.	Farmland Reserve Inc.	Agricultural	8,531,205	0.43
19.	Fowler Packing Co. Inc.	Agricultural	7,859,387	0.40
20.	Sycamore Road Arvin LP	Agricultural	7,173,549	0.36
			$1,031,448,356	52.42%

(1) 2024-25 Total Secured Assessed Valuation: $1,967,742,805
Source: California Municipal Statistics, Inc.

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed above is a name listed on the tax rolls.

The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table above.

Tax Rates

The following table sets forth typical tax rates levied in Tax Rate Area 54-017, a typical tax rate area within the District, for fiscal years 2019-20 through 2023-24. The 2023-24 assessed valuation of TRA 54-017 is $347,194,564, which is 17.86% of the district's total assessed valuation.

ARVIN UNION SCHOOL DISTRICT
Typical Tax Rates per $100 of Assessed Valuation (TRA 54-017)
Fiscal Years 2019-20 Through 2023-24[(1)]

	2019-20	2020-21	2021-22	2022-23	2023-24
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Kern County Water Agency	.040820	.039175	.037225	.031961	.027824
Arvin Union School District	.076086	.071634	.066965	.075106	.065736
Kern High School District	.053189	.048529	.041744	.043914	.035837
Kern Community College District SFID No. 1	.018785	.013073	.014041	.009021	.010220
Kern Community College District SRID	.014243	.020778	.024568	.022222	.024041
Total	1.203123	1.193189	1.184543	1.182224	1.163658

(1) 2024-25 Tax Rates are not currently available.
Source: California Municipal Statistics, Inc.

***Ad Valorem* Property Taxes, Tax Rates, Levies, Collections and Delinquencies**

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and real property having a tax secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two installments on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, then a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the Treasurer.

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a fiscal year and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

The County levies and collects all property taxes for property falling within its taxing boundaries. The County has adopted the Teeter Plan (as defined herein), according to which the County distributes to the District the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. See "– Teeter Plan" herein. The District's receipt of property taxes is therefore not currently subject to delinquencies. The District cannot confirm that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax levies to the District. See "– Teeter Plan" herein. However, State law requires the County to levy *ad valorem* property taxes sufficient to pay debt service on the Bonds when due. If delinquencies increase substantially as a result of the COVID-19 pandemic or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies. However, no representation can be made that the County will levy for any such reserve, or that any such levy will be able to make up for a shortfall in ad valorem tax collections in any particular year.

Tax Charges and Delinquencies

The County's secured tax roll charges and corresponding delinquencies with respect to property located in the District for the five-year period from fiscal year 2019-20 through 2023-24 are set forth in the following table.

ARVIN UNION SCHOOL DISTRICT
Secured Tax Charges and Delinquencies(1)
Fiscal Years 2019-20 through 2023-24

Fiscal Year	Secured Tax Charge(2)	Amt. Del. June 30	% Del. June 30
2019-20	$1,309,635.09	$19,872.79	1.52%
2020-21	1,332,831.38	15,060.37	1.13
2021-22	1,396,843.42	16,091.51	1.15
2022-23	1,592,692.08	22,275.43	1.40
2023-24	1,609,749.02	27,079.29	1.68

(1) Kern County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the county retaining all penalties and interest.
(2) Bond debt service levy only.
Source: California Municipal Statistics, Inc.

Teeter Plan

The County has adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1 (commencing with Section 4701) of the Revenue and Taxation Code of the State (also known as the "Teeter Plan"). This alternative method provides for funding each taxing entity included in the Teeter Plan with its total secured property taxes during the year the taxes are levied, including any amount uncollected at fiscal year-end. Under the Teeter Plan, the County assumes an obligation under a debenture or similar demand obligation to advance funds to cover expected delinquencies, and, by such financing, its general fund receives the full amount of secured property taxes levied each year and, therefore, no longer experiences delinquent taxes. In addition, the County's general fund benefits from future collections of penalties and interest on all delinquent taxes collected on behalf of participants in this alternative method of apportionment.

Upon adopting the Teeter Plan, the County was required to distribute to participating local agencies 95% of the then-accumulated, secured roll property tax delinquencies and to place the remaining 5% in a tax losses reserve fund. Taxing entities that maintain funds in the County Treasury are all included in the Teeter Plan; other taxing entities may elect to be included in the Teeter Plan. Taxing entities that do not elect to participate in the Teeter Plan will be paid as taxes are collected. Since the District maintains funds in the County Treasury, the District is included in the Teeter Plan.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board of Supervisors shall receive a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. In the event that the Teeter Plan was terminated, receipt of revenue of *ad valorem* taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District. The District knows of no consideration by the County to discontinue the Teeter Plan.

There can be no assurance that either County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of COVID-19 or other pandemic or natural or manmade disaster. see APPENDIX A – "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Risks Related to COVID-19." However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires each County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

Effect of Natural Disaster on Assessed Valuations

As referenced under "– Assessed Valuations" herein, assessed valuations are subject to change in each year and such changes may result from a variety of factors, including natural disasters. In recent years, there have been several notable natural disasters in the State, including drought conditions. Governor Gavin Newsom declared regional drought emergencies throughout the State on April 12, 2021, May 10, 2021, July 8, 2021 and October 19, 2021. Since the October 19, 2021 proclamation, the State experienced a record-breaking dry period in January and February of 2022. On March 28, 2022, Governor Newsom filed Executive Order N-7-22, which, among other things, maintained the aforementioned emergency drought proclamations, and established State Water Resources Board review of emergency regulations related to drought conditions.

However, California experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2022 and early 2023, which impacted communities across the State (the "2022-23 Winter Storms"). The increased rainfall caused by the 2022-23 Winter Storms eased drought conditions across the State considerably. Accordingly, in March 2023, the Governor rescinded some of the State's drought restrictions, including restrictions in the County. In addition, in January 2023, the Governor announced an extension of its tax filing deadline for residents and businesses in Counties which were impacted by the 2022-23 Winter Storms and the resulting mudslides, and flooding (the "2023 Winter Storm Tax Extension"). Most counties in the State were included in the 2023 Winter Storm Tax Extension, such that certain individual and business tax payments which would have typically been due at various times between January and September 2023 were due on October 16, 2023.

It is not possible for the District to make any representation regarding the extent to which any winter storms, or related increased rainfall, mudslides or flooding conditions, could cause reduced economic activity within the boundaries of the District or the extent to which such conditions may impact District facilities or the assessed value of taxable property within the District.

In addition, major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020. The District did not sustain any serious property losses as a result of these recent fires. However, serious and significant property damage has resulted in other areas of the State due to fire damage. The Governor has signed a number of measures into law addressing issues related to increased wildfire risk in the State, including forest management, mutual aid for fire departments, emergency alerts and safety mandates.

On August 27, 2018, the California Natural Resources Agency released its Fourth Climate Change Assessment, which included as key findings that the frequency of drought and the amount of acreage consumed by wildfire in the State would both increase in the future. This report details significant economic impacts to the State as a result of these and other natural disasters. The report is publicly available at http://www.climateassessment.ca.gov. The reference to this website is included for convenience only; the information contained within the website may not be current, has not been reviewed by the District and is not incorporated herein by this reference.

The District is located in a seismically active region. The White Wolf Fault is an active earthquake fault which runs near the District, and other active faults throughout the County include the Kern Canyon Fault, San Andreas Fault, the Garlock Fault and the Owens Valley Fault.

The District cannot predict or make any representation regarding the effects that natural disasters, such as fire, or wildfire, outbreaks of disease (including COVID-19), drought or extended drought conditions, earthquakes, or other natural or man-made conditions have or may have on the value of taxable property within the District, or to what extent the effects of such natural disasters might have on economic activity within the District or throughout the State. See below under the heading "– Appeals of Assessed Value; Proposition 8 Reductions."

Appeals of Assessed Value; Proposition 8 Reductions

A property owner may appeal a county assessor's determination of assessed value based on Proposition 8, passed by the voters in November 1978 ("Proposition 8"), or based on a challenge to the base year value.

Proposition 8 requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Property owners may apply for a Proposition 8 reduction of their property tax assessment with the County board of equalization or assessment appeals board. In most cases, an appeal is based on the property owner's belief that market conditions cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the county assessor.

Any reduction in the assessed value granted as a result of a Proposition 8 appeal, or unilateral reassessment by the county assessor, applies to the year for which the application or reassessment is made. These reductions are subject to annual review and the assessed values are adjusted back to the original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it becomes subject to the annual inflationary factor growth rate allowed under Article XIIIA.

Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is made and thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters, such as earthquakes, floods, fire, wildfire, drought or other toxic contamination pursuant to relevant provisions of the State Constitution. Such reductions are subject to yearly reappraisals by the County Assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under the State Constitution.

The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate assessed valuation of property within the District due to appeals, as with any reduction in assessed valuation due to other causes, will result in an increase of the tax rate levied upon all property subject to taxation within the District for the payment of principal of and interest on the Bonds, when due.

California Senate Bill 222

On July 13, 2015, the Governor of the State (the "Governor") signed Senate Bill 222 ("SB 222") into law, effective January 1, 2016, to clarify the process of lien perfection for general obligation bonds issued by or on behalf of California school and community college districts. By clarifying that the lien created with each general obligation bond issuance is a "statutory" lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds, and thus potentially improve ratings, interest rates and bond cost of issuance. See "LEGAL MATTERS – Limitations on Remedies; – California Senate Bill SB 222; and – Special Revenues" herein for more information on SB 222.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a site for a residence;" (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of "equal or lesser value" than the Original Cash Value.

Within the context of Proposition 171, "equal or lesser value" means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

Certain Existing Obligations

On March 2, 2004, an election was held at which more than fifty-five percent of the voters of the District approved general obligation bonds, which authorized the issuance and sale of $11 million in general obligation bonds (the "2004 Authorization"). In 2004, the District issued its General Obligation Bonds, Election of 2004, Series 2004A in the initial aggregate amount of $5,059,348.30. In 2008, the District issued its General Obligation Bonds, Election of 2004, Series 2008 in the aggregate initial amount of $5,059,874.20. Of the 2004 Authorization, $880,777.50 remains unissued.

On November 4, 2014, an election was held at which more than fifty-five percent of the voters of the District approved general obligation bonds, which authorized the issuance and sale of $15 million in general obligation bonds (the "2014 Authorization"). In 2015, the District issued its (i) General Obligation Bonds, Election of 2014, Series 2015A in an aggregate principal amount of $3,115,000 and (ii) General Obligation Refunding Bonds, Series 2015A in an aggregate principal amount of $3,860,000. In 2017, the District issued its General Obligation Bonds, Election of 2014, Series 2017B in an aggregate principal amount of $3,500,000. In 2019, the District issued its General Obligation Bonds, Election of 2014, Series 2019B, in an aggregate principal amount of $4,100,000. In 2022, the District issued its General Obligation Bonds, Election of 2014, Series 2022D, in an aggregate principal amount of $3,285,000.

On November 6, 2018, an election was held at which more than fifty-five percent of the voters of the District approved general obligation bonds, which authorized the issuance and sale of $15 million in general obligation bonds. In 2019, the District issued its General Obligation Bonds, Election of 2018, Series 2019A in an aggregate principal amount of $3,385,000. In July 2020, the District issued its General Obligation Bonds, Election of 2018, Series 2020B in an aggregate principal amount of $2,990,000. In 2022, the District issued its General Obligation Bonds, Election of 2018, Series 2022C, in an aggregate principal amount of $2,715,000.

A schedule of the District's changes in long-term debt for the year ended June 30, 2023 is shown in the table below:

	Balance July 1, 2022	**Additions**	**Deductions**	**Balance June 30, 2023**
General obligation bonds	$27,594,223	-	$935,000	$26,659,223
Accreted interest	5,735,992	$658,204	-	6,394,196
Capital Leases	23,304	-	5,488	17,816
Other Postemployment benefits	34,288,176	233,274	-	34,521,450
Compensated absences	460,696	49,834	-	510,530
Net Pension Liability	21,260,327	14,038,673	-	35,299,000
Note payable	951,850	-	239,555	712,295
Early retirement incentive				
STRS	1,144,628	-	205,288	939,340
PERS	331,060	-	94,293	236,767
Totals	$91,790,256	$14,979,985	$1,479,624	$105,290,617

Source: The District.

Direct and Overlapping Debt

Numerous local agencies which provide public services overlap the District's service area. These local agencies have outstanding debt in the form of general obligation, lease revenue and special assessment bonds. The following table shows the District's estimated direct and overlapping bonded debt (the "Debt Report"). The statement excludes self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations. Inquiries concerning the scope and methodology of procedures carried out to compile the information presented should be directed to California Municipal Statistics, Inc.

The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Column 1 in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in Column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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The following table is a statement of the District's direct and estimated overlapping bonded debt as of September 1, 2024:

ARVIN UNION SCHOOL DISTRICT
DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

2024-25 Assessed Valuation: $2,054,841,677

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 9/1/24
Kern Community College District Safety, Repair and Improvement District	1.685%	$ 1,396,120
Kern Community College District School Facilities Improvement District No. 1	1.675	5,984,691
Kern High School District	2.650	9,224,815
Arvin Union School District	**100.**	**25,544,222**[2]
Tehachapi Valley Healthcare District	0.052	29,528
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$42,179,376
OVERLAPPING GENERAL FUND DEBT:		
Kern County Certificates of Participation	1.698%	$ 1,654,945
Kern County Pension Obligation Bonds	1.698	1,125,770
Kern County Board of Education Certificates of Participation	1.698	509,145
Kern Community College District Certificates of Participation	1.510	321,071
Kern Community College District Benefit Obligation Bonds	1.510	1,063,946
City of Arvin General Fund Obligations	100.	3,450,000
Tehachapi Valley Recreation and Park District General Fund Obligations	0.116	701
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 8,125,578
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$ 5,520,000
COMBINED TOTAL DEBT		$55,824,954[3]

(1) 2023-24 ratios are used for Kern Community College District and its School Facilities Improvement Districts. The 2024-25 ratios are not currently available.
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Ratios to 2024-25 Assessed Valuation:
Direct Debt ($25,544,222).. 1.24%
Total Direct and Overlapping Tax and Assessment Debt...................... 2.05%
Combined Total Debt 2.72%

Ratios to Redevelopment Incremental Valuation ($226,726,182):
Total Overlapping Tax Increment Debt.. 2.43%

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CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIIIA of the California Constitution

Article XIIIA of the California Constitution limits the amount of any *ad valorem* tax on real property, to one percent (1%) of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." The full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent (1%) property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls, with tax rates expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to cover debt service on the Bonds in full.

Property Tax Base Transfer (Proposition 19)

At the November 2020 Statewide election, voters enacted changes to certain property tax rules ("Proposition 19") which: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) broaden the scope of legal entity ownership changes that trigger reassessment of properties. The

District cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the District.

Article XIIIB of the California Constitution

Under Article XIIIB of the California State Constitution state and local government entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriations of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Unitary Property

Assembly Bill 454 (Chapter 921, Statutes of 1986) ("AB 454") provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property") are allocated as follows: (1) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (2) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The State electric utility industry has experienced significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "Funding of School Districts in California" in Appendix A hereto.

Proposition 46

On June 3, 1986, California voters approved Proposition 46, which added an additional exemption to the 1% tax limitation imposed by Article XIIIA. Under this amendment to Article XIIIA, local governments and school and community college districts may increase the property tax rate above 1% for the period necessary to retire new, general obligation bonds, if two-thirds of those voting in a local election approve the issuance of such bonds and the money raised through the sale of the bonds is used exclusively to purchase or improve real property.

Proposition 39

On November 7, 2000, California voters approved Proposition 39, called the "Smaller Classes, Safer Schools and Financial Accountability Act" ("Proposition 39") which amends Section 1 of Article XIIIA, Section 18 of Article XVI of the California Constitution and Section 47614 of the California

Education Code (the "Education Code") and allows an alternative means of seeking voter approval for bonded indebtedness by 55% of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The 55% voter requirement applies only if the bond measure submitted to the voters includes, among other items: (1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," (2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list" and (3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIIIA was added to exempt the one percent (1%) *ad valorem* tax limitation that Section 1(a) of Article XIIIA of the Constitution levies, to pay bonds approved by 55% of the voters, subject to the restrictions explained above.

The State Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39 and amends various sections of the Education Code. Under amendments to Sections 15268 and 15270 of the Education Code, the following limits on *ad valorem* property taxes apply in any single election: (1) for an elementary and high school district, indebtedness shall not exceed $30 per $100,000 of taxable property, (2) for a unified school district, indebtedness shall not exceed $60 per $100,000 of taxable property, and (3) for a community college district, indebtedness shall not exceed $25 per $100,000 of taxable property. Finally, AB 1908 requires that a citizens' oversight committee must be appointed who will review the use of the bond funds and inform the public about their proper usage.

Proposition 98

On November 8, 1988, voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" ("Proposition 98"). Proposition 98 guarantees K-14 schools a minimum share of the State General Fund revenues. Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 schools are guaranteed the greater of (a) 40.9% of State General Fund revenues (the "first test"), or (b) the amount appropriated to K-14 schools in the prior year, adjusted for changes in the cost-of-living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"), or (c) a "third test" which would replace the second test in any year when the percentage growth in per capita State General Fund revenues from the prior year plus 1/2 of 1% is less than the percentage growth in the State per capita personal income. Under the third test, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State General Fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test would become a "credit" to schools which would be paid in future years when State General Fund revenue growth exceeds personal income growth.

Proposition 98 permits the Legislature by two-thirds vote of both houses, with the Governor's concurrence, to suspend this minimum funding formula for a one-year period, and any corresponding reduction in funding for that year will not be paid in subsequent years. However, in determining the funding level for the succeeding year, the formula base for the prior year will be reinstated as if such suspension had not taken place. The Legislature has suspended payment on a number of occasions since voters approved Proposition 98, and a minimum funding formula suspension is discussed in the current State budget. See APPENDIX A – "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Fiscal Year 2024-25 State Budget" herein.

Proposition 98 also changes how tax revenues in excess of the State Appropriations Limit are distributed. "Excess" tax revenues are determined based on a two-year cycle, so that the State could avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year were under its limit. After any two-year period, if there are excess State tax revenues, 50% of the excess would be transferred to K-14 schools, with the balance returned to taxpayers. Further, any excess State tax revenues transferred to K-14 schools are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit will not be increased by this amount.

For a discussion of recent State revenues, and their corresponding effect on Proposition 98 funding, see APPENDIX A – "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Fiscal Year 2024-25 State Budget" herein.

Propositions 1A and 22

Proposition 1A (SCA 4), proposed by the State Legislature in connection with the 2004-05 State budget and approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature. Proposition 1A provides, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Pursuant to Proposition 1A, if the State reduces the Vehicle License Fee rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A required the State, beginning March 1, 2006, to suspend mandates affecting cities, counties and special districts, schools or community colleges, excepting mandates relating to employee rights, in any year that the State does not fully reimburse local governments for their costs of compliance with such mandates.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in fiscal year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert $1.935 billion in local property tax revenues in fiscal year 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted fiscal year 2009-10 State budget of $1.7 billion in local property tax revenues from local redevelopment agencies. Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's General Fund.

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the 2011-12 State Budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and K-14 school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide. The District is unable to predict what affect the implementation of ABx1 26 will have on the District's future receipt of tax increment revenues.

As a result of the dissolution of State redevelopment agencies and ABx1 26, the tax increment previously paid to redevelopment agencies shall first be used to pay pass-through payments to other taxing entities and second to pay the redevelopment agencies enforceable obligations; with the remaining revenue (if any) paid to the taxing entities by the County Auditor-Controller in the same proportion as other tax revenue. The District does not expect to have any of its property tax payments deferred as a result of the dissolution of area redevelopment agencies.

Proposition 30 and Proposition 55

The passage of the Governor's November Tax Initiative ("Proposition 30") on November 6, 2012, resulted in an increase in the State sales tax by a quarter-cent for four years and, for seven years, raises taxes on individuals after their first $250,000 in income and on couples after their first $500,000 in earnings. These increased tax rates affect approximately one percent of California personal income tax filers and were to be in effect until the conclusion of the 2018 tax year. The State Legislative Analyst Office (the "LAO") estimated that, as a result of Proposition 30, additional state tax revenues of about $6 billion annually from fiscal years 2012-13 through 2016-17 would be received by the State with lesser amounts of additional revenue available in fiscal years 2017-18, and 2018-19. Proposition 30 also placed into the State Constitution certain requirements related to the transfer of certain State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees, and providing substance abuse treatment services.

Proposition 30 was to provide additional tax revenues aimed at balancing the State's budget through fiscal year 2018-19, providing several billion dollars annually through fiscal year 2018-19 available for various purposes including funding existing State programs, ending K-14 education payment delays, and paying other State debts. Future actions of the State Legislature and the Governor would determine the use of these funds. According to the LAO, revenues raised by Proposition 30 could be subject to multibillion-dollar swings, above or below the revenue projections, due to the majority of the additional revenue coming from the personal income tax rate increases on upper-income taxpayers. These fluctuations in incomes of upper-income taxpayers will impact potential State revenue and could complicate State budgeting in future years. The loss of the associated tax revenues could create additional budget pressure in subsequent years.

On November 8, 2016, voters approved the California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55 ("Proposition 55"), which extended the temporary tax increases created by Proposition 30 on income taxes (the sales tax piece expired December 31, 2016) from the 2016 tax year through the 2030 tax year. The District cannot predict the effect the loss of the revenues generated from such temporary sales tax increases will have on total State revenues and the effect on the Proposition 98 formula for funding schools.

Proposition 2

On November 4, 2014, voters approved Proposition 2, also referred to as the "Rainy Day Budget Stabilization Fund Act." Proposition 2 changed the State's existing requirements for the Budget Stabilization Account ("BSA") and establishes a Public School System Stabilization Account ("PSSSA").

Proposition 2 limits the ability of the Governor to suspend or reduce transfers to the BSA. Specifically, the Governor would have to declare a "budget emergency," defined in Article XIIB of the State Constitution or determine that (A) there are insufficient resources to maintain general fund expenditures for the current year at the highest level of spending in the three most recent fiscal years, or (B) it is made in response to a natural or man-made emergency. Any such declaration must be followed by a legislative bill passed by a majority vote of each house. If a budget emergency exists and the State elects to make a withdrawal from the BSA, the State may withdraw the lesser of (i) the amount needed to maintain General Fund spending at the highest level of the past three enacted budget acts; and (ii) fifty percent of the balance of the BSA.

Proposition 2 also requires the State Controller to deposit annually 1.5% of general fund revenues and an amount equal to revenues derived from capital gains-related taxes in situations where such tax revenues are in excess of 8% of general fund revenues. Deposits to the BSA will be made until the BSA balance reaches an amount equal to 10% of general fund revenues. Additionally, from 2015-16 to 2029-30, half of any required transfers to the BSA must be allocated to reduce certain state liabilities, such as unfunded state-level pension plans and making certain payments owed to K-14 school districts.

The PSSSA will be funded by the capital gains-related tax revenues in excess of 8% of general fund revenues. The State may deposit amounts into the PSSSA only after certain conditions are met, including the payment of all amounts owing to school districts under the Proposition 98 maintenance factor and the existence of a "Test 1" year under Proposition 98.

State legislation (Senate Bill 858, as amended by Senate Bill 751) established certain limits on the amount that school districts are permitted to maintain in their reserve funds in any given period. These limits, often referred to as the "school district reserve cap," can be triggered upon deposits into the PSSSA. If deposits in the PSSSA in a fiscal year equal or exceed 3% of the combined general fund revenues provided to school districts under Proposition 98, then a school district will be restricted from exceeding 10% of such funds in its general fund reserves in the immediately following fiscal year, among other provisions.

Draws on amounts in the BSA, PSSSA and other State reserves in the 2024-25 fiscal year and beyond are described further under APPENDIX A – "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Fiscal Year 2024-25 State Budget" herein.

Proposition 51

At the November 8, 2016 Election, voters in the State approved the California Public School Facility Bonds Initiative, ("Proposition 51"). Proposition 51 authorizes the sale and issuance of $9 billion in State general obligation bonds to fund the construction and modernization of school facilities for both community colleges and K-12 schools within the state.

Specifically, the $9 billion will be stored between a State School Facilities Fund and a California Community College Capital Outlay Bond Fund. The funds can then be used to allocate bond revenue in the following manner:

- $3 billion for construction of new K-12 school district facilities;
- Another $3 billion for the modernization of K-12 public school sites, which includes repairs to outdated facilities to increase earthquake and fire safety, removing asbestos, technology upgrades and other health and safety improvements;
- $500 million for various charter school facilities;
- $500 million for career technical education facilities; and
- $2 billion for California community college facility construction and modernization.

The State issues general obligation bonds for facility projects. Typically, K-12 schools can submit proposals for such projects to the State Office of Public School Construction for both modernization and new construction. If the project is approved, the school district will receive State grant funding and in turn the school district must contribute local funding to such projects. If sufficient local funding is unavailable, the school district may potentially receive the full project cost via State grant funding. Career technical education and charter school facilities face a similar approval process. Community college districts, on the other hand, must submit requests for facility projects to the Chancellor of the community college system. Selected projects are eventually approved and funded as part of the annual State budget. A scoring system is used to determine the State and local contributions for these community college sites.

Some school districts may spend less local funds given the greater support of state funding. However, school districts may decide to spend more local funds by proposing an increased number of facility projects with the knowledge that additional state funding could be available. It is also possible that school districts make no changes to their number of proposals for construction and modernization projects.

Article XIIIC and XIIID of the California Constitution

On November 5, 1996, an initiative to amend the State Constitution known as the “Right to Vote on Taxes Act” (“Proposition 218”) was approved by a majority of California voters. Proposition 218 added Articles XIIIC and XIIID to the State Constitution and requires majority voter approval for the imposition, extension or increase of general taxes and 2/3 voter approval for the imposition, extension or increase of special taxes by a local government, which is defined in Proposition 218 to include counties. Proposition 218 also provides that any general tax imposed, extended or increased without voter approval by any local government on or after January 1, 1995, and prior to November 6, 1996 shall continue to be imposed only if approved by a majority vote in an election held within two years following November 6, 1996. All local taxes and benefit assessments which may be imposed by public agencies will be defined as “general taxes” (defined as those used for general governmental purposes) or “special taxes” (defined as taxes for a specific purpose even if the revenues flow through the local government’s general fund) both of which would require a popular vote. New general taxes require a majority vote and new special taxes require a two-thirds vote. Proposition 218 also extends the initiative power to reducing or repealing local taxes, assessments, fees and charges, regardless of the date such taxes, assessments or fees or charges were imposed, and lowers the number of signatures necessary for the process. In addition, Proposition 218 limits the application of assessments, fees and charges and requires them to be submitted to property owners for approval or rejection, after notice and public hearing.

The District has no power to impose taxes except property taxes associated with a general obligation bond election, following approval by 55% or 2/3 of the District's voters, depending upon the Article of the Constitution under which it is passed. Under previous law, the District could apply provisions of the Landscape and Lighting Act of 1972 to create an assessment district for specified purposes, based on the absence of a majority protest. Proposition 218 significantly reduces the ability of the District to create such special assessment districts.

Proposition 218 has no effect upon the District's ability to pursue approval of a general obligation bond issue under Proposition 46 or a Mello-Roos Community Facilities District bond issue in the future, which have special Constitutional authority or are already subject to a 2/3 vote, although certain procedures and burdens of proof may be altered slightly. Any assessments, fees or charges levied or imposed by any assessment district created by the District will become subject to the election requirements of Proposition 218, a more elaborate notice and balloting process and other requirements. The District is unable to predict the nature of any future challenges to Proposition 218 or the extent to which, if any, Proposition 218 may be held to be unconstitutional.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID and Propositions 98, 46 and 39 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting the District's revenues or their ability to expend revenues.

THE KERN COUNTY TREASURY POOL

The following information concerning the Kern County Treasury Pool (the "Investment Pool" or "Pool") has been provided by the Treasurer and has not been confirmed or verified by the District or the Original Purchaser. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. ***Amounts held in the District's name in the Pool are not pledged to the payment of debt service on the Bonds.***

Under the Education Code, the District is required to pay all moneys received from any source into the County of Kern Treasury to be held on behalf of the District. The Pool consists of monies deposited with the Treasurer by County departments and agencies, school districts, certain non-County governmental agencies and special assessment districts. Most of the Pool's depositors are required by State law to invest their excess moneys in the Pool.

Each depositor is assigned a distinct fund number within the Investment Pool. Cash represented by the fund balances is commingled in a Pooled Cash Portfolio for investment purposes; no funds are segregated for separate investment. Investments are selected from those authorized by California Government Code Section 53635. Authorized investments include obligations of the United States Treasury, agencies of the United States government, federally sponsored enterprises, local and State bond issues, bankers acceptances, commercial paper of prime quality, collateralized and negotiable certificates of deposit, repurchase and reverse repurchase agreements, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds), and asset backed (including mortgage related) and pass-through securities.

Each calendar year, the Treasurer prepares an Annual Statement of Investment Policy (the "Investment Policy") that sets the framework for the investment practices relating to the County treasury.

Legislation enacted in 1996 and effective January 1, 1997, requires that the Investment Policy be filed and approved by the Board in open session. Additionally, the Board must determine whether to delegate investment authority to the Treasurer each year. Failure to so delegate transfers investment responsibility to the Board itself. The Board of Supervisors approved the current Investment Policy as presented by the Treasurer and delegated investment responsibility to the Treasurer on November 28, 2023. Having been so approved, the Investment Policy may not be changed without Board approval.

The approved Investment Policy provides that the County's investment objectives are "safety and liquidity of all investments within the County investment pool, while obtaining a reasonable return within established investment guidelines." The Investment Policy provides that no more than 6% of the assets in the Pool can be invested in the securities of any single issuer other than the United States Treasury and agencies of the United States government. Investments in reverse repurchase agreements are limited to 10% of the total Pool and must always be matched in maturity to the reinvestment. Additionally, no investment will be made in any security whose coupon rate varies inversely with general credit market rates.

In accordance with California law, the Kern County Board of Supervisors created an eleven-member Treasury Oversight Committee (the "TOC") on April 2, 1996. The statutory role of the TOC is to review the Investment Policy as prepared by the Treasurer and make recommendations to the Board, to monitor policy compliance as well as investment performance and to cause an annual independent audit to be performed. The TOC meets semi-annually to accomplish its tasks.

The following tables present information with respect to the Pool as of June 30, 2024. As described above, a wide range of investments is authorized under State law and the Investment Policy. Therefore, there can be no assurance that the investments in the Pool will not vary significantly from the investments described below. In addition, the value of various investments in the Pool will fluctuate on a daily basis as a result of several factors, including generally prevailing interest rates and other economic conditions. For further information concerning County investments, access the County's website: http://www.kcttc.co.kern.ca.us.

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The following table identifies the types of securities held by the Pool as of June 30, 2024.

KERN COUNTY TREASURER – TAX COLLECTOR
Pooled Cash Portfolio Report
(as of June 30, 2024 – amounts in 1,000's)

Asset	Par Amount	Original Cost	Market Value	Original Yield	Percent of Total Assets	Policy Limit Rating	Days to Maturity
Local Agency Investment Fund	$1,841,719	$1,841,719	$1,841,719	3.56%	0.03%	$75 Million	1
California Asset Management Program	418,733,130	418,733,130	418,733,130	5.43	6.06	10%	1
CalTRUST	34,486,774	34,486,774	34,486,774	5.42	0.50	10%	1
Money Markets	98,524,093	98,524,093	98,524,093	5.22	1.43	10%	1
Bank Sweep (ICS)	20,993,417	20,993,417	20,993,417	4.27	0.30	10%	1
U.S. Treasuries	3,783,500,000	3,689,994,491	3,625,933,701	3.00	52.50	100%	754
Federal Agencies	1,831,981,000	1,803,258,617	1,792,199,132	3.96	25.95	75%	540
Municipal Bonds	44,740,000	43,594,407	42,659,085	2.03	0.62	10%	751
Supranationals	267,834,000	264,313,578	260,514,816	3.42	3.77	10%	1,143
Negotiable CDs	166,000,000	165,667,680	165,887,224	6.53	2.40	30%	79
Commercial Paper	150,000,000	147,680,494	148,598,396	5.42	2.15	40%	60
Corporate Notes	244,754,000	240,776,068	232,733,764	1.88	3.37	30%	503
Total Securities	$7,063,388,133	$6,929,864,468	$6,843,105,252	3.55%	99.08%	-	611
Total Cash	$63,611,631	$63,611,631	$63,611,631	-	0.92%	-	-
Total Assets	$7,126,999,764	$6,993,476,099	$6,906,716,883	-	100.00%	-	-

Source: Kern County Treasurer.

None of the District, the Municipal Advisor or the Original Purchaser has made an independent investigation of the investments in the Pool nor have they made any assessment of the current County Investment Policy. The value of the various investments in the Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the Treasury Oversight Committee and the County Board of Supervisors, may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described herein.

LEGAL OPINION

The legal opinion of Nixon Peabody LLP, Bond Counsel to the District ("Bond Counsel"), attesting to the validity and tax status of the Bonds, will be supplied to the original purchasers of the Bonds without charge. The form of legal opinion that will be delivered with the Bonds is attached hereto as APPENDIX B. Bond Counsel will receive compensation contingent upon the sale and delivery of the Bonds and undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and the Tax and Nonarbitrage Certificate (the "Tax Certificate"), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Resolution and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the District described above, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

In rendering these opinions, Bond Counsel has relied upon representations and covenants of the District in the Tax Certificate concerning the property financed with Bond proceeds, the investment and use of Bond proceeds and the rebate to the federal government of certain earnings thereon. In addition, Bond Counsel has assumed that all such representations are true and correct and that the District will comply with such covenants. Bond Counsel has expressed no opinion with respect to the exclusion of the interest on the Bonds from gross income under Section 103(a) of the Code in the event that any of such District representations are untrue or the District fails to comply with such covenants, unless such failure to comply is based on the advice or the opinion of Bond Counsel.

State Taxes

Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds or the income therefrom under the laws of any state other than California.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively, the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Bonds sold at prices in excess of their principal amounts are "Premium Bonds." An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as APPENDIX B. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post-Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any change in law on the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

BOND INSURANCE

Bond Insurance Policy

The District may obtain a municipal bond insurance policy (the "Policy") from a bond insurer (the "Bond Insurer") for the Bonds which, if obtained, would insure the scheduled payment of principal of and interest on the Bonds when due. The District's decision whether or not to obtain such a Policy will be made at or about the time of the pricing of the Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the District will obtain such Policy, and, if so, whether such Policy will cover all or less than all of the Bonds.

RISKS OF BOND INSURANCE

If the District obtains the Policy and in the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any Owner of the Bonds shall have a claim under the Policy issued by the Bond Insurer for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. If a Policy is obtained, the Policy does not insure against redemption premium, if any. If a Policy is obtained, the payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the Bond Owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. If a Policy is obtained, the

Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

If a Policy is obtained and in the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the Resolution. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. If a Policy is obtained, no assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. For a description of the rating on the Bonds, See "RATING" herein.

If a Policy is obtained, neither the District nor the Original Purchaser will make an independent investigation of the claims paying ability of the Bond Insurer, and no assurance or representation regarding the financial strength or projected financial strength thereof is being made by the District or the Original Purchaser in this Official Statement. Therefore, when making an investment decision with respect to the Bonds, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds, assuming that the Policy is not available, and the claims-paying ability of the Bond Insurer through final maturity of the Bonds.

If a Policy is obtained, the obligations of the Bond Insurer are general obligations of the Bond Insurer and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

LEGAL MATTERS

Continuing Disclosure

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the SEC, the District will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in the form of APPENDIX D hereto, on or prior to the sale of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain information as set forth therein. The covenants contained in the Continuing Disclosure Agreement have been made to assist the Original Purchaser in complying with the Rule.

The rating of Assured Guaranty Municipal Corp., the municipal bond insurer of the District's General Obligation Bonds, Election of 2004, Series 2004A, was upgraded by Moody's on March 18, 2022, however the District did not file a notice of ratings change until July 14, 2023, 483 days after the occurrence of the event. See APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Limitation on Remedies; Amounts Held in the County Treasury Pool

The opinion of Bond Counsel, the proposed form of which is attached hereto as APPENDIX B, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. The rights of the Owners of the Bonds are subject to certain limitations. Enforceability of the rights and remedies of the Owners of the Bonds, and the obligations incurred by the District, are limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against school and community college districts in the State. Bankruptcy proceedings, if initiated, could subject the beneficial owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Under Chapter 9 of the Federal Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code"), which governs the bankruptcy proceedings for public agencies, no involuntary petitions for bankruptcy relief are permitted. While current State law precludes school districts from voluntarily seeking bankruptcy relief under Chapter 9 of the Bankruptcy Code without the concurrence of the State, such concurrence could be granted or State law could be amended.

The Resolution and the Act require the County to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of, premium, if any, and interest on the Bonds. The County on behalf of the District is thus expected to be in possession of the annual ad valorem taxes and certain funds to repay the Bonds and may invest these funds in the County's Investment Pool, as described in "THE KERN COUNTY TREASURY POOL" herein. In the event the District or the County were to go into bankruptcy, a federal bankruptcy court might hold that the Owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, where such amounts are deposited into the County Treasury Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the Owners of the Bonds can "trace" those funds. There can be no assurance that the Owners could successfully so "trace" such taxes on deposit in the Debt Service Fund where such amounts are invested in the County Treasury Pool. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

California Senate Bill 222

On July 13, 2015, the Governor signed Senate Bill 222 ("SB 222") into law, effective January 1, 2016. SB 222 was introduced on February 12, 2015, initially to amend Section 15251 of the Education Code to clarify the process of lien perfection for general obligation bonds issued by or on behalf of State school and community college districts. Subsequently, on April 15, 2015, SB 222 was amended to include an addition to the Government Code to similarly clarify the process of lien perfection for general obligation bonds issued by cities, counties, authorities and special districts, including the District.

SB 222, applicable to general obligations bonds issued after its effective date, removes the extra step between (a) the issuance of general obligation bonds by cities, counties, cities and counties, school districts, community college districts, authorities and special districts; and (b) the imposition of a lien on the future *ad valorem* property taxes that are the source of repayment of the general obligation bonds. By clarifying that the lien created with each general obligation bond issuance is a "statutory" lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds, and thus potentially improve ratings, interest rates and bond cost of issuance

Special Revenues

If the District were to become a debtor in a Chapter 9 proceeding, because the Bonds are for the financing of specific capital projects and are supported by a consensual lien on *ad valorem* property taxes that are use-restricted under State law to the repayment of the Bonds, the District believes that those taxes are "special revenues" as defined in the Bankruptcy Code, and thus there is a special revenue lien in favor of owners of the Bonds in addition to, and separate and independent of, the statutory lien created by SB 222. In comparison to other consensual pledges and liens arising by agreement (that are all made ineffective post-bankruptcy by Section 552 of the Bankruptcy Code), special revenues acquired by a municipality during a Chapter 9 case will remain subject to the lien that arose from the security agreement entered into prior to the beginning of the case, and will survive the conclusion of the Chapter 9 proceeding. In addition, the automatic stay arising upon the filing of the bankruptcy petition has historically been understood not to stay the application of special revenues to payment of the bonds secured by such special revenues. Thus, regularly scheduled payments of principal of and interest to owners of the Bonds likely would continue under 11 U.S.C. §922(d) throughout any bankruptcy proceeding.

Based on the foregoing, if the District were to become a debtor in a Chapter 9 proceeding, the District believes that: the *ad valorem* property taxes could not be used for any other purpose other than repayment of the Bonds; the *ad valorem* property taxes should be determined to be special revenues in a Chapter 9 proceeding, and thus owners of the Bonds would ordinarily continue to be paid post-petition; and the *ad valorem* property taxes are also protected by a statutory lien in favor of the bondholders. However, bankruptcy courts are courts of equity and as such have broad discretionary powers, and there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the bankruptcy court could find that the automatic stay exception for special revenues does not apply, and the parties to the proceedings may thus be prohibited from taking any action to collect any amount from the District (including *ad valorem* tax revenues), or to enforce any obligation of the District, without the bankruptcy court's permission. It is also possible that the bankruptcy court may not enforce the state law use restriction imposed on *ad valorem* property taxes.

Even if the *ad valorem* property tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the District is entitled to use the *ad valorem* property tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Bonds. It should also be noted that it is possible – in the context of confirming a Plan of Adjustment (the "Plan") in a Chapter 9 case where the Plan has not received the requisite consent of the holders of the Bonds – a bankruptcy court may confirm a Plan that adjusts the timing of payments on the Bonds or the interest rate or other terms of the Bonds provided that (a) the bondholders retain their lien on the revenues subject to the statutory and/or special revenues lien, (b) the payment stream has a present value equal to the value of the revenues subject to the lien(s) and (c) the bankruptcy court finds that these and any other adjustments to the Bonds' terms are fair and equitable.

The Resolution and the Act require the County to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of, premium, if any, and interest on the Bonds. The County on behalf of the District is thus expected to be in possession of the annual *ad valorem* taxes and certain funds to repay the Bonds and may invest these funds in the County's Investment Pool, as described in "THE KERN COUNTY TREASURY POOL" herein. In the event the District or the County were to file for bankruptcy relief, a bankruptcy court might hold that the owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, which might include taxes that have been collected and deposited in the Debt Service Fund, where such amounts are deposited into the County Treasury Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the owners of the Bonds can "trace" those funds. There can be no assurance that the Owners could successfully so "trace" such taxes on deposit in the Debt Service Fund where such amounts are invested in the County Treasury Pool. Further, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, or what amount of time would be required for such procedures to be completed. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

LEGALITY FOR INVESTMENT

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the California Government Code, the Bonds are eligible to secure deposits of public moneys in California.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC ("S&P") assigned a municipal bond rating of "A" to the Bonds. Such rating reflects only the views of S&P and an explanation of the significance of such ratings may be obtained as follows: S&P, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553 0300. The District furnished such rating agency with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. The District has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

NO LITIGATION

The District is not aware of any litigation pending or threatened questioning the validity of the Bonds, the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue the Bonds.

The District is subject to lawsuits and claims in the ordinary course of its operations. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the finances of the District.

The County is subject to lawsuits and claims posed by taxpayers or related to certain property tax payments from time to time in its ordinary course of business. These lawsuits may include allegations that the County is not authorized to levy certain taxes against certain taxpayers, that certain property be reclassified on the tax roll or is exempt from taxation, that certain taxes were not levied at the appropriate levels, or other claims generally related to property tax levies, collections, or payments. Such claims may include or relate to the *ad valorem* property tax necessary to provide for the debt service payments on school district general obligation bonds, including the Bonds. The District is not aware of any litigation pending or threatened which would materially adversely affect the County's ability to levy or collect the *ad valorem* property taxes in the amounts necessary to make payment of principal of or interest on the Bonds.

UNDERWRITING

__________, as Original Purchaser (the "Original Purchaser"), has agreed to purchase the Bonds from the District at the purchase price of $________ (being the initial principal issue amount of the Bonds, plus net original issue premium of $_________, and less an underwriter's discount of $________), at the rates and yields shown on the inside cover hereof. The Notice of Sale attached hereto as APPENDIX F requires that the Original Purchaser purchase all of the Bonds, if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the Notice of Sale.

The Original Purchaser intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Original Purchaser may, however, offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Original Purchaser.

BANK QUALIFIED

The District has not issued, and does not expect to issue, any tax-exempt obligations in the calendar year commencing January 1, 2024, that exceed the aggregate of $10,000,000. On the basis of this expectation, the District has designated the Bonds as qualified tax-exempt obligations under and for the purposes of Section 265(b)(3) of the Code.

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc. (the "Municipal Advisor") is employed as Municipal Advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Fieldman, Rolapp & Associates, Inc. in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income status of the Bond, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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OTHER INFORMATION

References are made herein to certain documents, reports, statutes, and constitutional provisions which are brief summaries thereof, and which do not purport to be complete, comprehensive or definitive, and are qualified in their entireties by reference each such document, report, statute and constitutional provision. Reference is made to such documents, reports, statutes, and constitutional provisions for full and complete statements of the contents thereof. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of the District and the Resolution may be obtained by contacting: Arvin Union School District, 737 Bear Mountain Boulevard, Arvin, California 93203, Attention: Superintendent. The District may impose a fee for copying, shipping and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the District.

ARVIN UNION SCHOOL DISTRICT

By: ___________________________________
Superintendent

APPENDIX A

THE DISTRICT

Prospective purchasers of the Bonds should be aware that the following discussion of the financial condition of the Arvin Union School District (the "District"), its fund balances, budgets and obligations, is intended as general information only, and no implication is made that the payment of principal of or interest on the Bonds is dependent in any way upon the District's financial condition. The District neither receives nor accounts for ad valorem *property tax revenues collected by the County of Kern (the "County") to pay debt service on the Bonds (or its other general obligation bonds) in the following tables or in its annual financial statements. Pursuant to Section 15251 of the Education Code, all tax revenues collected for payment of debt service on the Bonds must be deposited into the debt service fund of the District. The Bonds are and will continue to be payable solely from* ad valorem *taxes levied and collected by the County within the boundaries of the District. See the body of this Official Statement under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."*

This Appendix A provides information concerning the operations and finances of the District. The Bonds are general obligation bonds of the District, secured and payable from ad valorem *property taxes assessed on taxable properties within the District. The Bonds are not an obligation of the County, the State of California (the "State') or any of its other political subdivisions or of the general fund of the District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in the forepart of this Official Statement.*

District General Information

The District was established in 1913 and is comprised of an area of approximately 270 square miles located in the County. The District serves students from kindergarten through grade eight. The District operates three K-6 elementary schools and one middle school. The District currently operates three (3) elementary schools and one middle school and has an enrollment of approximately 2,800 students. The teacher to student ratio in kindergarten to third grade is 24 to 1, grades 4-6 is 30 to 1, and grades 7-8 is 30 to 1.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of the District may be obtained by contacting: Superintendent, Arvin Union School District, 737 Bear Mountain Boulevard, Arvin, California 93203.

District Organization

The District is governed by a Board of Trustees (the "Governing Board") consisting of five members. Members are elected to four-year terms in alternate slates of two and three. Elections are held every two years. Current members of the Governing Board, together with their offices and the dates their terms expire, are listed below:

Key Personnel

The following is a listing of the key administrative personnel of the District:

Name	Title
Georgia Rhett	Superintendent
Chris Davis	Chief Business Officer

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Governing Board.

Brief biographies of the Superintendent and the Chief Business Officer follow:

Georgia Rhett, Superintendent. Mrs. Rhett has been with the Arvin Union School District since August of 1988. Since that time, she has held multiple positions including classroom teacher, resource teacher, Vice Principal, Principal, Assistant Superintendent, and the current position of Superintendent since September of 2018. Mrs. Rhett graduated with her Bachelor's Degree in Education from Eastern Washington University in 1988. She attained a Master's in Education with a focus on Bilingual/Bicultural Education from California State University Bakersfield and a Master's in Educational Administration from the University of La Verne-Bakersfield. Additional administrative certification was earned through Fresno Pacific University-Bakersfield.

Chris Davis, Chief Business Officer. Mr. Davis has been with the Arvin Union School District since May of 2008. Prior to his work with Arvin, he worked for the Kern County Superintendent of Schools ("KCSOS"), in the District Advisory department. Additionally, he was also a substitute teacher while completing his bachelor's degree. Chris graduated with his bachelor's degree in Business Administration from California State University, Bakersfield ("CSUB") in 2005 and his Master's degree in Administration from CSUB in 2010. In 2007, Chris completed a yearlong Chief Business Official training program administered by CSUB and KCSOS, using the State-adopted curriculum. Mr. Davis also received his Chief Business Official Certification from the California Association of School Business Officials in 2016.

Changes in District Enrollment and ADA

The table below sets forth the enrollment and Average Daily Attendance ("ADA") for the District for fiscal years 2018-19 through 2022-23 and projections for fiscal year 2023-24 through fiscal year 2024-25. District ADA and enrollment may be impacted by COVID-19. In fiscal year 2020-21, the State utilized a temporary hold harmless provision to calculate LCFF (defined herein) apportionment of funding for school districts experiencing declining enrollment levels. In subsequent fiscal years, LCFF funding calculations now consider a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' ADA to allow school districts more time to adjust to LCFF funding declines due to enrollment. Such provisions may change in subsequent fiscal years as part of the State budget process. See "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA" below.

ARVIN UNION SCHOOL DISTRICT
TOTAL AVERAGE DAILY ATTENDANCE

Fiscal Year	ADA	Enrollment
2018-19	2,978	3,087
2019-20	2,957	3,086
2020-21	2,971	3,024
2021-22	2,867	3,005
2022-23	2,704	2,936
2023-24[1]	2,707	2,914
2024-25[2]	2,634	2,881

[1] Estimated.
[2] Projected.
Source: The District.

District Employees

As of September 1, 2024, the District employed 212 full-time equivalent certificated academic professionals as well as 114 full-time equivalent classified employees. In addition, as of such date, the District employed 145 part-time employees. The certificated employees of the District have assigned the California Teachers Association ("CTA") as their exclusive bargaining agent. The certificated employees' contract with CTA expires on June 30, 2026. The classified employees have assigned California School Employees Association ("CSEA") as their exclusive bargaining agent. The classified employees contract with CSEA expires on June 30, 2025.

Pension Plans

The District participates in the State Teachers' Retirement System ("STRS"). This plan basically covers all full-time certificated employees. The District's employer contributions to STRS were $3,704,026 for fiscal year 2022-23, are estimated to be $4,087,638 for fiscal year 2023-24, and are budgeted to be $4,258,431 for fiscal year 2024-25.

The District also participates in the State Public Employees' Retirement System ("PERS"). This plan covers all classified personnel who are employed four or more hours per day. The District's employer contributions to PERS were $1,868,384 for fiscal year 2022-23, are estimated to be $2,256,842 for fiscal year 2023-24, and are budgeted to be $1,868,821 for fiscal year 2024-25.

The information set forth below regarding STRS and PERS has been obtained from publicly available sources and has not been independently verified by the District, the Original Purchaser or the Municipal Advisor, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the District, the Original Purchaser or the Municipal Advisor. Furthermore, the summary data below should not be read as current or definitive, as recent gains or losses on investments made by the retirement systems generally may have changed the unfunded actuarial accrued liabilities.

Both PERS and STRS are operated on a statewide basis. The PERS and STRS defined benefit programs are funded through a combination of investment earnings and contributions by members, employees and the State. Both PERS and STRS have substantial State unfunded actuarial liabilities. PERS may issue certain pension obligation bonds to reach funded status. Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. The amounts of the pension/award benefit obligation (PERS) or actuarially accrued liability (STRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution. The District is unable to predict what the amount of liabilities will be in the future, or the amount of the contributions which the District may be required to make.

District contribution rates to PERS can vary annually depending on changes in actuarial assumption and other factors, such as liability. Unlike typical defined benefit programs, prior to fiscal year 2014-15, neither the STRS employer nor the State contribution rate varied annually to make up funding shortfalls or assess credits for actuarial surpluses. As a result, in recent years, the combined employer, employee and State contributions to STRS have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of STRS increased significantly. The District is unable to predict what the STRS program liabilities will be in the future.

Declines in investment earnings, as a result of COVID-19 or other market forces, may lead to increases in District contributions to each of these retirement systems. The District is unable to predict the likelihood or the amount of such increases on its contributions to STRS or PERS.

In order to address STRS funding inadequacies, the 2014-15 State Budget set forth a plan of shared responsibility among the State, school districts and teachers to shore up STRS. The first year's increased contributions from all three entities were approximately $275 million. The contributions would increase in subsequent years, reaching more than $5 billion annually. Then Governor Brown expected that this will eliminate the unfunded liability in approximately 30 years. The 2018-19 State Budget included $3.1 billion for state contributions to STRS, which reflects action by the STRS board to increase state contributions by 0.5% of teacher payroll. The 2019-20 State Budget included approximately $3.3 billion for State contributions to STRS and PERS. However, the 2020-21 State Budget redirected approximately $2.3 billion of this amount to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22, reducing the STRS employer rate from 18.41% to approximately 16.15% in fiscal year 2020-21, and from 17.9% to approximately 16.92% in fiscal year 2021-22, and reducing the PERS employer rate from 22.67% to approximately 20.7% in fiscal year 2020-21, and from 24.6% to approximately 22.84% in fiscal year 2021-22. For fiscal year 2022-23, the State Teachers' Retirement Board adopted a 10.85% supplemental contribution rate resulting in a total employer contribution rate of 19.10%. The employer contribution rate for fiscal year 2023-24 was 19.10% and the rate will continue to be 19.10% for fiscal year 2024-25.

STATE OF CALIFORNIA
ACTUARIAL VALUE OF STATE RETIREMENT SYSTEMS

Name of Plan	Market Value of Assets	Actuarial Value of Assets[(3)]	Actuarial Obligation	Unfunded Actuarial Accrued Liability[(4)]	Funded Ratio (Market Value)	Funded Ratio (Actuarial Value)
Public Employees' Retirement Fund Schools Pool (PERS)[(1)]	$79.385 billion	—	$116.982 billion	$37.596 billion	67.9%	—
State Teachers' Retirement Fund Defined Benefit Program (STRS)[(2)]	$299.148 billion	$273.155 billion	$359.741 billion	$86.586 billion	76.2%	75.9%

Figures as of June 30, 2023.

(1) As of June 30, 2023, the PERS provided pension benefits to 1,446,497 active and inactive program members and 791,514 retirees, beneficiaries, and survivors.

(2) As of June 30, 2023, the STRS Defined Benefit Program had approximately 693,124 active and inactive program members and 328,932 retirees and benefit recipients.

(3) PERS no longer uses an actuarial value of assets and only uses the market value of assets.

(4) The PERS unfunded actuarial accrued liability is based on the market value of assets and the STRS unfunded actuarial accrued liability is based on the actuarial value of assets.

Source: PERS State and Schools Actuarial Valuation, STRS Defined Benefit Program Actuarial Valuation, PERS Comprehensive Annual Financial Report 2022-23, PERS Schools Pool Actuarial Valuation, as of June 30, 2023 and STRS Comprehensive Annual Financial Report 2022-23.

California State Teachers' Retirement System. STRS is a defined benefit program and member benefits are determined pursuant to the Education Code and are generally determined based on a member's age, final compensation and years of credited service. As a result of the California Public Employees' Pension Reform Act of 2013 (Chapter 296, Statutes of 2012), there are two benefit structures for members that apply according to the members' first date of hire to perform STRS creditable activities. Members first hired on or before December 31, 2012 are 100% vested in retirement benefits after 5 years of credited service and are eligible for "normal" retirement at age 60 and for early retirement at age 55 or at age 50 with 30 years of credited service. The normal retirement benefit is 2% of final compensation (as defined in the Education Code) for each year of credited service (up to 2.4% of final compensation for members retiring after age 60), and members who retire on or after January 1, 2011 with 30 or more years of service by December 31, 2010 receive monthly bonus payments of up to $400 per month. Members first hired on or after January 1, 2013 who retire at age 62 are eligible for a benefit equal to 2% of final compensation for each year of credited service (up to 2.4% of final compensation for members retiring after age 62). Additional benefits under both benefit structures include a 2% cost of living increase (computed on a simple, non-compounded basis, based on the initial allowance) on each September 1 following the first anniversary of the effective date of the benefit.

Prior to fiscal year 2014-15, neither the STRS employer nor the State contribution rate varied annually to make up funding shortfalls or assess credits for actuarial surpluses. As a result, the combined employer, employee and State contributions to STRS were not sufficient to pay actuarially required amounts. Assembly Bill 1469 ("A.B. 1469"), enacted in connection with the adoption of the 2014-15 State budget authorized shared contribution increases among the program's three contributors – STRS members, employers and the State. Defined Benefit Program contribution rate increases for all contributing parties were incrementally phased-in over the next several years, with the first increases having taken effect on July 1, 2014. The rate increases authorized by A.B. 1469 are projected to fund the STRS Defined Benefit Program fully in thirty-two (32) years.

Employer contribution rates, including those of the District, increased through fiscal year 2020-21. As of fiscal year 2021-22 and each fiscal year thereafter, employer contribution rates will be set by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

The State contributions are set pursuant to the Education Code. As of July 1, 2022, the State contributed 8.328% of members' annual earnings to the defined benefit plan for fiscal year 2022-23 and will contribute 8.328% for fiscal year 2023-24. The employee contribution rate for STRS members first hired on or before December 31, 2012 to perform STRS creditable activities (i.e., STRS 2% at 60 members) is 10.25% for fiscal year 2023-24 and will remain at 10.205% for fiscal year 2024-25. The employee contribution rate for STRS members first hired on or after January 1, 2013 to perform STRS creditable activities (i.e., STRS 2% at 62 members) is 10.205% for fiscal year 2023-24 and will be 10.205% for fiscal year 2024-25.

The State Teachers' Retirement Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the defined benefit plan. The STRS actuarial consultant determines the actuarial value of the defined benefit plan's assets by using a one-third smoothed recognition method of the difference between the actual market value of assets to the expected actuarial value of assets. Accordingly, the actuarial value of assets will not reflect the entire impact of certain investment gains or losses on an actuarial basis as of the date of the valuation or legislation enacted subsequent to the date of the valuation.

In February 2017, the State Teacher's Retirement Board voted to revise the actuarial methods and assumptions beginning with the STRS Defined Benefit Program for fiscal year 2016. The actuarial assumptions set forth in the 2016 STRS actuarial valuation use a 7.25% investment rate of return for measurements as of June 30, 2016 and an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% wage growth, 3.25% payroll growth, and 2.75% inflation. The STRS unfunded liability will vary based on actuarial assumptions, actual returns on investments and contribution rates.

The Defined Benefit Program of the California State Teachers' Retirement System, June 30, 2023 Actuarial Valuation (the "2023 STRS Actuarial Valuation") states that for fiscal year 2022-23 the funded ratio increased by 1.5% over the previous year, mainly due to the expected year-to-year change attributable to contributions received to pay down the unfunded actuarial obligation and the new assumptions (primarily the mortality assumption change) that were adopted for use with the 2023 STRS Actuarial Valuation.

California Public Employees' Retirement System. PERS is a defined benefit program and member benefits are determined pursuant to the Public Employees' Retirement Law and are generally determined based on a member's age, final compensation and years of credited service.

Member contribution rates are determined by the Public Employees' Retirement Law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by statute. For fiscal year 2023-24, the employee contribution rate for classic plan members is 7.0% of monthly salary and the estimated employee contribution rate for PEPRA members is 7.0% of monthly salary. The employer contribution rate increased from 25.37% of covered payroll for fiscal year 2022-23, to 26.68% of covered payroll for fiscal year 2023-24.

At its April 17, 2013 meeting, the PERS Board of Administration approved a recommendation to change the PERS amortization and smoothing policies. Prior to this change, PERS employed an amortization and smoothing policy which spread investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period. After this change, PERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The new amortization and smoothing policy was used for the first time in the June 30, 2014 actuarial valuations. These valuations were performed in early 2015 and set employer contribution rates for the fiscal year 2015-16.

The actuarial methods and assumptions used for determining the rates are based on those adopted by the PERS Board of Administration. At its December 21, 2016 meeting, the PERS Board of Administration approved a discount rate assumption decrease from its current rate of 7.50% to 7.00% over the next three (3) years. For the School Pool, the discount rate was lowered for the first time to 7.375% effective with the June 30, 2017 actuarial valuation (the "2017 PERS Schools Pool Actuarial Valuation"), impacting the Schools Pool employer contribution rates beginning in fiscal year 2018-19. The discount rate was lowered further to 7.25% for the June 30, 2018 actuarial valuation, to 7.00% for the June 30, 2019 actuarial valuation and lowered again to 6.8% for the June 30, 2021 actuarial valuation. Lowering the discount rate results in increases in both the normal cost and the accrued liabilities which results in higher required employer contributions. The District cannot predict how these changes will affect its future contribution levels.

On December 20, 2017, the PERS Board of Administration adopted new actuarial demographic assumptions to update various assumptions including mortality, retirement rates and inflation. These new assumptions were applied beginning with the June 30, 2018 valuation for the schools pool, setting employer contribution rates for fiscal year 2019-20. As a result, the June 30, 2019 actuarial valuation assumed a reduced inflation rate of 2.50% per year and reduced payroll growth of 2.75% per year. The actuarial funding method used in the PERS Schools Pool Actuarial Valuation as of June 30, 2019 (the "2019 PERS Schools Pool Actuarial Valuation") is the "Individual Entry Age Normal Cost Method." At its February 12, 2018 meeting, the PERS Board of Administration approved a recommendation to change the PERS amortization policy once again. Prior to this change, PERS employed an amortization and smoothing policy which spread investment returns over a 30-year period with the increases or decreases in the rate spread directly over a 5-year period. After this change, PERS employed an amortization and smoothing policy that will pay for all gains and losses over a fixed 20-year period rather than a 30-year period. The new amortization policy was used for the first time in the June 30, 2019 actuarial valuations.

The release of the 2022 PERS Schools Pool Actuarial Valuation (the "2022 PERS Schools Pool Actuarial Valuation") reflects projections for future employer contribution rates of 26.68%, 27.8%, 28.5%, 28.9%, 30.3% and 30.1% in fiscal years 2023-24, 2024-25, 2025-26 2026-27, 2027-28, and 2028-29, respectively. However, the employer contribution rates for future fiscal years were adjusted due, in part, to the negative return on investments for fiscal year 2021-22, as discussed below.

CalPERS reported a negative 6.1% net return on investments for fiscal year 2021-22, its first negative return on investments since fiscal year 2008-09, on July 20, 2022. This negative return on investments was less than the assumed 6.80% annual rate of returns on investments and resulted in a $12.4 billion investment loss. Continual negative returns on investments may result in increased employer contribution rates above the currently assumed increases. The District is unable to anticipate or predict the impact of future events (State, national or otherwise) on investment returns and employer contribution rates and no assurances can be given that the District's required CalPERS contributions will not increase in the future.

On April 15, 2024, the CalPERS Finance and Administration Committee of the Board was presented with a summary of the CalPERS Schools Pool Actuarial Valuation as of June 20, 2023 (the "2023 PERS Schools Pool Actuarial Valuation"), which will be released later this year. The summary reports that from June 30, 2022 to June 30, 2023, the funded ratio of the CalPERS Schools Pool decreased by 0.4% and the unfunded actuarial liability increased by $3.0 billion due primarily to greater-than-expected salary increases in fiscal year 2022-23. Additionally the summary reports an accrued liability of approximately $124.9 billion, a market value of assets of $84.3 billion, and a funded ratio of 67.5%. For fiscal year 2022-

23, the summary reports an investment return of 6.1% with an actuarial investment loss of $0.6 million, which will be amortized over 20 years with a five-year ramp that increases the employer contribution rate by 0.07% starting in fiscal year 2024-25 and increasing until it reaches an estimated 0.33% of pay in fiscal year 2028-29. The 2023 PERS Schools Pool Actuarial Valuation summary also reflects projections for future employer contribution rates of 27.0%, 27.6%, 28.0%, 29.2%, 29.0 and 28.8% in fiscal years 2024-25, 2025-26 2026-27, 2027-28, 2028-29 and 2029-30 respectively. The summary bases these projections on an expected actual investment return of 6.80% for fiscal year 2023-24, however the actual contribution requirements for the projected years will likely differ if the actual investment return is not 6.80%.

Both PERS and STRS are operated on a statewide basis and, based on available information, STRS and PERS both have unfunded liabilities. PERS may issue certain pension obligation bonds to reach funded status. Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. The amounts of the pension/award benefit obligation (PERS) or actuarially accrued liability (STRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

STRS and PERS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from www.calstrs.com or by written request mailed to STRS, P.O. Box 15275, Sacramento, California 95851-0275, and copies of the PERS annual financial report may be obtained from www.calpers.ca.gov or by written request mailed to the PERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information presented in those reports is not incorporated by reference in this Official Statement.

The District is unable to predict what the amount of liabilities will be in the future, or the amount of future contributions that the District may be required to pay. See APPENDIX C for additional information concerning STRS and PERS contained in the notes to said financial statements.

Pension Reform Act of 2013 (Assembly Bill 340). On September 12, 2012, Governor Brown signed AB 340, a bill that enacted the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), amending various sections of the California Education and Government Codes. AB 340 (i) increased the retirement age for new State, school, and city and local agency employees depending on job function, (ii) capped the annual PERS and STRS pension benefit payouts, (iii) addressed abuses of the system, and (iv) requires State, school, and certain city and local agency employees to pay at least half of the costs of their PERS pension benefits. PEPRA will apply to all public employers except the University of California, charter cities and charter counties (except to the extent they contract with PERS.)

The provisions of AB 340 went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on that date and after; existing employees who are members of employee associations, including employee associations of the District, had a five-year window to negotiate compliance with AB 340 through collective bargaining. A city, public agency or school district could require employees to pay their half of the costs of PERS pension benefits, up to 8 percent of pay for civil workers and 11 percent or 12 percent for public safety workers.

PERS has predicted that the impact of AB 340 on employers, including the District and other employers in the STRS system, and employees will vary, based on each employer's current level of benefits. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in lower retirement benefits than employees currently earn. Additionally, PERS has noted that AB 340 changes may have an adverse impact on public sector recruitment in areas that have historically experienced recruitment challenges due to higher pay for similar jobs in the private sector.

With respect to STRS, for employees hired after January 1, 2013, members will pay the greater of either (1) at least 50 percent of the cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by current members. The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Public employers will pay at least the normal cost rate, after subtracting the member's contribution. The District is unable to predict the amount of future contributions it will make to STRS as a result of the implementation of AB 340 (being its future contributions for the normal costs of new employees), and as a result of negotiations with its employee associations, or, notwithstanding the adoption of AB 340, resulting from any legislative changes regarding STRS employer contributions that may be adopted in the future.

More information about AB 340 can be accessed through the PERS's web site at www.calpers.ca.gov and through the STRS website at www.calstrs.com. The references to these internet websites are shown for reference and convenience only; the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated herein by reference.

Other Post-Employment Benefits ("OPEB")

In June 2004, the GASB pronounced Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. The pronouncement required public agency employers providing healthcare benefits to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits. The implementation date for this pronouncement was staggered in three phases based upon the entity's annual revenues, similar to the implementation for GASB Statement No. 34 and 35. GASB Statement No. 45 ("GASB 45") became effective for the District for fiscal year 2008-09.

In June 2015, the GASB approved Statement No. 74 ("GASB 74"), Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans, and Statement No. 75 ("GASB 75"), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The pronouncements make substantial changes to GASB 45, including changes to the way other postemployment benefits are measured and reported. The new pronouncements required recognition of a liability equal to the total OPEB liability on the full-accrual financial statements. GASB 45 allowed recognition over a period not-to-exceed 30 years. GASB 74 and GASB 75 required that most changes in net OPEB liability be included in OPEB expense in the period of change. Overall, basic accounting and reporting is similar to pensions under GASB 67 and GASB 68.

GASB 45 explicitly incorporated Actuarial Standards of Practice ("ASOPs"). There was a change to ASOPs No. 6 ("ASOP 6") requiring reflection of "implicit subsidies" in OPEB costs and projections. "Implicit subsidies" refers to an indirect cost sharing feature of OPEB plans. Using unadjusted flat-rate premiums as a cost basis for accounting was previously acceptable under GASB 45 when the health plans are considered "community-rated." Community-rated plans have premium levels determined without adjustment for the demographics of an individual employer buying coverage. Although these subsidies were previously allowed to be excluded, the changes to ASOP 6 eliminated the community-rated exemption. As a result, the District began to reflect these implicit subsidies in its OPEB liability accounting.

Plan Description for Classified Employees. The District currently provides retiree and dependent medical coverage to eligible classified employees. Persons employed before July 1, 1991, are eligible to receive benefits if they retire between the age of 50 and 65 with five years or more service. Persons employed after July 1, 1991, are eligible to receive benefits if they retire between the age of 55 and 65 with ten years or more service. Persons employed after July 1, 1999, are eligible to receive benefits if they retire between the age of 55 and 65 with fifteen years or more service.

Persons who meet the above eligibility requirements receive medical, dental and vision insurance until they reach the age of 65. The eligible employees' spouse and eligible dependents are also covered for the same period. Persons employed prior to July 1, 1997, receive medical and prescription coverage until the age of 75, if the retiree is enrolled in Medicare. Retirees in this group may receive dental and vision insurance if they pay the premiums.

Classified persons retiring with less than 15 years of service are not eligible to receive medical benefits on a self-pay basis. A person retiring with 15 years or more service is eligible to receive medical benefits up to $21,114.00 for fiscal year 2024-25, and a maximum of $20,934.00 for fiscal year 2023-24 and $19,846.80 for fiscal year 2022-23. Currently, 25 employees meet those eligibility requirements.

Retirees' coverage ends the date the plan terminates or the date the retiree terminates coverage. In the instance of self-paid and partial paid retiree benefits, the coverage will be terminated when payment is 90 days past due. Dependent coverage terminates the date he/she ceases to be a dependent.

Plan Description for Certified Employees. The District currently provides retiree and dependent medical coverage to eligible certified employees. Persons employed prior to July 1, 1993, who have attained the age of 55 and have served as a regular certificated employee in the District for at least seven and one-half consecutive years may receive medical, dental, and vision insurance on the same basis as regular employees. Persons employed after July 1, 1993, who have attained the age of 55 and have served as regular certificated employees in the District for at least fifteen consecutive years may receive medical, dental and vision insurance on the same basis as regular employees.

Persons retiring with less than 15 years of service are not eligible to receive medical benefits on a self-pay basis. A person retiring with 15 years or more service is eligible to receive medical benefits up to $20,703.60 for fiscal year 2024-25, and most employees received a maximum of $20,523.60 for fiscal year 2023-24 and $19,448.40 for fiscal year 2022-23. Currently, 56 employees meet those eligibility requirements.

For employees whose first paid date of contract services was on or after July 1, 1993, and who subsequently qualify for the foregoing age of 55 and 15 year retiree service benefit, the District will pay its portion of the insurance premium until the retiree reaches age 65. After age 65, such retirees may continue coverage at their own expense.

Retirees' coverage ends the date the plan terminates or the date the retiree terminates coverage. In the instance of self-paid and partial paid retiree benefits, the coverage will be terminated when payment is 90 days past due. Dependent coverage terminates the date he/she ceases to be a dependent.

Funding Policy. The District currently finances benefits on a pay-as-you-go basis for health premiums. The District contributes 100% of the cost of the current year premiums for eligible retired plan members and their spouses as applicable. The District contributions for retiree health premiums were $1,313,547 for fiscal year 2022-23, $1,310,268 for fiscal year 2023-24, and it has budgeted $1,325,942 for fiscal year 2024-25.

The District has transferred $4,378,639 (cash balance as of June 30, 2023) to a special reserve fund to fund its outstanding liability with respect to its post-employment benefits. This fund has not been irrevocably pledged towards the District's liability, however, and may be accessed by the District upon Board action.

For additional information about the District's Plan, as well as information regarding a previous actuarial valuation, see District's financial statements attached hereto as APPENDIX C. A copy of the latest actuarial valuation is available upon request from the District at the address listed on the first page of the forepart of this Official Statement. The District may impose a charge for copying, handling and mailing such requested documents.

GASB 67 and 68

On June 25, 2012, GASB voted to approve two new standards that aimed to improve the accounting and financial reporting of public employee pensions by state and local governments. Statement No. 67, Financial Reporting for Pension Plans, revised existing guidance for the financial reports of most pension plans. Statement No. 68, Accounting and Financial Reporting for Pensions, revised and established new financial reporting requirements for most governments that provide their employees with pension benefits.

Statement 67 replaces the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement 50, Pension Disclosures as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. Statement 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year required supplementary information schedules.

Statement 68 replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

The provisions in Statement 67 became effective for financial statements for periods beginning after June 15, 2013. The provisions in Statement 68 became effective for fiscal years beginning after June 15, 2014.

Insurance

The District participates in joint powers agreements (the "JPAs") for insurance programs with Self Insured Schools of California I, II, and III ("SISC"). The JPAs provide property and liability insurance coverage, health and welfare benefits, and workers compensation insurance coverage. The relationship between the District and the JPAs is such that the JPAs are not a component unit of the District for financial reporting purposes.

District Revenues

The District's general operating fund (the "General Fund") is used to account for the day-to-day operations of the District. The General Fund is divided into two sections: unrestricted and restricted. Unrestricted revenue may be spent at the District's discretion. Restricted funds are moneys that can only be used for the purposes allowed by the funding agency.

Other state Revenues, or categorical funds, consist primarily of restricted revenues that fund specific items, such as new curriculum and technology, special education programs, instructional materials, and mentor teachers.

State Lottery. The District receives a portion of the State Lottery (the "Lottery") revenues. Lottery revenues allocated to the District must be used for the education of students and cannot be used for non-instructional purposes, such as real property acquisition, facility construction, or the financing of research. Lottery net revenues (gross revenues less prizes and administration expenses) are allocated by computing an amount per ADA or full time equivalent ("FTE"). This figure is derived by dividing the total net revenues figures by the total ADA for grades K-12 and by the total FTE for the community colleges, University of California system and the California State University and College system. Each entity receives an amount equal to its total ADA or FTE, as applicable, multiplied by the per ADA or FTE figure. The Lottery revenues were $553,797 in fiscal year 2022-23, $623,271 in fiscal year 2023-24, and estimated to be $625,000 in fiscal year 2024-25.

Developer Fees

The District maintains a fund separate and apart from its General Fund to account for developer fees collected by the District. Residential development is assessed a fee per square foot and the District collects a portion of that assessment. The following table sets forth the developer fees collected during fiscal years 2018-19 through 2023-24, and the projected developer fees to be collected during fiscal year 2024-25.

ARVIN UNION SCHOOL DISTRICT
Developer Fees
Fiscal Years 2018-19 through 2024-25

Fiscal Year	Developer Fees Collected
2018-19	$703,303.69
2019-20	305,486.61
2020-21	559,147.03
2021-22	375,369.81
2022-23	442,115.27
2023-24(1)	42,215.87
2024-25(2)	50,00.00

(1) Estimated.
(2) Projected.
Source: The District.

Financial Statements of the District

The District's financial statements are prepared on a modified accrual basis of accounting in accordance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board.

The General Fund of the District, as shown herein, is a combined fund comprised of moneys which are unrestricted and available to finance the legally authorized activities of the District not financed by restricted funds and moneys which are restricted to specific types of programs or purposes. General Fund revenues shown thereon are derived from such sources as State fund apportionment, taxes, uses of money and property, and aid from other government agencies.

The following table contains accounting data abstracted from financial statements prepared by the District's independent auditors for the fiscal years ended June 30, 2020, 2021, 2022, 2023 and estimated actuals for fiscal year ended June 30, 2024. Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. The District has not requested its auditor to provide any review or update of such financial statements in connection with their inclusion in this Official Statement. For the District's most recent available audited financial statements, see APPENDIX C – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2022-23."

The following information, concerning the operations and finances of the District is not intended to and does not suggest that the Bonds are secured by the general revenues or General Fund of the District, nor is the County obligated in any way with respect to the Bonds. The Bonds are general obligation bonds of the District, secured and payable solely from ad valorem property taxes collected against taxable properties within the boundaries of the District. Prospective purchasers of the Bonds should be aware that the following discussion of the District's financial condition, its fund balances, budgets and other obligations is intended as general information only, and no implication is made the payment of principal of or interest on the Bonds is dependent in any way upon the District's financial condition. The District neither receives nor accounts for *ad valorem* property taxes collected by the County to pay debt service on the Bonds. Pursuant to Section 15241 of the State Education Code, all tax revenues collected for payment of debt service on general obligation bonds, including the Bonds, must be deposited into the debt service fund of the District maintained within the County Treasury Pool. See the body of this Official Statement under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

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ARVIN UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCES
FISCAL YEARS ENDED JUNE 30, 2019 THROUGH FISCAL YEAR ENDING JUNE 30, 2024 (1)(2)

	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24 (Estimated Actuals)
Revenues					
LCFF Sources	$34,658,299	$34,323,238	$37,535,008	$42,172,235	$45,131,577
Federal Sources	4,152,026	8,944,148	11,334,146	9,094,372	11,585,434
Other State Sources	5,276,446	4,627,537	7,474,228	17,856,323	12,335,633
Other Local Sources	611,381	3,128,718	3,074,838	3,540,782	1,644,293
Total Revenues	$44,698,152	$51,023,641	$59,418,220	$72,663,712	$70,696,937
Expenditures					
Current					
Instruction	$24,857,954	$24,100,254	$28,584,516	$33,297,222	$34,161,422
Instruction-related Activities	5,683,836	7,248,200	9,278,724	7,314,586	7,077,858
Supervision of instruction	-	-	-	-	-
Instructional library, media and technology	-	-	-	-	-
School site administration	-	-	-	-	-
Pupil Services	3,857,772	4,148,985	4,725,951	6,105,350	7,375,160
Home-to-school transportation	-	-	-	-	-
Food services	-	-	-	-	-
All other pupil services	-	-	-	-	-
Administration	2,473,532	2,561,516	3,181,364	3,083,323	2,763,560
Data processing	-	-	-	-	-
All other general administration	-	-	-	-	-
Plant services	3,891,545	3,645,659	5,391,892	6,276,985	11,656,189
Facilities acquisition and construction	-	-	-	-	-
Other outgo	1,321,883	1,419,023	1,241,512	1,413,623	1,102,187
Community services	553,870	482,579	541,903	639,954	612,695
Ancillary services	87,156	-	5,127	163,550	76,184
Capital Outlay	180,356	1,367,403	4,733,979	2,062,127	-
Debt service					
Principal	105,043	215,075	226,598	544,624	-
Interest and other	-	31,725	27,576	22,273	-
Total Expenditures	$43,012,947	$45,220,419	$57,939,142	$60,923,617	$64,825,255
Excess (Deficiency) of Revenues Over Expenditures	$ 1,685,205	$ 5,803,222	$1,479,078	$11,740,095	$5,871,683
OTHER FINANCING SOURCES (Uses)					
Other sources	-	-	1	-	-
NET CHANGE IN FUND BALANCES	$ 1,685,205	$ 5,803,222	$1,479,079	$11,740,095	$5,871,683
Fund Balances – Beginning	$ 7,125,183	$ 8,810,388	$14,613,610	$16,092,689	$20,833,605
Fund Balances – Ending	$ 8,810,388	$ 14,613,610	$16,092,689	$27,832,784	$26,705,288

(1) Totals may not add due to rounding.
(2) This table reflects four funds combined and maintained by the District: The General Fund (Fund 01), the Deferred Maintenance Fund (Fund 14), the Special Reserve Fund for Other Than Capital Outlay (Fund 17) and the Special Reserve for Postemployment Benefits (Fund 20).
Source: The District.

Budgets of the District

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

California Assembly Bill 1200 ("A.B. 1200"), effective January 1, 1992, tightened the budget development process and interim financial reporting for school districts, enhancing the authority of the county schools superintendents' offices and establishing guidelines for emergency State aid apportionments. Many provisions affect District operations directly, while others create a foundation from which outside authorities (primarily state and county school officials) may impose actions on the District. A school district governing board must file with the county superintendent of schools a tentative budget by July 1 in each fiscal year and an adopted budget by September 8 of each fiscal year.

Under the provisions of A.B. 1200, school districts in the State must also conduct a review of their budgets according to certain standards and criteria established by the State Department of Education, and each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. A written explanation must be provided for any element in the budget that does not meet the established standards and criteria. The district superintendent or designee must certify that such a review has been conducted and the certification, together with the budget review checklist and a written narrative, must accompany the budget when it is submitted to the governing board for approval. The balanced budget requirement makes appropriations reductions necessary to offset any revenue shortfalls. The county office of education reviews the certification, completes the budget review checklist and conducts an analysis of any budget item that does not meet the established standards and issues either a positive, negative or qualified certification. A copy of the completed checklist, together with any comments or recommendations, must be provided to the district and its governing board by November 1. By November 30, every district must have an adopted and approved budget, or the county superintendent of schools will impose one. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. Each certification is based on then-current projections. Within the previous five fiscal years, the District has not received a qualified or negative certifications from the County Office of Education.

Presented on the following page are the District's Adopted Budgets for fiscal years 2020-21 through 2024-25. The District adopted its budget for fiscal year 2024-25 on June 25, 2024. See APPENDIX C for the District's financial statements for fiscal year 2022-23.

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ARVIN UNION SCHOOL DISTRICT
GENERAL FUND ADOPTED BUDGETS
FISCAL YEARS 2020-21 THROUGH 2024-25 [(1)(2)]

	2020-21 Adopted Budget	**2021-22 Adopted Budget**	**2022-23 Adopted Budget**	**2023-24 Adopted Budget**	**2024-25 Adopted Budget**
Revenues					
LCFF Sources	$31,792,779	$35,916,016	$37,570,393	$44,348,017	$43,432,925
Federal Revenue	5,552,528	9,043,405	12,159,593	12,368,160	8,620,182
Other State Revenue	3,145,075	4,724,463	5,291,267	12,858,092	11,491,396
Other Local Revenue	340,000	340,000	340,000	390,000	1,011,859
Total Revenue	$40,830,381	$50,023,884	$55,361,254	$69,964,269	$64,556,362
Expenditures					
Certificated Salaries	$15,533,649	$17,208,209	$18,079,020	$23,070,868	$22,113,966
Classified Salaries	5,863,857	5,861,233	6,323,770	7,552,383	8,498,480
Employee Benefits	10,550,769	11,122,125	11,730,117	14,784,929	13,938,292
Books and Supplies	3,076,510	3,861,502	4,971,531	9,080,859	6,384,750
Services and Other Operating Expenditures	4,949,603	5,363,389	6,362,328	6,669,950	6,789,767
Capital Outlay	-	3,364,207	7,556,492	6,550,002	7,816,915
Other Outgo (excluding Transfers of Indirect Costs)	1,485,100	1,595,100	1,595,100	1,102,187	1,177,087
Other Outgo – Transfers of Indirect Costs	-	-	-	-	-
Total Expenditures	$41,459,489	$48,375,765	$56,618,359	$68,811,177	$66,719,257
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources and Uses	($629,107)	$1,648,119	($1,257,105)	$1,153,092	($2,162,895)
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Contributions	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Sources/Uses	($629,107)	$1,648,119	($1,257,105)	$1,153,092	($2,162,895)
Beginning Fund Balance, July 1	3,241,847	5,634,986	7,824,209	12,884,507	26,705,288
Audit Adjustment	-	-	(15,650)	-	-
Ending Fund Balances, June 30	$2,612,740	$7,283,105	$6,551,454	$14,037,599	$24,542,393

(1) Totals may not add due to rounding.
(2) This table reflects only the General Fund of the District.
Source: The District.

District Investments

The Kern County Treasurer (the "Treasurer") manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited with the Treasurer by school and community college districts located in the County, various special districts, and some cities within the State of California. State law generally requires that all moneys of the County, school and community college districts and certain special districts located in the County be held in the County's Treasury Pool.

The composition and value of investments under management in the Treasury Pool vary from time to time depending on cash flow needs of the County and public agencies invested in the pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally.

For a further discussion of the County's Treasury Pool, see the caption "THE KERN COUNTY TREASURY POOL" in the body of this Official Statement.

Significant Accounting Policies and Audited Financial Statements

The California State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California School Accounting Manual. Linger, Peterson & Shrum, Fresno, California, serves as independent auditor to the District and their report for the Fiscal Year Ended June 30, 2021, is attached hereto as APPENDIX C. The District's auditor has not specifically approved the inclusion of such excerpts herewith.

Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. For the District's most recent available audited financial statements, see APPENDIX C.

FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA

General

Public school district revenues consist primarily of guaranteed State moneys, *ad valorem* property taxes and funds received from the State and federal government in the form of categorical aid, which are amounts restricted to specific categories of use, under various ongoing programs. All State apportionment ("State Aid") is subject to the appropriation of funds in the State's annual budget. Decreases in State revenues may affect appropriations made by the State Legislature to the District.

Historically, the majority of the District's annual General Fund revenues (unrestricted) have consisted of payments from or under the control of the State. Payments made to K-12 public schools and public colleges and universities are priority payments for State funds and are expected to be made prior to other State payment obligations. Although the State Constitution protects the priority of payments to K-12 schools, colleges and universities, it does not protect the timing of such payments, and other obligations may be scheduled and have been scheduled to be paid in advance of those dates on which payments to school districts are scheduled to be made.

On June 27, 2013, the State adopted a new method for funding school districts commonly referred to as the "Local Control Funding Formula (the "LCFF"). The LCFF was fully implemented in fiscal year 2018-19 – two years ahead of schedule. See "– *Local Control Funding Formula*" below for more information. Prior to adoption of the LCFF, the State used a revenue limit funding system, described below under "– *Revenue Limit Funding*."

Revenue Limit Funding. School districts in the State have historically received most of their revenues under a formula known as the "revenue limit." Generally, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. The revenue limit system of funding has been replaced by the LCFF. A description of the revenue limit system is included herein as the District has historically received financial assistance from the State pursuant to this method of appropriations.

Each school district's revenue limit, which was funded by State moneys and local *ad valorem* property taxes from the general 1% *ad valorem* property tax levy, was allocated based on the ADA of each school district for either the current or preceding school year. Generally, State Aid to a school district amounted to the difference between the school district's revenue limit and the school district's local property tax allocation from the general 1% *ad valorem* property tax levy. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein.

Local Control Funding Formula. Effective in fiscal year 2013-14, the State established the LCFF, a new system for funding school districts, charter schools and county offices of education. The LCFF replaces the revenue limit funding system, as well as many categorical programs. The LCFF distributes State resources to schools through a guaranteed base funding grant per unit of ADA (a "Base Grant"). The Base Grants per unit of ADA for each grade span are: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. Full implementation of the LCFF was accomplished in fiscal year 2018-19. During the implementation period, an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. Beginning in fiscal year 2014-15, the Base Grants were adjusted for COLAs by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will now be subject to appropriation for such adjustment in the annual State budget.

The Base Grants for grades K-3 are subject to adjustments of 10.4% to cover the costs of class size reduction. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. The Base Grants for grades 9-12 are subject to adjustments of 2.6% for the provision of career technical education.

School districts that serve students of limited English proficiency ("EL" students), students from low-income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated; if the school district has students with both limited English proficiency and eligibility for reduced price meals, for instance, such students will not be duplicated for purposes of determining the additional funding grants. Foster youths automatically qualify for free or reduced priced meals. A supplemental grant add-on (each, a "Supplemental Grant") is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold. The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2018-19 through 2023-24 and projections for fiscal year 2024-25.

ARVIN UNION SCHOOL DISTRICT
ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE

	Average Daily Attendance				Enrollment	
Fiscal Year	K-3	4-6	7-8	Total ADA	Total Enrollment	% of EL/LI Enrollment
2018-19	1,358	981	639	2,978	3,070	97.34
2019-20	1,327	997	632	2,957	3,086	95.82
2020-21	1,327	997	632	2,957	3,024	97.78
2021-22	1,254	980	633	2,867	3,005	96.63
2022-23	1,186	919	599	2,704	2,936	96.37
2023-24(1)	1,213	874	620	2,707	2,914	96.36
2024-25(2)	1,172	888	574	2,634	2,881	97.00

(1) Estimated.
(2) Projected.
Source: The District.

The LCFF provides for a permanent economic recovery target ("ERT") add-on for school districts that would have received greater funding levels under the revenue limit system. The ERT is equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. See also, "THE DISTRICT – Changes in District Enrollment and ADA" for a discussion of LCFF funding considerations.

Beginning July 1, 2014, school districts are required to develop a three-year Local Control and Accountability Plan (each, an "LCAP"). County Superintendent of Schools and the State Superintendent of Public Instruction will review and provide support to the districts and county offices of education under their jurisdiction. In addition, the Fiscal Year 2013-14 State Budget created the California Collaborative for Education Excellence (the "Collaborative") to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. The State Superintendent of Public Instruction may direct the Collaborative to provide additional assistance to any district, county office, or charter school. For those entities that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction has authority to make changes to the district or county office's local plan. For charter schools, the charter authorizer will be required to consider revocation of a charter if the Collaborative finds that the inadequate performance is so persistent and acute as to warrant revocation. The State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Risks Related to COVID-19

General. The outbreak of a strain of coronavirus ("COVID-19"), a respiratory tract illness first identified in Wuhan, China in late 2019, spread to numerous countries across the globe, including the United States. COVID-19 was characterized as a pandemic by the World Health Organization and resulted in a declaration of a national emergency by the Federal Government on March 13, 2020, as a state of emergency by certain states (including by the State of California (the "State") on March 4, 2020) and by local governments and counties. The outbreak caused stay-at-home orders, restrictions on gatherings and widespread temporary closings of businesses, universities and schools. Multiple states implemented state-wide school closures for the 2019-20 and 2020-21 school year, including the State.

The spread of COVID-19 significantly altered the behavior of businesses and people in a manner that has had substantial negative impacts on global and local economies. Stock markets in the U.S. and globally saw significant volatility attributed to COVID-19 and related stay-at-home orders, and the corresponding decreases in business activity attributable thereto. The country's unemployment rose to a level not seen since the Great Depression.

Potential Effects of the COVID-19 Pandemic on Assessed Values and Tax Collection. The COVID-19 pandemic resulted in economic disruption that caused concerns of a general market decline in property values, which may therefore affect the assessed value of property. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. In addition, in response to the COVID-19 pandemic, the State suspended fees, penalties, costs and interest for delinquent property taxes on certain residential and small business property for taxpayers affected by the COVID-19 pandemic, and the County Treasurer and Tax Collector provided for the cancellations of penalties for delinquent payment of taxes for taxpayers similarly affected. The District cannot anticipate the effects of COVID-19 pandemic on assessed values of property in the District or on collection or delinquency rates of property taxes.

District Response to the COVID-19 Pandemic. The District relied on guidance on COVID-19 from State and County health officials, in accordance with COVID-19 guidelines for schools published by the Centers for Disease Control and Prevention. On June 15, 2021, the State fully reopened the economy allowing schools within the County to engage in on-site learning with certain restrictions. The District took numerous steps to encourage continued learning for enrolled students and returned to on-site learning with certain modifications to schedules and safety protocols. During the pandemic, the District maintained essential services including, but not limited to, operations, communications, distance learning, payroll, accounts payable, providing meals for students, and ongoing project management. The District received over $30 million in COVID-19 related funding to help cover the additional operational costs to implement distance learning strategies, deep clean and sanitize its facilities, and purchase additional sanitation and cleaning supplies necessary to maintain sanitation of its facilities. These funds have also been used to improve all technology infrastructure, expand outdoor eating areas, and create extra learning opportunities for students.

Additional costs were borne by the District as circumstances related to the COVID-19 pandemic fluctuate during the 2021-22 school year and subsequent school years. These may have included costs related to or associated with: (i) implementing and performing tests and screening for the virus, and monitoring staff and students for signs of illness; (ii) modifications to accommodate students or staff testing positive for the virus, including additional communications systems to exposed staff and students; (iii) obtaining an ongoing supply of personal protective equipment for students and staff; (iv) addressing additional hygiene and handwashing practices, including increasing the frequency of disinfecting high-touch surfaces; (v) implementation of staggered schedules and physical distancing procedures, including utilization of campus locations such as gymnasiums, auditoriums, cafeterias, and outdoor spaces, for educational activities; (vi) incorporation of additional technology to implement distance learning; (vii) altering procedures for cafeterias and provision of food service, including installation of additional physical barriers for provision of food service, such as sneeze guards and partitions, and modification of cafeteria spaces to allow physical distancing; (viii) ensuring adequate air circulation, including potential modification of HVAC systems; (ix) other additional labor costs resulting from the COVID-19 pandemic, including costs of staff training and costs associated with ensuring appropriate staffing levels to meet facility cleanliness and physical distancing requirements; (x) providing services to students and staff with disabilities, or who are otherwise at higher risk of contracting COVID-19; and (xi) ensuring adequate support for English-learners and social and emotional support for all students and staff. These circumstances were not unique to the District and were considerations for all school districts in the State.

Effect of the COVID-19 Pandemic on State Funding of School Districts. *The Bonds are general obligations of the District only payable solely from ad valorem property taxes and are not payable from the general fund of the District or from any amounts received from the State discussed below. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The impacts set forth below will affect most, if not all school districts in the State, and the effects described below and therein are not unique to the District.*

<u>Potential Declines in State Revenues</u>. In the 2020-21 State Budget, the State anticipated approximately an overall 7% decline in State Revenues, which without other action, would have resulted in an approximately $10 billion reduction in spending from the Proposition 98 minimum guarantee set forth the 2019-20 State Budget. The 2020-21 State Budget offset this loss in several ways, including the deferral of approximately $12.9 billion in payments into future fiscal years and draws of approximately $8.8 billion in reserves from the BSA, Safety Net Reserve and PSSSA. However, the Governor's 2021-22 State Budget indicated significant improvements to State revenues and the offsets and deferrals were not necessary.

In prior fiscal years when the State has received significantly reduced revenues, the State has delayed certain payments to school districts. Under certain conditions, the State may suspend funds guaranteed pursuant to Proposition 98 for one or more years, and payments have been suspended in the past during periods of decreased State revenues. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 98" in the body of this Official Statement. The District cannot predict whether payments from the State will be delayed in the future, the length of any delay or the amount of funds the payment of which will be delayed.

School districts may hold reserves in their local operating accounts, and although there is significant variation in the level of reserves held by the various school districts, the LAO indicates that school district reserves average seventeen percent of school funding statewide. According to the LAO, the median school district holds reserves equal to approximately twenty-two percent of its expenditures, although about twenty-five percent of school districts hold reserves that account for less than fourteen percent of their expenditures. The District holds unrestricted reserves that account for 19.93% of its expenditures.

<u>Executive Orders and Legislation.</u> Governor Newsom enacted a number of executive orders and the State Legislature also adopted legislation in response to the COVID-19 pandemic, and additional executive orders or legislation may be enacted in response to future outbreaks. The District cannot predict the nature or content of such orders, or the effect they will have, if any, on its operations or finances. In addition, certain of these executive orders have been challenged in the courts by affected plaintiffs. The District cannot predict the outcome of any such litigation or whether any resulting change to any executive order will affect the funding of school districts in the State, including the District

Federal Response to the COVID-19 Pandemic. On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law, which provides $30 billion to education, including $3 billion allocated to state governors to use at their discretion to address the COVID-19 outbreak, $13.5 billion for K-12 education, and $14.25 billion for postsecondary education. A school district's share of the $13.5 billion K-12 education allowance is based on the proportion of Title I funding received for the most recent fiscal year. The District received approximately $3,557,064 in supplemental funding as a result of the CARES Act.

In December 2020, federal legislation (the "Coronavirus Response and Relief Supplemental Appropriations Act") was passed to, among other things, provide $54.3 billion in emergency relief for schools. The District received $6,164,717 in supplemental relief funding as a result of this legislation.

On March 11, 2021, the President signed into law a $1.9 trillion COVID-19 relief package referred to as the American Rescue Plan Act of 2021 ("ARPA"). ARPA provides approximately $126 billion for K-12 schools, and known as "Elementary & Secondary School Emergency Relief ("ESSER") funding, the allocation of which will be based on the proportion of funding received for the most-recent fiscal year. The District has received approximately $26,270,958 in federal COVID-19 related ARPA supplemental funding.

Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on Federal, State and local government websites, including but not limited to the CDC (https://www.cdc.gov/coronavirus/2019-nCoV/index.html), the Governor's office (http://www.gov.ca.gov) and the California Department of Public Health (http://covid19.ca.gov/). *The District has not incorporated by reference the information on such websites and the District does not assume any responsibility for the accuracy of the information on such websites.*

State Assistance

The District's principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California's budgets has been obtained from publicly available information which the District believes to be reliable; however, the State has not entered into any contractual commitment with the District, the Original Purchaser, Bond and Disclosure Counsel or the Owners of the Bonds to provide State budget information to the District or the Owners of the Bonds. Although they believe the State sources of information listed above are reliable, none of the District, Bond and Disclosure Counsel or the Original Purchaser assumes any responsibility whatsoever for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov and http://www.ebudget.ca.gov, which website is not incorporated herein by reference.

Fiscal Year 2024-25 State Budget

Introduction.

On June 26, 2024, Governor Gavin Newsom signed the fiscal year 2024-25 budget (the "2024-25 State Budget"). In addressing a $46.8 billion deficit, the 2024-25 State Budget maintains a multiyear fiscal structure providing positive balances in the State's operating reserve, the Special Fund for Economic Uncertainties ("SFEU"), not only in the 2024-25 fiscal year, but also for fiscal year 2025-26. The 2024-25 State Budget includes commitments to support further budget resilience with agreements for additional legislation requiring the State to set aside a portion of anticipated surplus funds to be allocated in a subsequent budget act and adding further fiscal protections so that the State does not commit certain amounts of future anticipated revenues until those revenues have been realized. The 2024-25 State Budget solves the $46.8 billion deficit through a mix of broad-based solutions, which includes $16.0 billion in reduced funding for various items (including a reduction of approximately $500 million from the California Student Housing Revolving Loan Program and an ongoing reduction of $110 million in middle class scholarships beginning in fiscal year 2025-26), $13.6 billion from additional revenue sources and internal borrowing from special funds, $6.0 billion in withdrawals from reserves, $6.0 billion in shifting certain expenditures from the General Fund to other funds, $3.1 billion from delayed programs, and $2.1 billion from payment deferrals.

The 2024-25 State Budget projects State general fund revenues in the amount of $189.4 billion in fiscal year 2023-24 and $212.1 billion in fiscal year 2024-25. State general fund expenditures for fiscal year 2024-25 are expected to be $211.5 billion (a decrease of approximately $11.6 billion from fiscal year 2023-24 general fund expenditures), of which $81.3 billion (38.4 percent) is allocated to K-12 education and $23.5 billion (11.1 percent) is allocated to higher education. The 2024-25 State Budget projects that the State will end fiscal year 2023-24 with a balance of approximately $26.3 billion in budgetary reserves (comprised of approximately $2.9 billion in the SFEU, $0 in the PSSSA, $900 million in the Safety Net Reserve and $22.6 billion in the BSA). Further, the 2024-25 State Budget projects that the State will end fiscal year 2024-25 with an approximately $22.2 billion reserve balance (comprised of approximately $3.5 billion in the SFEU, $1.1 billion in the PSSSA, $0 in the Safety Net Reserve and $17.6 billion in the BSA). In addition to the balance of $3.5 billion in the SFEU in fiscal year 2024-25, the 2024-25 State Budget includes a positive SFEU in fiscal year 2025-26 of $1.5 billion, putting the State on more solid fiscal footing by balancing the budget through the next two fiscal years.

Over the past decade, the State has built historic levels of reserves to better prepare for economic downturns and to mitigate against the volatility in the State's revenue structure. In particular, the BSA met its constitutional maximum mandatory deposit limit of 10% of General Fund tax proceeds under the 2023-24 State Budget. The 2024-25 State Budget utilizes funds from the BSA, but does so over two fiscal years, assuming the use of approximately $5.1 billion in fiscal year 2024-25 and approximately $7.1 billion in fiscal year 2025-26. Spreading the use of the BSA over two years allows more of the structural budget issues to be addressed in fiscal year 2024-25 and provides greater budget resiliency.

The 2024-25 State Budget maintains core programs serving millions of the State's most vulnerable populations, which includes funding the minimum Proposition 98 guarantee for education at $115.3 billion ($82.6 billion General Fund) for fiscal year 2024-25 for Pre-K-12 schools and community colleges.

K-12 Education. The 2024-25 State Budget includes total funding of $133.8 billion ($81.5 billion General Fund and $52.3 billion other funds) for all K-12 education programs. The 2024-25 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Proposition 98. Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for K-12 schools and community colleges (collectively referred to as "K-14 schools"). The Proposition 98 Minimum Guarantee (the "Guarantee"), which went into effect in the 1988-89 fiscal year, determines funding levels according to multiple factors including the level of funding in 1986-87, General Fund revenues, per capita personal income, and school attendance growth or decline. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Proposition 98" in the body of this Official Statement for more information on Proposition 98. The LCFF is the primary mechanism for distributing these funds to support students attending K-12 public schools in the State.

Under certain circumstances, the State Constitution allows the Legislature to suspend the Guarantee and create a maintenance factor to be paid in future fiscal years when conditions require it. The 2024-25 State Budget suspends the Guarantee in fiscal year 2023-24 and projects the Guarantee to be in "Test 1" in fiscal year 2024-25. In Test 1 years, the Guarantee is equal to the percentage of General Fund appropriated for K-14 schools in the 1986-87 fiscal year. Suspending the Guarantee is projected to create a maintenance factor obligation of approximately $8.3 billion in fiscal year 2023-24 and is projected to result in a $4.1 billion maintenance factor payment in fiscal year 2024-25, which will be paid in addition to the Guarantee level in fiscal year 2024-25.

To accommodate enrollment increases related to the expansion of transitional kindergarten, and the implementation of Proposition 28, the 2024-25 State Budget rebenches the Test 1 percentage, from approximately 38.6 percent to approximately 39.2 percent, to increase the percentage of General Fund revenues obligated to the Guarantee. As fiscal year 2024-25 is a Test 1 year, the value of the Guarantee is the sum of 39.2 percent of General Fund revenues, fiscal year 2024-25 local property tax revenues, and the $4.1 billion maintenance factor payment.

The 2024-25 State Budget reflects Proposition 98 funding levels of $103.7 billion in fiscal year 2022-23, $98.5 billion in fiscal year 2023-24, and $115.3 billion in fiscal year 2023-24. Of the $103.7 billion in fiscal year 2022-23, the 2024-25 State Budget accrues approximately $6.2 billion of the State's General Fund costs to the 2026-27 through 2035-36 fiscal years for budgetary and financial reporting purposes.

Proposition 98 Rainy Day Fund. The 2024-25 State Budget reflects a total balance of $8.4 billion in the PSSSA at the end of fiscal year 2022-23 and reflects the withdrawal of this balance in fiscal year 2023-24. The 2024-25 State Budget also reflects a roughly $1.1 billion discretionary payment into the PSSSA in fiscal year 2024-25, leaving a balance in the account of $1.1 billion.

Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the PSSSA is equal to or greater than 3 percent of the total K-12 share of the Guarantee. Because there is no ending balance in the PSSSA in fiscal year 2023-24 and a balance of $1.1 billion in fiscal year 2024-25, school district reserve caps would not be triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26.

Local Control Funding Formula ("LCFF"). The 2024-25 State Budget includes a LCFF cost-of-living adjustment of 1.07 percent. When combined with population growth adjustments, this will result in an increase of approximately $983 million, as compared to the 2023-24 State Budget, in discretionary funds for local educational agencies ("LEAs"). To fully fund the LCFF, the 2024-25 State Budget withdraws approximately $5.3 billion from the PSSSA to support LCFF costs in fiscal year 2023-24, and uses available reappropriation and reversion funding of $253.9 million to support ongoing LCFF costs in fiscal year 2024-25.

Deferrals. The 2024-25 State Budget reflects LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 of approximately $3.6 billion and from fiscal year 2024-25 to fiscal year 2025-26 of approximately $246 million. Additionally, the 2024-25 State Budget reflects approximately $2.3 billion in categorical program deferrals from fiscal year 2022-23 to fiscal year 2023-24, with the deferred categorical amount being repaid using PSSSA resources.

Learning Recovery Emergency Block Grant. The 2024-25 State Budget focuses the use of allocated but unexpended Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs, and incorporates the use of these funds into the existing LCAP development process. The 2024-25 State Budget also clarifies that the allowable uses of the Learning Recovery Emergency Block Grant include professional development aligned to the new Mathematics Framework and the English Language Arts/English Language Development Framework.

Employee Protections. To ensure stable employment for school staff, the 2024-25 State Budget includes a suspension of the August 15, 2024, layoff window for certificated and classified staff.

Instructional Continuity and Attendance Recovery. The 2024-25 State Budget includes statutory changes to allow LEAs to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss, as well as related fiscal impacts to LEAs. For example, the 2024-25 State Budget beginning in fiscal year 2025-26, allows LEAs to add up to 10 days of attendance recovery time per pupil to the attendance data submitted to the California Department of Education ("CDE") for funding purposes. Attendance recovery programs that are offered during summer school, intersessional school, on weekends, or before/after school, must be taught by certificated teachers, be exempt from minimum day requirements, and be non-compulsory.

The 2024-25 State Budget also allows Expanded Learning Opportunities Program funds to be utilized for attendance recovery programs when an LEA operates the program in conjunction with, and on the same school site as, its expanded learning opportunities program.

There is also the requirement that CDE to report an alternative chronic absenteeism rate calculation, in addition to the existing chronic absenteeism rate, that includes pupil attendance accrued through attendance recovery programs.

Beginning July 1, 2025, the 2024-25 State Budget requires LEAs to include an instructional continuity plan in their School Safety Plan as a component of their emergency funding application. The plan must include procedures for student engagement within 5 days of an emergency and a plan to provide hybrid or remote learning opportunities to students within 10 instructional days. The plan can include supporting students and their families with temporary reassignment to another school.

When students must be absent for any reason, the 2024-25 State Budget encourages LEAs to provide remote instruction to mitigate learning loss by streamlining independent study. Specifically, the language allows LEAs to earn funding for independent study programs regardless of duration, reduces the burden on teachers to account for remote/hybrid learning, and provides flexibility on when signed written agreements for short-term independent study must be collected.

Additionally, the 2024-25 State Budget directs the department to explore local student information systems to identify opportunities and make recommendations to allow LEAs to report individual student absence data to the state in a manner that allows for, at a minimum, local and statewide disaggregation of absences related to emergency events that prevent students from attending school. The 2024-25 State Budget also includes $4 million one-time Proposition 98 General Fund to research existing, and develop new models of hybrid and remote learning to support students' attendance, including developing and disseminating guidance and resources for LEAs to develop their own hybrid and remote learning programs to enable instructional continuity.

Teacher Professional Development and Preparation. To further expand the State's educator training infrastructure, the 2024-25 State Budget:

- Provides $25 million one-time Proposition 98 General Fund to support necessary costs, including training for educators to administer literacy screenings to meet the requirement to screen students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year.

- Provides $20 million one-time Proposition 98 General Fund for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training aligned with the new California Mathematics Framework for mathematics coaches and leaders who in turn can provide training and support to mathematics teachers to deliver high-quality instruction.

Additionally, to encourage more well-prepared individuals to enter the field of teaching, the 2024-25 State Budget includes statutory changes to recognize the completion of a bachelor's degree as satisfying the basic skills requirement for a credential and to improve transcript review to certify subject matter competency.

State Preschool.

Significant budget adjustments:

- The 2024-25 State Budget includes $53.7 million General Fund to support reimbursement rate increases previously supported by available one-time federal stimulus funding.

- The 2024-25 State Budget reflects one-time savings of $190.7 million General Fund and $522.3 million Proposition 98 General Fund. These adjustments align with the level of support necessary for CDE to meet preschool collective bargaining agreement requirements.

- The 2024-25 State Budget authorizes California State Preschool Program providers to serve two-year-old children, in addition to three and four-year old children, until June 30, 2027.

- The 2024-25 State Budget maintains that the California State Preschool Program continue to require providers to reserve 5 percent of funded enrollment for children with disabilities. However, the 2024-25 State Budget suspends provisions to increase this requirement to 7.5 percent in fiscal year 2025-26 and 10 percent in fiscal year 2026-27.

- The 2024-25 State Budget provides authority for CDE to develop and implement a streamlined request for application process to award new State Preschool slots to existing providers.

Transitional Kindergarten. The 2024-25 State Budget provides $988.7 million Proposition 98 General Fund to support the second year (the 2023-24 school year) of expanded eligibility for transitional kindergarten, shifting age eligibility from all children turning five-years-old between September 2 and February 2 to all children turning five-years-old between September 2 and April 2 (roughly 36,000 additional children). Additionally, the 2024-25 State Budget provides $390.2 million Proposition 98 General Fund to support the second year of adding one additional certificated or classified staff person to every transitional kindergarten class.

Further, the 2024-25 State Budget provides $1.5 billion ongoing Proposition 98 General Fund to support the third year (the 2024-25 school year) of expanded eligibility for transitional kindergarten, shifting age eligibility from all children turning five between September 2 and April 2 to all children turning five-years-old between September 2 and June 2 (roughly 38,000 additional children). The 2024-25 State

Budget also provides $515.5 million ongoing Proposition 98 General Fund to support the third year of adding one additional certificated or classified staff person to every transitional kindergarten class.

Addressing the Budget Problem. To address the projected budget shortfall, the 2024-25 State Budget includes General Fund solutions to achieve a balanced budget. These include:

- School Facility Program—Forgoes a planned investment of $875 million to support the School Facility Program.

- California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program—Forgoes a planned investment of $550 million to support the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.

- Zero-Emission School Buses—Forgoes a planned $500 million one-time Proposition 98 General Fund investment in fiscal year 2024-25 to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission.

  - Other K-12 Budget Adjustments.

  - Other significant budget adjustments include:

    - The Arts and Music in Schools: Funding Guarantee and Accountability Act (Proposition 28) - $907.1 million to support the Arts and Music in Schools: Funding Guarantee and Accountability Act in fiscal year 2024-25.

    - Categorical Program Cost-of-Living Adjustments - $89.2 million ongoing Proposition 98 General Fund to reflect a 1.07-percent cost-of living adjustment for specified categorical programs.

    - Nutrition - An additional $179.4 million ongoing Proposition 98 General Fund and an additional $120.8 million one-time Proposition 98 General Fund to fully fund the universal school meals program in the 2023-24 and 2024-25 fiscal years. This is on top of $1.6 billion in base funding for the program.

    - Classified School Employee Summer Assistance Program - $9 million one-time Proposition 98 General Fund for the Classified School Employee Summer Assistance Program, which provides supplemental pay for classified staff during intersessional months when they are not employed.

    - Curriculum-Embedded Performance Tasks for Science - $7 million one-time Proposition 98 General Fund to support inquiry-based science instruction and assessment through the development of a bank of curriculum-embedded performance tasks.

    - California Teachers Collaborative for Holocaust and Genocide Education - $5 million one-time Proposition 98 General Fund to support the California Teachers Collaborative for Holocaust and Genocide Education.

    - After School Education and Safety Programs - $5 million one-time General Fund for Save the Children, which supports after school programs in rural districts.

- State Special Schools Infrastructure Support - $3.4 million General Fund, of which $380,000 is ongoing, to replace critical servers, maintain warranty coverage for network infrastructure, and refresh laptops, tablets, and workstations for students and staff at the State Special Schools and Diagnostic Centers.

- K-12 High Speed Network - $3.2 million ongoing Proposition 98 General Fund to support the K-12 High Speed Network program.

- Student Friendly Services - $2.1 million ongoing Proposition 98 General Fund to support the California College Guidance Initiative.

- Parks Access - $2.1 million ongoing Proposition 98 General Fund for the Sacramento County Office of Education to enable fourth graders attending public schools to access California state parks.

- Inclusive College Technical Assistance Center - $2 million ongoing Proposition 98 General Fund to establish a Technical Assistance Center to:

  - Assist LEAs with the development and submittal of federal comprehensive transition and postsecondary program applications, so that students can apply for the Free Application for Federal Student Aid.

  - Facilitate collaboration between LEAs and institutions of Higher Education to support students, including those with intellectual disabilities, and their parents to plan for postsecondary transition.

  - Assist LEAs with the identification of potential funding sources and student financial assistance opportunities.

- The 2024-25 State Budget includes statute to better equip school staff with the tools needed to recognize and offer appropriate mental health supports to students in a way that is aligned with other state investments in this area, including professional development opportunities.

LAO Overview of 2024-25 State Budget. The Legislative Analyst's Office (the "LAO"), a nonpartisan State office which provides fiscal and policy information and advice to the State Legislature, released its analysis of the fiscal year 2024-25 State Budget Act, entitled "The 2024-25 Budget: Overview of the Spending Plan" (the "2024-25 Budget Overview"). In the 2024-25 Budget Overview, the LAO summarizes the 2024-25 State Budget and highlights certain major features, including the condition of the general fund, revenues and spending.

The LAO estimates that the State Legislature addressed a $55 billion budget problem in the 2024-25 State Budget package, noting that the budget problem is essentially unchanged from the Governor's May revision of the 2024-25 State Budget (the "May Revision"). However, the LAO notes that its estimate of the budget problem is higher than the figure cited by the administration, which was $47 billion. The reasons for the difference are the same as those the LAO cited in its analyses of the Governor's proposed budget for fiscal year 2024-25 and the May Revision, mainly being the differing treatment of baseline spending for schools and community colleges.

The LAO's report details that the State has several types of solutions or options for addressing a budget problem, with the most important being: reserve withdrawals, spending reductions, revenue increases and cost shifts. In addressing the budget problems for the current fiscal year, the LAO highlights that spending-related solutions (including both school and community college spending and other spending) total $39 billion and represent about 70 percent of the total solutions. Spending-related solutions include reductions, fund shifts, delays and reversions. In addition, the LAO notes that the 2024-25 State Budget includes approximately $6 billion in reserve withdrawals ($5 billion from the BSA and $900 million from the Safety Net Reserve), $2 billion in cost shifts ($1.7 billion in special fund loans to the General Fund and $400 million in savings generated by extending the repayment schedule for some existing loans), and $8 billion in revenue-related solutions (temporary increase in corporation tax revenues by about $6 billion in fiscal year 2024-25 and an increase to the managed care organization tax of approximately $2 billion to offset General Fund costs) to help solve the budget problem.

The LAO details how spending-related solutions (excluding school and community colleges spending) total approximately $20 billion. Schools and community college spending-related solutions total approximately $19 billion, of which $13 billion reduces spending by suspending Proposition 98 minimum funding requirements. In its report, the LAO details how for fiscal year 2023-24, the 2024-25 State Budget invokes a provision allowing the State to suspend the Proposition 98 minimum funding requirement with a two-thirds vote of each house of the State Legislature. The 2024-25 Budget Overview further details how the State then reduces spending on schools and community colleges by $8.3 billion relative to the level otherwise required for fiscal year 2023-24 and also makes a $2.6 billion reduction attributable to fiscal year 2022-23. According to the 2024-25 Budget Overview, the fiscal year 2022-23 reduction does not require suspension of the Proposition 98 minimum funding requirement because funding remains above the minimum requirement for that year. The LAO highlights that both of these reductions lower the Proposition 98 minimum funding requirement on an ongoing basis, though the suspension creates an obligation to increase funding more quickly in the future. The LAO notes that the combined effect of these reductions, including their effect on fiscal year 2024-25, is to reduce General Fund spending by $12.7 billion over the fiscal year 2022-23 through 2024-25 period.

Additionally, the 2024-25 Budget Overview details how the 2024-25 State Budget introduces a new type of fiscal maneuver that accrues $6.2 billion in previous school and community college payments to future fiscal years. Specifically, the State will not recognize these payments as a cost to the General Fund in the year it provided them (fiscal year 2022-23), but instead, it will recognize the cost in equal installments over ten years, beginning in fiscal year 2026-27. These costs, when recognized, will be attributed to the non-Proposition 98 side of the State's budget. The LAO notes that while not formally structured as borrowing, this maneuver is similar to the State taking an internal loan from its cash reserves. The maneuver does not delay or reduce any payments to schools or community colleges and does not reduce the Proposition 98 funding requirement moving forward. It will, however, reduce funding available for other State programs over the next ten years.

General Fund. The 2024-25 Budget Overview recognizes that under the 2024-25 State Budget's assumptions, the State will end fiscal year 2024-25 with approximately $21 billion in total reserves, consisting of (i) $17.6 billion in the BSA, (ii) $3.5 billion in the SFEU, and (iii) $0 in the Safety Net Reserve, and as required by the State Constitution, the 2024-25 State Budget also withdraws the entire balance from the Proposition 98 Reserve ($8.4 billion) in fiscal year 2023-24 to supplement the funding provided to schools and community colleges. The LAO recognizes that in fiscal year 2024-25 however, the budget begins to build back the Proposition 98 Reserve by making a discretionary deposit of nearly $1.1 billion.

Revenues. The 2024-25 Budget Overview highlights that revenues from the State's three major sources are expected to grow from fiscal year 2023-24 to 2024-25, including with 5 percent growth in the personal income tax, the State's single largest revenue source. Despite growing revenues in the budget year, the State faces a budget problem in fiscal year 2024-25 because revenue shortfalls relative to past estimates have occurred in the prior and current years.

Spending. The 2024-25 Budget Overview details that the spending plan assumes total State spending of $295 billion in fiscal year 2024-25 ($31 billion lower than the fiscal year 2023-24 level), and includes a 19 percent decrease in special fund spending and a 5 percent decrease in General Fund spending. The LAO attributes the decline in State spending in fiscal year 2024-25 generally to the State's budget problem.

School and Community College Budget. The 2024-25 Budget Overview highlights how compared with the estimate the State made in June 2023, the 2024-25 State Budget reflects a $9.8 billion decrease in Proposition 98 funding across fiscal years 2022-23 through 2024-25. This reduction consists of an $11.7 billion decrease in State General Fund, partially offset by a $1.9 billion increase in local property tax revenue. Most of the General Fund reduction is attributable to the suspension of the Proposition 98 minimum funding requirement in fiscal year 2023-24.

The 2024-25 Budget Overview further notes that the State allocates most funding to schools based on their average daily attendance, however, in response to significant declines in attendance over the past several years, the State adopted a series of policies temporarily funding school districts based on the attendance they reported prior to the COVID-19 pandemic. For fiscal year 2024-25, the 2024-25 State Budget assumes savings of $1.8 billion as these higher pre-pandemic attendance levels phase out of district funding calculations. Additionally, the 2024-25 Budget Overview highlights how the 2024-25 State Budget obtains $1.2 billion in savings by (1) deferring some payments from fiscal year 2024-25 to fiscal year 2025-26, (2) reducing funding for State preschool that is expected to go unused, and (3) repurposing certain unspent appropriations from previous years. Under the State constitution, the State must dedicate all of these savings to other school and community college purposes.

Finally, the 2024-25 Budget Overview recognizes that after accounting for the reduction in overall funding, reserve withdrawals and deposits, cost savings, and various other baseline adjustments, the State has $1.5 billion available to augment school and community college programs. The 2024-25 State Budget allocates most this amount to cover a 1.07 percent cost-of-living adjustment for existing programs. Most of the remaining funds are allocated to cover enrollment and caseload driven increases in a few specific areas.

The 2024-25 Budget Overview is available on the LAO website at www.labo.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such references.

Additional Information. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of the State budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Summaries and detail of the State budget may be found at www.ebudget.ca.gov. Various analyses of the budget may be found at the website of the LAO at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found via the website of the State Treasurer, www.treasurer.ca.gov. The information presented in these websites is not incorporated by reference in this Official Statement.

Future State Budgets. The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address any future budget deficits and cash management practices. Future State budgets will be affected by national and State economic conditions over which the District has no control, and other factors over which the District will have no control. The District cannot predict whether the State will continue to encounter budgetary difficulties in future fiscal years. The District also cannot predict the impact future State Budgets will have on the District's finances and operations or what actions the State Legislature and the Governor may take to respond to changing State revenues and expenditures. In the event current or future State Budgets decrease the District's revenues or increase required expenditures by the District from the levels assumed by the District, the District will need to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

[Closing Date]

Board of Trustees
Arvin Union School District
737 Bear Mountain Boulevard
Arvin, California 93203

Re: Arvin Union School District (Kern County, California)
$_________ General Obligation Bonds, Election of 2018, Series 2024D (Bank Qualified) and $___________ General Obligation Bonds, Election of 2018, Series 2024E (Bank Qualified)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Arvin School District, County of Kern, State of California (the "District"), in connection with the issuance by the District of $___________ aggregate principal amount of its General Obligation Bonds, Election of 2018, Series 2024D and $________ aggregate principal amount of its General Obligation Bonds, Election of 2014, Series 2024E (collectively, the "Bonds"). The Bonds are issued pursuant to (i) Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, as amended, (ii) applicable provisions of the Education Code of the State, as amended, (iii) Article XIIIA of the California Constitution, and (iv) pursuant to a resolution of the Board of Trustees of the District adopted on September 10, 2024 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As Bond Counsel, we have examined copies, certified to us as being true and complete copies, of the proceedings of the District for the authorization and issuance of the Bonds. In connection thereto, we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion, and we have assumed that all such representations therein are true and correct and that the District will comply with such covenants. We have, with your approval, assumed that all items submitted to us as originals are authentic and that all items submitted to us as copies conform to the originals.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Bonds have been duly authorized and issued and constitute legally valid and binding obligations of the District, enforceable in accordance with their terms and the terms of the Resolution.

2. The Bonds are payable solely from and are secured by a pledge of *ad valorem* taxes which may be levied without limitation as to rate or amount upon all taxable real property in the District, and which, under the laws now in force with respect to the Bonds, may be levied within the limit prescribed by law upon all taxable personal property in the District, as set forth in the Resolution.

3. The Resolution has been duly authorized by the District and constitutes the legally valid and binding obligation of the District, enforceable in accordance with its terms. The Bonds, assuming due authentication by the Paying Agent, are entitled to the benefits of the Resolution.

4. The Internal Revenue Code of 1986, as amended (the "Code") sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and the Tax and Nonarbitrage Certificate executed by the District in connection with the issuance of the Bonds (the "Tax Certificate"), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Resolution and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

5. Interest on the Bonds is exempt from personal income taxes of the State of California under present state law.

6. Bond Counsel is further of the opinion that the excess of the principal amount of any maturity of the Bonds over the price at which a substantial amount of such maturity of the Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively, the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment.

The opinions set forth in paragraphs 1, 2, and 3 above (i) assume that the Paying Agent has duly authenticated the Bonds and (ii) are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies against government entities in the State of California. As to the due adoption of the Resolution and the other resolutions adopted by the Board of Trustees of the District relating to the approval of the Bonds, we have entirely relied upon certificates of officials of the District and other representations made by the District in connection with the issuance of the Bonds.

In rendering the opinions set forth in paragraphs 4 and 6 above, we are relying upon representations and covenants of the District in the Tax Certificate concerning the investment and use of Bond proceeds, the rebate to the federal government of certain earnings thereon, and the use of the property and facilities financed with the proceeds of the Bonds. In addition, we have assumed that all such representations are true and correct and that the District will comply with such covenants. We express no opinion with respect to the exclusion of the interest on the Bonds from gross income under Section 103(a) of the Code in the event that any of such representations are untrue or the District fails to comply with such covenants, unless such failure to comply is based on our advice or opinion.

Except as stated in paragraphs 4 through 6 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

Our opinions are limited to matters of California law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions. We call attention to the fact that the opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken or omitted or events occurring or failing to occur after the date hereof. We have not undertaken to determine, or inform any person, whether any such actions are taken, omitted, occur or fail to occur.

Respectfully submitted,

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APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2022-23

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Arvin Union School District
County of Kern
Arvin, California
June 30, 2023

Independent Auditor's Report
and Financial Statements

LPS
Certified Public Accountants

Arvin Union School District
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June 30, 2023

LPS
Certified Public Accountants

Independent Auditor's Report

To the Board of Trustees
Arvin Union School District
Arvin, California 93312

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 Arvin Union School District ("the District") as of and for the year ended June 30, 2023, 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 Arvin Union School District as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

575 E. Locust Ave., Suite 308, Fresno, CA 93720-2928
Phone (559) 438-8740 | Fax (559) 438-8746 | www.lps.cpa

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Arvin Union School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2023 on our consideration of Arvin Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Arvin Union School District's internal control over financial reporting and compliance.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2023

GEORGIA RHETT
District Superintendent

EMMA PEREIDA-MARTINEZ
Assistant Superintendent

ARVIN UNION SCHOOL DISTRICT

737 Bear Mountain Blvd.
Arvin, CA 93203
(661) 854-6500 FAX (661) 854-2362

ARVIN UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

The discussion and analysis of the Arvin Union School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- Total assets increased $19,589,225. Net position increased $15,635,776 from the prior year net position, which represents a 150.84% increase from fiscal year 2022 net position.
- General revenues accounted for $48,523,275 of the total revenues. Program specific revenues, in the form of charges for services were $635,689, operating grants and contributions accounted for $33,922,601, and capital grants and contributions accounted for $2,526,117.
- The District had $70,729,510 in expenses related to governmental activities; only $37,084,407 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily interest, property taxes, and Federal and State aid not restricted to specific purposes) of $48,523,275 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity.

The Statement of Net Position and Statement of Activities provide information about the activities as a whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant/major funds with all other nonmajor funds presented in total in a single column. For the District, the General Fund are the significant/major funds.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

While this report contains a large number of funds used by the District to provide programs and activities, the view of the District as a whole, looks at all financial transactions and asks the question: "How did we do financially during the fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash was received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Governmental activities – All of the District's programs and services are reported here, including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

- Business-type activities – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District had no business-type activities for the fiscal year ended June 30, 2023.

Reporting the District's Most Significant/Major Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund.

Governmental Funds

All of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at the fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the Statement of Net Position and the Statement of Activities, and the governmental funds is reconciled in the financial statements.

THE DISTRICT AS A WHOLE

Net Position

The perspective of the Statement of Net Position is of the District as a whole. Table 1 provides a summary of the District's net position for 2023 compared to 2022:

Table 1: Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	$ 50,410,840	$ 34,187,111
Capital assets, net	56,329,118	52,963,622
Total Assets	106,739,958	87,150,733
Deferred Outflows	19,975,265	19,953,198
Liabilities		
Current liabilities	9,264,603	5,672,891
Long-term liabilities	105,290,617	90,838,405
Total Liabilities	114,555,220	96,511,296
Deferred Inflows	7,602,650	20,006,912
Net Position		
Net investment in capital assets	23,143,631	19,488,856
Restricted	30,567,190	21,430,651
Unrestricted	(48,441,173)	(51,285,635)
Total Net Position	$ 5,269,648	$ (10,366,128)

Total assets increased $19,589,225. Net position of the District's governmental activities increased $15,635,776 from the prior year net position.

Changes in Net Position

Table 2 reflects the change in net position for fiscal year 2023 compared to 2022:

Table 2: Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	$ 635,689	$ 543,054
Operating and capital grants and contributions	33,922,601	25,567,267
Capital grants and contributions	2,526,117	-
General revenues		
LCFF sources	42,172,235	37,535,008
State revenues	3,606,001	769,854
Local revenues	2,745,039	2,326,379
Total Revenues	85,607,682	66,741,562
Program expenses:		
Instruction	37,845,887	28,004,158
Instruction-related services	8,397,377	9,014,246
Pupil services	9,966,977	8,228,244
Ancillary services	206,387	36,797
Community services	655,603	520,541
General administration	3,199,348	3,097,544
Plant services	7,414,559	6,336,332
Other outgo	1,413,623	1,462,009
Interest on long-term debt	1,629,749	1,362,935
Total Expenses	70,729,510	58,062,806
Changes in Net Position	$ 14,878,172	$ 8,678,756

THE DISTRICT'S FUNDS

The District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues of $82,740,914, and expenditures of $70,211,909. The positive change in the governmental fund balance for the year of $12,529,005, reflects that the District was able to meet current costs with current revenue.

General Fund Budgeting Highlights

The District's budget is prepared according to California law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2023, the District amended its General Fund budget as needed. The District uses a site-based budget. The budgeting systems are designed to tightly control total site budgets, but provide flexibility for site management.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the District had $56,329,118 invested in capital assets. Table 3 reflects fiscal year 2023 balances compared to 2022:

Table 3: Capital Assets at Year-End (Net of Depreciation/Amortization)

	Governmental Activities	
	2023	2022
Land	$ 1,461,489	$ 1,461,489
Land improvement	3,726,690	1,788,333
Buildings	40,539,582	42,725,176
Equipment	2,222,314	2,081,369
Leased assets	18,255	22,916
Work-in-progress	8,360,788	4,884,339
Total	$ 56,329,118	$ 52,963,622

The work-in-progress is costs incurred for modernization.

Long-Term Debt

At year-end, the District had $35,299,000 in net pension liability. This is an increase of $14,038,673 from last year as shown in Table 4.

Table 4: Outstanding Debt, at Year-End

	Governmental Activities	
	2023	2022
Net pension liability	$ 35,299,000	$ 21,260,327
Postemployment health benefits	34,521,450	34,288,176
General obligation bonds	26,659,223	27,594,223
Accreted interest on general obligation bonds	6,394,196	5,735,991
Early retirement incentives	1,176,107	1,475,688
Note payable	712,295	23,304
Compensated absences	510,530	460,696
Lease liability	17,816	-
Total	$ 105,290,617	$ 90,838,405

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In light of the COVID pandemic, the United States Department of Agriculture declared that all K-12 students are eligible to receive free meals, regardless of the students' household incomes. This change increased the District's cafeteria funding to provide meals to students.

With the current Governor's interest in supporting school facility funding, there is hope for additional funding. With the challenges that are currently faced at Arvin Union School District we will continue to explore and advocate for any possible funding sources to update and improve facilities. The District is committed to remaining fiscally conservative while making certain we address our facilities updates in an organized and informed fashion.

The Arvin Union School District maintains more than the required 5% reserve for economic uncertainties, and continues to build its special reserves. The Arvin Union School District has no long-term debt other than the net pension liability and, as in the past, will continue to be fiscally conservative.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This outbreak has continued to spread, and any related adverse public health developments have affected School Districts and Governments globally, resulting in an economic downturn. It has also disrupted the normal operations of the School District, forcing closures and changes needed to operate. It is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the School District or the results of operations at this time.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances, and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Chris Davis, Chief Business Official, Arvin Union School District, 737 Bear Mountain Boulevard, Arvin, California 93203.

Basic Financial Statements

Arvin Union School District
Statement of Net Position
June 30, 2023

		Governmental Activities
Assets:		
Cash and cash equivalents	$	44,889,363
Investments		1,532,732
Accounts receivable		3,040,751
Due from grantor governments		816,278
Prepaid expenses		117,995
Unamortized issuance costs		13,721
Capital assets not depreciated		9,822,277
Capital assets, net of accumulated depreciation and amortization		46,506,841
Total assets		106,739,958
Deferred Outflows of Resources:		
Deferred outflows of resources - Pensions		9,716,538
Deferred outflows of resources - OPEB		10,258,727
Total deferred outflows of resources		19,975,265
Liabilities:		
Accounts payable		5,059,632
Due to grantor governments		877,323
Unearned revenue		3,327,648
Long-term liabilities		
Other than pensions and OPEB due within one year		1,604,513
Other than pensions and OPEB due after one year		33,865,654
Net pension liability		35,299,000
Other postemployment benefits liability (OPEB)		34,521,450
Total liabilities		114,555,220
Deferred Inflows of Resources:		
Deferred inflows of resources - Pensions		2,911,315
Deferred inflows of resources - OPEB		4,691,335
Total deferred inflows of resources		7,602,650
Net Position:		
Net investment in capital assets		22,431,336
Restricted for:		
Debt service		1,645,401
Capital projects		7,805,275
Other purposes		21,116,514
Unrestricted		(48,441,173)
Total net position	$	4,557,353

The accompanying notes are an integral part of this statement.

Arvin Union School District
Statement of Activities
Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction	$37,845,887	$ 125,234	$ 21,040,821	$ 1,368,451	$ (15,311,381)
Instruction-related services	8,397,377	17,824	4,198,811	342,486	(3,838,256)
Pupil services	9,966,977	56,229	6,097,858	254,901	(3,557,989)
Ancillary services	206,387	-	98,758	10,808	(96,821)
Community services	655,603	258,002	149,664	23,817	(224,120)
General administration	3,199,348	51,832	302,605	169,353	(2,675,558)
Plant services	7,414,559	126,568	1,367,590	250,984	(5,669,417)
Other outgo	1,413,623	-	666,494	105,317	(641,812)
Interest on long-term obligations	1,629,749	-	-	-	(1,629,749)
Total governmental activities	70,729,510	635,689	33,922,601	2,526,117	(33,645,103)
Total primary government	$70,729,510	$ 635,689	$ 33,922,601	$ 2,526,117	(33,645,103)
General Revenues:					
LCFF sources					42,172,235
State revenues					3,606,001
Local revenues					2,745,039
Total general revenues					48,523,275
Change in Net Position					14,878,172
Net Position - Beginning					(10,366,128)
Prior period adjustment					45,309
Net Position - Ending					$ 4,557,353

The accompanying notes are an integral part of this statement.

Arvin Union School District
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund (Combined)	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash in County Treasury	$ 31,711,420	$ 13,057,091	$ 44,768,511
Cash on hand and in banks	-	114,852	114,852
Cash in revolving fund	5,000	1,000	6,000
Investments	888,986	643,746	1,532,732
Accounts receivable	2,438,467	602,284	3,040,751
Due from grantor governments	816,278	-	816,278
Due from other funds	5,656,002	338,344	5,994,346
Prepaid expenditures	-	117,995	117,995
Total assets	41,516,153	14,875,312	56,391,465
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	$ 4,087,118	$ 844,541	$ 4,931,659
Due to grantor governments	877,323	-	877,323
Due to other funds	5,441,667	552,679	5,994,346
Unearned revenue	3,277,261	50,387	3,327,648
Total liabilities	13,683,369	1,447,607	15,130,976
Fund Balance:			
Nonspendable fund balances:			
Revolving cash	5,000	1,000	6,000
Prepaid items	-	117,995	117,995
Restricted fund balances	17,930,000	12,637,190	30,567,190
Committed fund balances	6,553,273	-	6,553,273
Assigned fund balances	891,916	671,520	1,563,436
Reserve for economic uncertainty	2,452,595	-	2,452,595
Total fund balance	27,832,784	13,427,705	41,260,489
Total liabilities and fund balances	$ 41,516,153	$ 14,875,312	$ 56,391,465

The accompanying notes are an integral part of this statement.

Arvin Union School District
Reconciliation of the Balance Sheet - Governmental Funds, to the Statement of Net Position
June 30, 2023

Total Fund Balances - Balance Sheet, Governmental Funds	$ 41,260,489
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	81,666,840
Accumulated depreciation/amortization	(25,337,722)
Certain debt issue costs are recognized in the funds as expenditures in the period the debt was incurred, whereas in the government-wide statements, they are amortized over the life of the debt:	
Unamortized prepaid insurance related to debt	13,721
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(127,973)
General obligation bonds payable	(26,659,223)
Accreted interest	(6,394,196)
Other post-employment benefits payable (OPEB)	(34,521,450)
Net pension liability	(35,299,000)
Compensated absences payable	(510,530)
Leases payable	(17,816)
Early Retirement Incentives-STRS	(939,340)
Early Retirement Incentives-PERS	(236,767)
Note payable	(712,295)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:	
Deferred outflows of resources related to pensions	9,716,538
Deferred inflows of resources related to pensions	(2,911,315)
Deferred outflows of resources related to OPEB	10,258,727
Deferred inflows of resources related to OPEB	(4,691,335)
Total Fund Balance of Governmental Activities - Statement of Net Position	$ 4,557,353

The accompanying notes are an integral part of this statement.

Arvin Union School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2023

	General Fund (Combined)	Other Governmental Funds	Total Governmental Funds
Revenues:			
LCFF sources:			
State apportionment or State aid	$ 36,575,811	$ -	$ 36,575,811
Education protection account funds	2,365,523	-	2,365,523
Local sources	3,230,901	-	3,230,901
Federal revenue	9,094,372	3,812,644	12,907,016
Other State revenue	17,856,323	3,950,379	21,806,702
Other local revenue	3,540,782	2,314,179	5,854,961
Total revenues	72,663,712	10,077,202	82,740,914
Expenditures:			
Current:			
Instruction	33,297,222	498,590	33,795,812
Instruction-related services	7,314,586	181,345	7,495,931
Pupil services	6,105,350	3,245,928	9,351,278
Ancillary services	163,550	34,073	197,623
Community services	639,954	-	639,954
General administration	3,083,323	-	3,083,323
Plant services	6,276,985	111,145	6,388,130
Other outgo	1,413,623	-	1,413,623
Capital outlay	2,062,127	3,325,944	5,388,071
Debt service:			
Principal	544,624	935,000	1,479,624
Interest and other service charges	22,273	956,267	978,540
Total expenditures	60,923,617	9,288,292	70,211,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,740,095	788,910	12,529,005
Other Financing Sources (Uses):			
Proceeds from sale of bonds	-	5,814	5,814
Other sources	-	44,894	44,894
Total other financing sources (uses)	-	50,708	50,708
Net Change in Fund Balance	11,740,095	839,618	12,579,713
Fund Balance, July 1	16,092,689	12,542,778	28,635,467
Prior period adjustment	-	45,309	45,309
Fund Balance, June 30	$ 27,832,784	$ 13,427,705	$ 41,260,489

The accompanying notes are an integral part of this statement.

Arvin Union School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, to the Statement of Activities
Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	$ 12,579,713
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Expenditures for capital outlay	6,147,881
Depreciation expense	(2,778,030)
In the funds, the entire proceeds from disposal of capital of assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss was:	(4,355)
Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	1,479,624
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:	
Change in accrued interest payable and accreted interest	(651,209)
Compensated absences	(49,834)
Other post-employment benefits cost in excess of contributions	(998,828)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:	(846,790)
Change in Net Position of Governmental Activities - Statement of Activities	$ 14,878,172

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes the following Funds maintained by the District:

- Deferred Maintenance Fund (Fund 14)
- Special Revenue Fund for Other Than Capital Outlay Projects (Fund 17)
- Special Reserve Fund for Postemployment Benefits (Fund 20)

Although funds listed above are separate funds authorized in the Education Code, they don't meet the definition of a Special Revenue Fund under accounting principles generally accepted in the United States of America, and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

The District reports the following nonmajor governmental funds:

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

Child Development Fund is used to account for resources committed to child development programs maintained by the District.

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

Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

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

County School Facilities Fund is used to account for the accumulation and expenditure of funds for projects funded under the Leroy F. Greene School Facilities Act of 1998, as established by the Board in accordance with Education Code 42840 et seq.

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

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

Measurement Focus, Basis of Accounting

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

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

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

Encumbrances

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

Assets, Liabilities, and Equity

Deposits and Investments

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

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

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

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

Stores Inventories and Prepaid Expenditures

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

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

Capital Assets

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

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

Receivable and Payable Balances

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

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

Compensated Absences

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

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

Unearned Revenue

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

Interfund Activity

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

Amounts due to and due from other funds as of June 30, 2023, consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	$ 407,678	$ 5,441,667
Child Development Fund	74,777	235,482
Cafeteria Special Revenue Fund	-	317,197
Special Revenue Fund for Other Than Capital Outlay Projects	1,539,000	-
Special Reserve Fund for Postemployment Benefits	3,709,324	-
Building Fund	263,567	-
Total	$ 5,994,346	$ 5,994,346

Property Taxes

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

Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows.

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

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

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

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

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

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

Deferred Inflows and Deferred Outflows of Resources

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

GASB 54 Fund Presentation

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

Pensions

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

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

Valuation Date (VD) (STRS)	June 30, 2022
Valuation Date (VD) (PERS)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

Use of Estimates

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

Fair Value Measurements

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

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

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

Excess Sick Leave

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

Excess Expenditures Over Appropriations

As of June 30, 2023, expenditures exceeded appropriations in individual funds as follows:

Appropriations Category		Excess Expenditures
General Fund (Combined):		
Certificated Salaries	$	375,008
Employee Benefits		2,493,964
Services and Other Operating Expenditures		783,971
Other Outgo		486,536
Debt Service		391,797

General Fund: The District incurred unanticipated expenditures for salaries and benefits, services, other outgo, and debt service.

Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standard are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

Note 2 - Cash and Investments

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Kern County Treasury as part of the common investment pool ($6,342,984,387 as of June 30, 2023). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $44,768,511. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on hand, in banks, and in revolving fund

Cash balances on hand and in banks ($114,852 as of June 30, 2023) and in the revolving fund $6,000 are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

The District's cash and investments balances at June 30, 2023 are as follows:

		Fair Value
Cash in County Treasury	$	44,768,511
Cash on hand and in banks		114,852
Cash in revolving fund		6,000
Total cash and cash equivalents		44,889,363
Investments		1,532,732
Total cash and investments	$	46,422,095

Analysis of Specific Deposit and Investment Risks

Credit Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

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

Interest Rate Risk

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

Foreign Currency Risk

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

Investment Accounting Policy

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

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

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2023 consisted of the following:

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Federal programs	$ 2,614,695	$ 537,943	$ 3,152,638
State categorical aid programs	423,231	-	423,231
Interest	213,190	64,341	277,531
Other local receivables	(176,480)	-	(176,480)
Total	$ 3,074,636	$ 602,284	$ 3,676,920

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,461,489	$ -	$ -	$ 1,461,489
Work in progress	4,884,339	3,476,449	-	8,360,788
Total capital assets not being depreciated	6,345,828	3,476,449	-	9,822,277
Capital assets being depreciated:				
Buildings	61,489,920	-	-	61,489,920
Improvements of sites	3,301,794	2,171,073	-	5,472,867
Equipment	5,089,434	500,359	(731,321)	4,858,472
Leased assets	23,304	-	-	23,304
Total capital assets being depreciated	69,904,452	2,671,432	(731,321)	71,844,563
Less: Accumulated depreciation/amortization for:				
Buildings	(18,764,744)	(2,185,594)	-	(20,950,338)
Improvements of sites	(1,513,461)	(232,716)	-	(1,746,177)
Equipment	(3,008,065)	(355,059)	726,966	(2,636,158)
Leased assets amortization	(388)	(4,661)	-	(5,049)
Total accumulated depreciation/amortization	(23,286,658)	(2,778,030)	726,966	(25,337,722)
Total capital assets being depreciated/amortized, net	46,617,794	(106,598)	(4,355)	46,506,841
Total governmental activities capital assets, net	$ 52,963,622	$ 3,369,851	$ (4,355)	$ 56,329,118

Depreciation/amortization was charged to functions as follows:

Instruction	$ 670,679
Instructional library, media, and technology	105,814
School site administration	93,059
Home-to-school transportation	186,246
Food services	8,489
All other general administration	19,175
Plant services	1,694,568
Total	$ 2,778,030

Note 5 - Accounts Payable

Accounts payable at June 30, 2023 consisted of the following:

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Vendor payables	$ 4,108,179	$ 844,438	$ 4,952,617
Salaries and benefits	885,133	103	885,236
Other	(28,871)	-	(28,871)
Total	$ 4,964,441	$ 844,541	$ 5,808,982

Note 6 - Unearned Revenue

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

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Every Student Succeeds Act (ESSA): Title I, Part A, Basic Grants Low Income and Neglected	$ 569,220	$ -	$ 569,220
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	996,531	-	996,531
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs	60,013	-	60,013
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	103,452	-	103,452
Special Ed: Individuals with Disabilities Act (IDEA) Basic Local Assistance Entitlement, Part B, Sec 611	573,227	-	573,227
ESSA: Title II, Part A, Supporting Effective Instruction	22,153	-	22,153
Child Development: Quality Improvement Activities	-	-	1,142
Child Nutrtion: National School Lunch Program (NSLP) Equipment Assistance Grants	18,936	-	18,936
American Rescue Plan – Homeless Children and Youth II (ARP HCY II)	9,764	-	9,764
Other Restricted Federal	-	3,063	3,063
Child Dev: California Prekindergarten Planning and Implementation Grant Program – California Universal Prekindergarten Planning Grants	243,876	-	243,876
Child Development: California State Preschool Program	-	-	11,852
Child Development: CA State Preschool Program Quality Rating and Improvement System (QRIS) Block Grant	-	-	34,330
In-Person Instruction (IPI) Grant	680,089	-	680,089
Total	$ 3,277,261	$ 3,063	$ 3,327,648

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

Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2023, are as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 27,594,223	$ -	$ 935,000	$ 26,659,223	$ 1,050,000
Accreted interest	5,735,992	658,204	-	6,394,196	-
Other postemployment benefits payable	34,288,176	233,274	-	34,521,450	-
Net pension liability	21,260,327	14,038,673	-	35,299,000	-
Compensated absences	460,696	49,834	-	510,530	-
Lease liability	23,304	-	5,488	17,816	5,707
Note payable	951,850	-	239,555	712,295	253,105
Early retirement incentives - STRS	1,144,628	-	205,288	939,340	205,289
Early retirement incentives - PERS	331,060	-	94,293	236,767	90,412
Total governmental activities	$ 91,790,256	$ 14,979,985	$ 1,479,624	$ 105,290,617	$ 1,604,513

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

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Accreted interest	Governmental	Bond Interest and Redemption
Other postemployment benefits payable	Governmental	General
Net pension liability	Governmental	General
Compensated absences	Governmental	General
Lease liability	Governmental	General
Note payable	Governmental	General
Early retirement incentives - STRS	Governmental	General
Early retirement incentives - PERS	Governmental	General

General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2023, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
Election of 2014, Series 2019C	12/3/19	11/1/48	6.00-6.00
Election of 2018, Series 2020B	6/30/20	11/1/49	6.00-6.00
Election of 2018, Series 2019A	3/7/19	11/1/48	3.50-5.00
Election of 2004, Series 2004A	5/27/04	5/1/48	3.25-5.90
Election of 2004, Series 2008	8/14/08	5/1/48	2.25-6.20
Election of 2014, Series 2015A	6/24/15	11/1/44	3.375-4.00
Refunding Bonds, Series 2015A	6/24/15	11/1/25	4.00-4.00
Election of 2014, Series 2017B	2/7/17	11/1/48	1.20-4.50
Election of 2018, Series 2022C	4/27/22	11/1/50	5.00-6.00
Election of 2014, Series 2022D	4/27/22	11/1/50	5.00-6.00

Bond	Original Issue	Bonds Outstanding 07/01/22	Issued During Year	Redeemed During Year	Bonds Outstanding 06/30/23
Election of 2014, Series 2019C	$ 4,100,000	$ 3,960,000	$ -	$ 35,000	$ 3,925,000
Election of 2018, Series 2020B	2,990,000	2,990,000	-	335,000	2,655,000
Election of 2018, Series 2019A	3,385,000	2,765,000	-	-	2,765,000
Election of 2004, Series 2004A	5,059,349	129,349	-	-	129,349
Election of 2004, Series 2008	5,059,874	4,509,874	-	75,000	4,434,874
Election of 2014, Series 2015A	3,115,000	2,395,000	-	35,000	2,360,000
Refunding Bonds, Series 2015A	3,860,000	1,845,000	-	410,000	1,435,000
Election of 2014, Series 2017B	3,500,000	3,000,000	-	45,000	2,955,000
Election of 2018, Series 2022C	2,715,000	2,715,000	-	-	2,715,000
Election of 2014, Series 2022D	3,285,000	3,285,000	-	-	3,285,000
Total	$ 37,069,223	$ 27,594,223	$ -	$ 935,000	$ 26,659,223

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2023 are as follows:

	General Obligation Bonds		
Year Ending June 30,	Principal	Interest	Total
2024	$ 1,050,000	$ 916,151	$ 1,966,151
2025	980,000	867,038	1,847,038
2026	990,000	820,401	1,810,401
2027	221,931	1,371,429	1,593,360
2028	277,530	1,391,709	1,669,239
2029-2033	1,992,477	7,299,036	9,291,513
2034-2038	3,611,167	7,653,485	11,264,652
2039-2043	5,273,592	8,330,017	13,603,609
2044-2048	7,617,526	9,719,949	17,337,475
2049-2050	4,645,000	313,626	4,958,626
Total	$ 26,659,223	$ 38,682,841	$ 65,342,064

Year Ending June 30,	Accreted Interest
2024	$ -
2025	-
2026	-
2027	352,295
2028	326,517
2029-2033	1,572,816
2034-2038	1,477,994
2039-2043	1,340,755
2044-2048	1,323,819
Total	$ 6,394,196

Compensated Absences

Compensated absences at June 30, 2023 consisted of:

	Compensated Absences	Benefits	Total
Classified	$ 380,527	$ 130,003	$ 510,530

Leases

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

Future lease payment maturity schedule is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 5,707	$ 713	$ 6,420
2025	5,936	484	6,420
2026	6,173	247	6,420
Total	$ 17,816	$ 1,444	$ 19,260

Note Payable

In May 2016, the District entered into a $2,375,135 agreement with U.S. Bancorp Government Leasing and Finance, Inc. to finance the construction and installation of energy conservation measures including building automation systems, lighting, mechanical and other. The contract is to be repaid over a period of 10 years, at 4.65% interest. The assets acquired with this agreement were added to Buildings at June 30, 2016.

Future commitments for the note payable as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 253,105	$ 16,668	$ 269,773
2025	267,275	10,745	278,020
2026	191,915	4,491	196,406
Total	$ 712,295	$ 31,904	$ 744,199

Early Retirement Incentives

The Board has adopted early retirement incentive programs. Under the State Teachers' Retirement Law, certain early retirement incentives require the employer to pay the present value of the additional benefit which may be paid on either a current or deferred basis.

The District has also granted early retirement incentives under CalSTRS to eligible certificated employees and early retirement incentives under CalPERS to eligible classified employees.

The District entered into contracts with certain eligible employees who receive supplementary retirement benefits. Eligible Certificated Non-Management, Certificated Management, Classified Management and Classified or Confidential employees receive contributions to a 403(b) annuity contract.

The annual requirements to amortize early retirement incentives relating to STRS as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 205,289	$ 56,364	$ 261,653
2025	188,615	44,042	232,657
2026	175,397	32,727	208,124
2027	157,333	22,202	179,535
2028	132,495	12,761	145,256
2029	80,211	4,811	85,022
Total	$ 939,340	$ 172,907	$ 1,112,247

The annual requirements to amortize early retirement incentives relating to PERS as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 90,412	$ 14,744	$ 105,156
2025	71,046	8,781	79,827
2026	75,309	4,519	79,828
Total	$ 236,767	$ 28,044	$ 264,811

Note 8 - Pension

General Information About the Pension Plans

Plan Descriptions

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

Benefits Paid

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

The Plans' provisions and benefits in effect at June 30, 2023 are summarized as follows:

	CalSTRS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%**
Required Employee Contribution Rates	10.25%	10.21%
Required Employer Contribution Rates	16.92%	16.92%
Required State Contribution Rates	10.83%	10.83%

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0-2.5%
Required Employee Contribution Rates	7.00%	8.00%
Required Employer Contribution Rates	25.37%	25.37%

*Amounts are limited to 120% of Social Security Wage Base.
**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

Contributions

CalSTRS

For the fiscal year ended June 30, 2023 (measurement date June 30, 2022), California Education Code Section 22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 16.92% of creditable compensation for the fiscal year ended June 30, 2022. Beginning in the fiscal year June 30, 2023 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation. For 2022-23, the employer rate reflects a 2.18% reduction from the rate that was originally required in the funding plan.

CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2023 (measurement date June 30, 2022) the employee contribution rate was 7.00% and the employer contribution rate was 22.910% of covered payroll. For 2022-23, the employer rate reflects a 2.16% reduction from the rate originally adopted by the board on April 20, 2022, due to an amendment of Government Code 20825.2(c).

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2023 (measurement date June 30, 2022) the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year.

Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

CalSTRS		
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount
2021	10.33%	$ 1,604,385
2022	10.83%	1,819,638
2023	10.83%	1,649,795

The State contributed an additional $1.1 Billion to CalSTRS during the 2019-20 fiscal year, $297 Million during the 2020-21 and $840 Million during the 2021-22 fiscal year as a continuing settlement associated with SB90.

Contributions Recognized

For the fiscal year ended June 30, 2023 (measurement period June 30, 2022), the contributions recognized for each plan were:

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 3,704,065	$ 2,075,315	$ 5,779,380
Contributions - State On Behalf Payments	1,649,795	-	1,649,795
Total Contributions	$ 5,353,860	$ 2,075,315	$ 7,429,175

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

As of June 30, 2023 (measured June 30, 2022), the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	$ 20,536,000
CalPERS	14,763,000
Total Net Pension Liability	$ 35,299,000

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 (STRS) and June 30, 2021 (PERS) rolled forward to measurement date June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2022 and June 30, 2023 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2022	0.028%	0.014%	0.042%	0.041%
Proportion June 30, 2023	0.030%	0.015%	0.045%	0.043%
Change in Proportion	0.002%	0.001%	0.003%	0.002%

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

Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	$ 7,660,119	$ 6,378,774	$ 14,038,893
On Behalf Contribution Amount	1,649,795	-	1,649,795
Employer Contributions to Pension Plan	3,273,723	1,506,504	4,780,227
Change in Other Outflows/Inflows of Resources	(7,112,371)	(6,079,512)	(13,191,883)
Total Pension Expense	$ 5,471,266	$ 1,805,766	$ 7,277,032

Deferred Outflows and Inflows of Resources

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	$ 3,704,065	$ 2,075,315	$ 5,779,380
Differences between actual and expected experience	16,846	66,720	83,566
Changes in assumptions	1,018,426	1,092,073	2,110,499
Net difference between projected and actual earnings	-	1,743,093	1,743,093
Total Deferred Outflows of Resources	$ 4,739,337	$ 4,977,201	$ 9,716,538

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	$ (1,539,756)	$ (367,319)	$ (1,907,075)
Changes in assumptions	-	-	-
Net difference between projected and actual earnings	(1,004,240)	-	(1,004,240)
Total Deferred Inflows of Resources	$ (2,543,996)	$ (367,319)	$ (2,911,315)

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2023. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on
Year Ended June 30	CalSTRS	CalPERS	CalSTRS	CalPERS	Expenses
2024	$ 4,609,004	$ 2,804,569	$ (1,073,395)	$ (128,789)	$ 6,211,389
2025	43,444	639,136	(1,135,057)	(128,789)	(581,266)
2026	43,444	470,619	(1,531,796)	(109,741)	(1,127,474)
2027	43,445	1,062,877	1,479,644	-	2,585,966
2028	-	-	(212,906)	-	(212,906)
Thereafter	-	-	(70,486)	-	(70,486)
Total	$ 4,739,337	$ 4,977,201	$ (2,543,996)	$ (367,319)	$ 6,805,223

Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2023 were based on actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2022	June 30, 2022
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015-2018	2000-2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.00%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

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

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the discount bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently, CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

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

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

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

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

CalSTRS

Asset Class	Assumed Asset Allocation	Long Term Expected Real Rate of Return*
Public Equity	42.00%	4.80%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Fixed Income	12.00%	1.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash/Liquidity	2.00%	-0.40%

*20 year average

CalPERS

Asset Class (1)	Assumed Asset Allocation	Real Return
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	27.00%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-59.00%

(1) In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(2) An expected inflation of 2.00% used for this period

(3) An expected inflation of 2.92% used for this period

(4) Figures are based on the previous ALM of 2017

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

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

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	$ 34,877,398	$ 21,325,713
Current Discount Rate	7.10%	6.90%
Net Pension Liability	$ 20,536,000	$ 14,763,000
1% Increase	8.10%	7.90%
Net Pension Liability	$ 8,627,954	$ 9,338,921

Note 9 - Postemployment Benefits other than Pension Benefits (OPEB)

General Information about the OPEB plan

Plan Description

Arvin Union School District provides medical insurance benefits to those retiring from the District under a single employer defined benefit OPEB plan. The health and welfare benefit plans of the District include medical, prescription drug, behavioral health insurance, and dental and vision insurance. The medical plans include two Blue Cross Prudent Buyer options (one for classified, the other for all other groups). Prescription drug coverage is carved out and provided through two Medco Drug Card plans, one for each of the PPO options, with behavioral health benefits carved out and provided through BHP. Delta Dental and VSP vision insurance are also offered to both active employees and retirees of the District. Dental and vision benefits through the Self-Insured Schools of California (SISC).

Benefit provisions and the authority to pay benefits as they come due are established and may be amended by the District, as approved by the Board of Education. The OPEB Plan is administered by the District. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The OPEB plan does not issue stand-alone financial reports that are available to the public.

Eligibility for District-Paid Benefits

	Certificated	Classified
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of benefits	To age 65*	Hired prior to 7/1/1997: to age 75**** Hired after to 7/1/1997: to age 65
Required service	Hired prior to 7/1/1993: 7.5 yrs Hired after to 7/1/1993: 15 yrs	Hired prior to 7/1/1991: 5 years Hired 7/1/1991 to 7/1/1999: 10 years Hired after to 7/1/1999: 15 years
Minimum age	55 years old**	Hired prior to 7/1/1991: 50 yrs old Hired after to 7/1/1991: 55 yrs old
Dependent coverage	Yes***	Yes
District distribution %	100%	100%
District cap	None	None

*Those hired between 7/1/1992 and 7/1/1997 are entitled to lifetime retiree-only coverage and spousal coverage to age 65. Those hired prior to 7/1/1992 are entitled to lifetime coverage for the retiree and spouse if enrolled in Medicare.

**An employees may retire at age 52 with 30 years of service.

***Single-only coverage post-65 for employees hired after 7/1/1992.

****Single-only coverage after age 65.

Employees Covered by Benefit Terms

At June 30, 2023, the following retirees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	94
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	284
Total number of participants	378

Total OPEB Liability

Actuarial Assumptions and Other Inputs

The Total OPEB liability actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	2.75% per year
Investment return / discount rate	3.65%
Healthcare cost trend rates	4.00% per year
Retirees' share of costs	0.00% of projected health insurance premiums

The discount rate was based on an index of 20-year general obligation municipal bonds.

Mortality rates were based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. The CalPERS mortality tables created by CalPERS are modified versions of the Society of Actuaries Scale BB mortality table, as adjusted for data from CalSTRS members.

Changes in OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	$ 34,288,176
Changes for the year:	
Service cost	883,021
Interest	1,203,607
Assumption changes	(394,401)
Expected benefit payments	(1,458,953)
Net changes	233,274
Balance at June 30, 2023	$ 34,521,450

There were no changes in benefit terms for the fiscal year ended June 30, 2023. The discount rate changed from 3.54% to 3.65%. There were no changes to any other inputs or assumptions.

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

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

	1 % Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	$ 30,382,844	$ 34,521,450	$ 39,426,607

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00%	Healthcare Cost Trend Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	$ 38,134,884	$ 34,521,450	$ 31,416,783

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of 998,828.

At June 30, 2023 the District reported the following deferred outflows and inflows of resources related to other postemployment benefits.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Assumption changes	$ 4,691,335	$ 5,444,585
Differences between espected and actual experience	-	3,500,593
Contributions made subsequent to mesasaurement date	-	1,313,549
Total	$ 4,691,335	$ 10,258,727

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

Year Ending June 30,	Deferred Inflows of Resources	Deferred Outflows of Resources
2024	$ 490,216	$ 2,300,499
2025	490,216	986,950
2026	490,216	986,950
2027	490,216	986,950
2028	490,216	986,950
Thereafter	2,240,255	4,010,428
Total	$ 4,691,335	$ 10,258,727

Note 10 - Other Retirement Plans

Section 403(b) Tax-Sheltered Annuity Plan

Plan Description

The District's Board of Trustees authorized the establishment of a Section 403(b) Tax-Sheltered Annuity Plan. This is a retirement plan funded by elective deferrals made under salary reduction agreements.

Funding Policy

All eligible employees electing to participate in this plan choose the amount of monthly compensation deferrals up to the maximums allowed by the Internal Revenue Code and its regulations and rulings. The District does not contribute to the plan on behalf of participating employees. For the fiscal year ended June 30, 2023, there were 66 employees that had elected to participate, with total compensation deferrals of $286,313.

Note 11 - Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

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

Pending Assessment for Disputed Tax Revenues

The Kern County Auditor-Controller's Office has impounded disputed revenues of school district taxes on secured and unsecured property based on claims or actions filed for the return of such tax revenues. The claims and actions are regarding the valuation of mineral rights that could trigger repayment of property taxes. Revenues are impounded until the final disposition of the claim or action. The Kern County Auditor-Controller has estimated the contingent liability as of June 30, 2023 as follows:

Pending appeals for taxes	$	1,209,466
Pending appeals for interest		28,664
Total		1,238,130
Less amount held by Kern County Auditor-Controller		-
Net contingent liability	$	1,238,130

Litigation

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

Construction Commitments

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

Project	Project Authorization	Expended to June 30, 2023	Remaining Commitment
Multi-Purpose Building	$ 9,355,189	$ 4,850,555	$ 4,504,634

Note 12 - Restricted Fund Balances

Restricted fund balances at June 30, 2023 are as follows:

Expanded Learning Opportunities Program	$	7,009,379
Literacy Coaches and Reading Specialists Grant Program		1,448,424
Educator Effectiveness, FY 2021-22		653,249
Lottery: Instructional Materials		529,858
CA Community Schools Partnership Act - Planning Grant		141,994
Special Education Early Intervention Preschool Grant		247,130
Arts, Music, and Instructional Materials Discretionary Block Grant		876,350
Child Nutrition: Kitchen Infrastructure Upgrade Funds		33,996
Child Nutrition: Kitchen Infrastructure and Training Funds - 2022 KIT Funds		387,114
Classified School Employee Professional Development Block Grant		23,938
SB 117 COVID-19 LEA Response Funds		11,625
Expanded Learning Opportunities (ELO) Grant		248,841
Expanded Learning Opportunities (ELO) Grant: Paraprofessional Staff		55,433
Learning Recovery Emergency Block Grant		5,215,196
Other Restricted Local		1,047,473
Student Body Fund		49,097
Cafeteria Special Revenue Fund		2,941,058
Building Fund		3,934,604
Capital Facilities Fund		1,256,103
County Schools Facilities Fund		2,614,568
Bond Interest and Redemption Fund		1,645,401
Total	$	30,567,190

Note 13 - Joint Power Agreements

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

- Schools Legal Services
  (legal services)
- Self-Insured Schools of California I (SISC I)
  (workers' compensation insurance)
- Self-Insured Schools of California II (SISC II)
  (property and liability insurance)
- Self-Insured Schools of California III (SISC III)
  (health insurance)
- Partners in Nutrition Cooperative (PINCO)
  (commodities and other food items)

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

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

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

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

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

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

Condensed financial information for the above JPAs for the year ended June 30, 2023 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below.

Schools Legal Services	Kern County Superintendent of Schools 1300 17th St., No. 7 Bakersfield, CA 93301
SISC I, II and III	Self-Insured Schools of California Kern County Superintendent of Schools P. O. Box 1847 Bakersfield, CA 93303-1847
PINCO	C/O Antelope Valley Union High School District 44811 N. Sierra Highway Lancaster, CA 93534-3226

Note 14 - Prior Period Adjustments

Adjustments to previously reported amounts relate to the Child Development Fund balance and Government-Wide Statement of Net Position.

	June 30 2022
Fund balance of the Child Development Fund, as previously reported as a part of the District's governmental funds	$ 165,966
Prior period adjustment related to the repayment of special tax bonds	45,309
Fund balance of the Child Development Fund, as restated as a part of the District's governmental funds	$ 211,275

Note 15 - Subsequent Events

Subsequent events have been evaluated through December 13, 2023, the date these financial statements were available to be issued.

Required Supplementary Information

Arvin Union School District
General Fund (Combined)
Budgetary Comparison Schedule
June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
LCFF sources:				
State apportionment or State aid	$ 30,726,426	$ 31,300,962	$ 36,575,811	$ 5,274,849
Education protection account funds	7,429,170	7,816,732	2,365,523	(5,451,209)
Local sources	3,030,431	3,030,431	3,230,901	200,470
Federal revenue	11,045,629	12,261,343	9,094,372	(3,166,971)
Other State revenue	6,330,629	10,640,142	17,856,323	7,216,181
Other local revenue	350,000	350,000	3,540,782	3,190,782
Total revenues	58,912,285	65,399,610	72,663,712	7,264,102
Expenditures:				
Current:				
Certificated salaries	18,581,313	20,178,327	20,553,335	375,008
Classified salaries	7,266,155	7,967,827	7,539,567	(428,260)
Employee benefits	11,552,452	13,649,316	16,143,280	2,493,964
Books and supplies	7,503,562	8,767,744	4,187,977	(4,579,767)
Services and other	7,212,341	7,672,840	8,456,811	783,971
Other outgo	927,087	927,087	1,413,623	486,536
Capital outlay	6,011,732	5,625,447	2,062,127	(3,563,320)
Debt service:				
Principal	175,100	175,100	544,624	369,524
Interest and other service charges	-	-	22,273	22,273
Total expenditures	59,229,742	64,963,688	60,923,617	(4,040,071)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(317,457)	435,922	11,740,095	11,304,173
Other Financing Sources (Uses):				
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(317,457)	435,922	11,740,095	11,304,173
Fund Balance, July 1	16,092,689	16,092,689	16,092,689	-
Fund Balance, June 30	$ 15,775,232	$ 16,528,611	$ 27,832,784	$ 11,304,173

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

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's portion of the net pension liability (asset)	0.030%	0.028%	0.028%	0.029%	0.027%	0.025%	0.027%	0.030%	0.032%
District's proportionate share of the net pension liabiliy (asset)	20,536,000	12,846,034	27,500,826	25,746,833	25,187,105	25,677,139	21,699,537	19,820,000	18,284,000
State's proportionate share of the net pension liability (asset) associated with the District	10,284,350	6,478,856	14,176,569	14,235,496	14,474,432	15,247,219	14,216,486	10,483,000	11,041,000
Total	$30,820,350	$19,324,890	$41,677,395	$39,982,329	$39,661,537	$40,924,358	$35,916,023	$30,303,000	$29,325,000
District's covered-employee payroll	20,846,855	18,446,753	16,244,027	16,463,248	16,297,033	6,447,332	8,351,558	10,483,000	11,041,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	98.51%	69.64%	169.30%	156.39%	154.55%	398.26%	259.83%	189.07%	165.60%
Plan fiduciary net position as a percentage of the total pension liability	81.20%	88.02%	72.92%	72.56%	70.99%	69.46%	69.98%	74.02%	74.00%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

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

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's portion of the net pension liability (asset)	0.043%	0.041%	0.042%	0.041%	0.039%	0.038%	0.037%	0.036%	0.037%
District's proportionate share of the net pension liabiliy (asset)	$14,763,000	$8,384,293	$12,831,049	$12,040,948	$10,322,104	$8,941,735	$7,255,909	$5,320,000	$4,168,000
District's covered-employee payroll	$ 8,574,313	$7,467,197	$ 6,227,743	$ 6,367,972	$ 6,207,102	$8,993,779	$4,810,707	$4,428,000	$3,995,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	172.18%	112.28%	206.03%	189.09%	166.30%	99.42%	150.83%	120.14%	104.33%
Plan fiduciary net position as a percentage of the total pension liability	80.97%	80.98%	69.91%	70.05%	70.85%	71.87%	73.92%	79.43%	79.40%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

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

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	3,273,723	2,962,232	2,529,939	2,659,142	2,511,201	2,162,700	1,050,626	1,533,128	1,213,395
Contributions in relation to the contractually required contribution	(3,273,723)	(2,962,232)	(2,529,939)	(2,659,142)	(2,511,201)	(2,162,700)	(1,050,626)	(1,533,128)	(1,213,395)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	20,846,855	18,446,753	16,244,027	16,463,248	16,297,033	8,993,779	8,351,558	14,288,000	13,664,000
Contributions as a percentage of covered-employee payroll	15.70%	16.06%	15.57%	16.15%	15.41%	24.05%	12.58%	10.73%	8.88%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

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

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	1,506,504	1,517,484	1,227,947	1,188,481	1,055,493	799,568	668,111	524,611	470,294
Contributions in relation to the contractually required contribution	(1,506,504)	(1,517,484)	(1,227,947)	(1,188,481)	(1,055,493)	(799,568)	(668,111)	(524,611)	(470,294)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	8,574,313	7,467,197	6,227,743	6,367,972	6,207,102	5,148,207	4,810,707	4,428,000	3,995,000
Contributions as a percentage of covered-employee payroll	17.57%	20.32%	19.72%	18.66%	17.00%	15.53%	13.89%	11.85%	11.77%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Arvin Union School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Single Employer Plan
Last Ten Fiscal Years*

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Total OPEB liability:						
Service cost	$ 883,021	$ 1,187,607	$ -	$ 777,765	$ 777,765	$ 756,949
Interest	1,203,607	812,183	-	976,390	981,020	947,524
Experience gains/losses	-	1,143,293	-	3,692,198	-	-
Changes of assumptions or other inputs	(394,401)	(5,243,070)	-	7,677,566	-	-
Other adjustments	-	974,327	-	-	-	-
Benefit payments	(1,458,953)	(1,238,200)	-	(985,517)	(1,770,642)	(867,072)
Net change in total OPEB liability	233,274	(2,363,860)	-	12,138,402	(11,857)	837,401
Total OPEB liability - beginning	34,288,176	36,652,036	36,652,036	24,513,634	24,525,491	23,688,090
Total OPEB liability - ending	$ 34,521,450	$ 34,288,176	$ 36,652,036	$ 36,652,036	$ 24,513,634	$ 24,525,491
Covered-employee payroll	29,421,168	25,913,950	22,471,770	22,937,828	22,504,135	21,490,032
Total OPEB liability as a percentage of covered-employee payroll	117.34%	132.32%	163.10%	159.79%	108.93%	114.12%

Notes to Schedule: There were no changes of benefit terms in 2023. There were no changes of assumptions in 2023. The following are the discount rates used in each period.

2023	3.65%
2022	3.54%
2021	2.20%
2020	2.20%
2019	4.00%
2018	4.00%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

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Supplementary Information

The District was established in about 1913 in the city of Arvin, located in Kern County, California. There were no changes in the boundaries of the District during the year ended June 30, 2023. The District is currently operating three elementary schools and one intermediate school.

Governing Board

Name	Office	Term Expiration
Wendy Gonzalez	President	2024
Toni Pichardo	Clerk	2026
Monica Franetovich	Member	2024
Elvira Moreno	Member	2026
Maria Ramos	Member	2026

Administration

Georgia Rhett
Superintendent

Emma Pereida-Martinez
Assistant Superintendent

Chris Davis
Chief Business Official

Arvin Union School District
Schedule of Average Daily Attendance
Year Ended June 30, 2023

TK/K-3:	Second Period Report	Revised Second Period Report	Annual Report	Revised Annual Report
Regular ADA	1,182.16	1,184.44	1,184.73	1,186.55
Extended Year Special Education	1.86	1.86	1.86	1.86
TK/K-3 Total	1,184.02	1,186.30	1,186.59	1,188.41
Grades 4-6:				
Regular ADA	915.94	918.39	917.08	919.44
Extended Year Special Education	0.97	0.97	0.97	0.97
Grades 4-6 Total	916.91	919.36	918.05	920.41
Grades 7 and 8:				
Regular ADA	597.66	598.65	598.31	599.10
Extended Year Special Education	0.16	0.16	0.16	0.16
Grades 7 and 8 Total	597.82	598.81	598.47	599.26
ADA Grand Total	2,698.75	2,704.47	2,703.11	2,708.08

There were audit findings which resulted in necessary revisions to attendance.

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

Arvin Union School District
Schedule of Instructional Time
Year Ended June 30, 2023

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2022-23 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Traditional Kindergarten	36,000	N/A	58,735	180	N/A	Complied
Kindergarten	36,000	N/A	58,735	180	N/A	Complied
Grade 1	50,400	N/A	57,045	180	N/A	Complied
Grade 2	50,400	N/A	57,045	180	N/A	Complied
Grade 3	50,400	N/A	57,045	180	N/A	Complied
Grade 4	54,000	N/A	57,045	180	N/A	Complied
Grade 5	54,000	N/A	57,045	180	N/A	Complied
Grade 6	54,000	N/A	57,045	180	N/A	Complied
Grade 7	54,000	N/A	59,642	180	N/A	Complied
Grade 8	54,000	N/A	59,642	180	N/A	Complied

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

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

Arvin Union School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2023

General Fund (Combined)	Budget 2024 (see note a)	2023	2022	2021
Revenue and other financial sources	$ 69,964,269	$ 72,663,712	$59,418,221	$ 44,698,152
Expenditures	68,811,178	60,923,617	57,939,142	43,012,947
Other uses and transfers out	-	-	-	-
Total outgo	68,811,178	60,923,617	57,939,142	43,012,947
Change in fund balance (deficit)	1,153,091	11,740,095	1,479,079	1,685,205
Ending fund balance	$ 28,985,875	$ 27,832,784	$16,092,689	$ 14,613,610
Available reserves (see note b)	$ 2,452,595	$ 14,173,301	$ (1,472,394)	$ 5,795,993
Available reserves as a percentage of total outgo	3.6%	23.3%	0.0%	13.5%
Total long-term debt	$103,686,104	$105,290,617	$91,790,256	$107,035,772
Average daily attendance at P-2	2,936	2,704	2,670	2,957

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

The fund balance of the General Fund (combined) has increased by $13,219,174 (90.5%) over the past two years. The fiscal year 2023-2024 budget projects an increase of $1,153,091 (4.1%). For an organization of this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out and other uses (total outgo).

The District hasn't incurred an operating deficit in any of the past three years, and projects an increase during the 2023-2024 fiscal year. Total long-term debt has decreased by $1,745,155 over the past two years.

Average daily attendance has decreased by 253 over the past two years. The District anticipates average daily attendance to increase by 232 during fiscal year 2023-2024.

Notes:

a. The budget for 2024 is included for analytical purposes only and has not been subjected to audit.
b. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

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

	General Fund	Debt Services Fund for Blended Component Units	Student Body Fund
June 30, 2023, annual financial and budget report fund balances	$ 20,833,609	$ 2,535,238	$ -
Adjustments and reclassifications:			
To record prior year adjustments on accounts receiveable	180,109	524,815	-
To record current year activity	-	-	49,097
Net adjustments and reclassifications	180,109	524,815	49,097
June 30, 2023, audited financial statement fund balances	$ 21,013,718	$ 3,060,053	$ 49,097

Charter Schools

The following charter schools are chartered by the Arvin Union School District.

Charter Schools	Included in Audit
None	Not applicable

Arvin Union School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - passed through California Department of Education			
Child Nutrition Cluster			
Child Nutrition: School Programs	10.555	13523	$ 3,562,343
Supply Chain Assistance (SCA) Funds	10.555	15655	76,543
Child Nutrition: Fresh Fruit and Vegetable Program	10.582	14968	157,788
Total Child Nutrition Cluster			3,796,674
Total U.S. Department of Agriculture			3,796,674
U.S. Department of Education - passed through California Department of Education			
Special Education Cluster			
Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	126,485
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	399,683
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	11,653
Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	10,150
Total Special Education Cluster			547,971
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	2,277,238
ESEA (ESSA): Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	766,248
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	84.011	10144	58,044
ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	408,901
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	260,946
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	247,551
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	124,987
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	1,550,372
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425D	15559	1,359,455
COVID-19: Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	88,735
COVID-19: Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	84,515
COVID-19: American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	43,975
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	1,019,472
Total U.S. Department of Education			8,838,410
U.S. Department of Health and Human Services - passed through California Department of Education			
CCDF Cluster			
Child Development: ARP California State Preschool Program - Rate Supplements	93.575	15641	15,970
Total CCDF Cluster			15,970
Dept of Health Care Services (DHCS): Medi-Cal Billing Option	93.778	10013	255,962
Total U.S. Department of Health and Human Services			271,932
Total Federal Programs			$ 12,907,016

The accompanying notes are an integral part of this statement.

Basis of Presentation

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

Summary of Significant Accounting Policies

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

Arvin Union School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The District did not participate in any loan or loan guarantee programs as described in Title 2, Code of Federal Regulations, Part 200.502(b) during the year ended June 30, 2023.

Subrecipients

The District did not provide any awards to subrecipients.

Arvin Union School District
Combining Balance Sheet - All General Funds
June 30, 2023

	General Fund	Deferred Maintenance Fund	Special Revenue Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post-employment Benefits	General Fund (Combined)
Assets:					
Cash in County Treasury	$31,034,136	$ 1,203	$ 268,078	$ 408,003	$31,711,420
Cash in revolving fund	5,000	-	-	-	5,000
Investments	-	-	643,747	245,239	888,986
Accounts receivable	2,433,995	8	1,770	2,694	2,438,467
Due from grantor governments	816,278	-	-	-	816,278
Due from other funds	407,678	-	1,539,000	3,709,324	5,656,002
Total assets	34,697,087	1,211	2,452,595	4,365,260	41,516,153
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 4,087,118	$ -	$ -	$ -	$ 4,087,118
Due to grantor governments	877,323	-	-	-	877,323
Due to other funds	5,441,667	-	-	-	5,441,667
Unearned revenue	3,277,261	-	-	-	3,277,261
Total liabilities	13,683,369	-	-	-	13,683,369
Fund Balance:					
Nonspendable fund balances:					
Revolving cash	5,000	-	-	-	5,000
Restricted fund balances	17,930,000	-	-	-	17,930,000
Committed fund balances	2,188,013	-	-	4,365,260	6,553,273
Assigned fund balances	890,705	1,211	-	-	891,916
Reserve for economic uncertainty	-	-	2,452,595	-	2,452,595
Total fund balance	21,013,718	1,211	2,452,595	4,365,260	27,832,784
Total liabilities and fund balances	$34,697,087	$ 1,211	$ 2,452,595	$ 4,365,260	$41,516,153

The accompanying notes are an integral part of this statement.

	General Fund	Deferred Maintenance Fund	Special Revenue Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post-employment Benefits	General Fund (Combined)
Revenues:					
LCFF sources:					
State apportionment or State aid	$ 36,575,811	$ -	$ -	$ -	$ 36,575,811
Education protection account funds	2,365,523	-	-	-	2,365,523
Local sources	3,230,901	-	-	-	3,230,901
Federal revenue	9,094,372	-	-	-	9,094,372
Other State revenue	17,856,323	-	-	-	17,856,323
Other local revenue	3,526,891	25	5,498	8,368	3,540,782
Total revenues	72,649,821	25	5,498	8,368	72,663,712
Expenditures:					
Current:					
Instruction	33,297,222	-	-	-	33,297,222
Instruction-related services	7,314,586	-	-	-	7,314,586
Pupil services	6,105,350	-	-	-	6,105,350
Ancillary services	163,550	-	-	-	163,550
Community services	639,954	-	-	-	639,954
General administration	3,083,323	-	-	-	3,083,323
Plant services	6,276,985	-	-	-	6,276,985
Other outgo	1,413,623	-	-	-	1,413,623
Capital outlay	2,062,127	-	-	-	2,062,127
Debt service:					
Principal	544,624	-	-	-	544,624
Interest and other service charges	22,273	-	-	-	22,273
Total expenditures	60,923,617	-	-	-	60,923,617
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,726,204	25	5,498	8,368	11,740,095
Net Change in Fund Balance	11,726,204	25	5,498	8,368	11,740,095
Fund Balance, July 1	9,287,514	1,186	2,447,097	4,356,892	16,092,689
Fund Balance, June 30	$ 21,013,718	$ 1,211	$ 2,452,595	$ 4,365,260	$ 27,832,784

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Balance Sheet - Nonmajor Funds
June 30, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
Assets:				
Cash in County Treasury	$ 3,186,714	$ 8,183,767	$ 1,686,610	$ 13,057,091
Cash on hand and in banks	49,097	65,755	-	114,852
Cash in revolving fund	1,000	-	-	1,000
Investments	-	643,746	-	643,746
Accounts receivable	541,388	51,392	9,504	602,284
Due from other funds	74,777	263,567	-	338,344
Prepaid expenditures	117,995	-	-	117,995
Total assets	3,970,971	9,208,227	1,696,114	14,875,312
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ 34,807	$ 759,021	$ 50,713	$ 844,541
Due to other funds	552,679	-	-	552,679
Unearned revenue	50,387	-	-	50,387
Total liabilities	637,873	759,021	50,713	1,447,607
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	1,000	-	-	1,000
Prepaid items	117,995	-	-	117,995
Restricted fund balances	3,186,514	7,805,275	1,645,401	12,637,190
Assigned fund balances	27,589	643,931	-	671,520
Total fund balance	3,333,098	8,449,206	1,645,401	13,427,705
Total liabilities and fund balances	$ 3,970,971	$ 9,208,227	$ 1,696,114	$ 14,875,312

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds
Year Ended June 30, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
Revenues:				
Federal revenue	$ 3,812,644	$ -	$ -	$ 3,812,644
Other State revenue	1,424,262	2,526,117	-	3,950,379
Other local revenue	114,431	583,538	1,616,210	2,314,179
Total revenues	5,351,337	3,109,655	1,616,210	10,077,202
Expenditures:				
Current:				
Instruction	498,590	-	-	498,590
Instruction-related services	181,345	-	-	181,345
Pupil services	3,245,928	-	-	3,245,928
Ancillary services	34,073	-	-	34,073
Plant services	-	111,145	-	111,145
Capital outlay	377	3,325,567	-	3,325,944
Debt service:				
Principal	-	-	935,000	935,000
Interest and other service charges	-	-	956,267	956,267
Total expenditures	3,960,313	3,436,712	1,891,267	9,288,292
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,391,024	(327,057)	(275,057)	788,910
Other Financing Sources (Uses):				
Proceeds from sale of bonds	-	5,814	-	5,814
Other sources	-	-	44,894	44,894
Total other financing sources (uses)	-	5,814	44,894	50,708
Net Change in Fund Balance	1,391,024	(321,243)	(230,163)	839,618
Fund Balance, July 1	1,896,765	8,770,449	1,875,564	12,542,778
Prior period adjustment	45,309	-	-	45,309
Fund Balance, June 30	$ 3,333,098	$ 8,449,206	$ 1,645,401	$ 13,427,705

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2023

	Student Body Fund	Child Development Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash in County Treasury	$ -	$ 430,999	$ 2,755,715	$ 3,186,714
Cash on hand and in banks	49,097	-	-	49,097
Cash in revolving fund	-	-	1,000	1,000
Accounts receivable	-	3,445	537,943	541,388
Due from other funds	-	74,777	-	74,777
Prepaid expenditures	-	-	117,995	117,995
Total assets	49,097	509,221	3,412,653	3,970,971
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ -	$ 2,467	$ 32,340	$ 34,807
Due to other funds	-	235,482	317,197	552,679
Unearned revenue	-	47,324	3,063	50,387
Total liabilities	-	285,273	352,600	637,873
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	-	-	1,000	1,000
Prepaid items	-	-	117,995	117,995
Restricted fund balances	49,097	196,359	2,941,058	3,186,514
Assigned fund balances	-	27,589	-	27,589
Total fund balance	49,097	223,948	3,060,053	3,333,098
Total liabilities and fund balances	$ 49,097	$ 509,221	$ 3,412,653	$ 3,970,971

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended June 30, 2023

	Student Body Fund	Child Development Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Federal revenue	$ -	$ 15,970	$ 3,796,674	$ 3,812,644
Other State revenue	-	667,121	757,141	1,424,262
Other local revenue	51,727	9,894	52,810	114,431
Total revenues	51,727	692,985	4,606,625	5,351,337
Expenditures:				
Current:				
Instruction	-	498,590	-	498,590
Instruction-related services	-	181,345	-	181,345
Pupil services	-	-	3,245,928	3,245,928
Ancillary services	34,073	-	-	34,073
Capital outlay	-	377	-	377
Total expenditures	34,073	680,312	3,245,928	3,960,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,654	12,673	1,360,697	1,391,024
Net Change in Fund Balance	17,654	12,673	1,360,697	1,391,024
Fund Balance, July 1	31,443	165,966	1,699,356	1,896,765
Prior period adjustment	-	45,309	-	45,309
Fund Balance, June 30	$ 49,097	$ 223,948	$ 3,060,053	$ 3,333,098

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2023

	Building Fund	Capital Facilities Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Capital Projects Funds
Assets:					
Cash in County Treasury	$ 3,677,380	$ 1,190,700	$ 3,315,503	$ 184	$ 8,183,767
Cash on hand and in banks	-	65,755	-	-	65,755
Investments	-	-	-	643,746	643,746
Accounts receivable	27,798	7,835	15,758	1	51,392
Due from other funds	263,567	-	-	-	263,567
Total assets	3,968,745	1,264,290	3,331,261	643,931	9,208,227
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 34,141	$ 8,187	$ 716,693	$ -	$ 759,021
Total liabilities	34,141	8,187	716,693	-	759,021
Fund Balance:					
Restricted fund balances	3,934,604	1,256,103	2,614,568	-	7,805,275
Assigned fund balances	-	-	-	643,931	643,931
Total fund balance	3,934,604	1,256,103	2,614,568	643,931	8,449,206
Total liabilities and fund balances	$ 3,968,745	$ 1,264,290	$ 3,331,261	$ 643,931	$ 9,208,227

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds
Year Ended June 30, 2023

	Building Fund	Capital Facilities Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Capital Projects Funds
Revenues:					
Other State revenue	$ -	$ -	$ 2,526,117	$ -	$ 2,526,117
Other local revenue	112,822	442,116	28,596	4	583,538
Total revenues	112,822	442,116	2,554,713	4	3,109,655
Expenditures:					
Current:					
Plant services	-	111,145	-	-	111,145
Capital outlay	2,473,076	-	852,491	-	3,325,567
Total expenditures	2,473,076	111,145	852,491	-	3,436,712
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,360,254)	330,971	1,702,222	4	(327,057)
Other Financing Sources (Uses):					
Proceeds from sale of bonds	5,814	-	-	-	5,814
Total other financing sources (uses)	5,814	-	-	-	5,814
Net Change in Fund Balance	(2,354,440)	330,971	1,702,222	4	(321,243)
Fund Balance, July 1	6,289,044	925,132	912,346	643,927	8,770,449
Fund Balance, June 30	$ 3,934,604	$ 1,256,103	$ 2,614,568	$ 643,931	$ 8,449,206

The accompanying notes are an integral part of this statement.

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Other Auditor's Reports

Certified Public Accountants

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

To the Board of Trustees
Arvin Union School District
Arvin, California 93312

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Arvin Union School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Arvin Union School District's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify one deficiency in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001 that we consider to be a significant deficiency.

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Phone (559) 438-8740 | Fax (559) 438-8746 | www.lps.cpa

Report on Compliance and Other Matters

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

Arvin Union School District's Response to Finding

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

Purpose of this Report

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

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2023

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

To the Board of Trustees
Arvin Union School District
Arvin, California 93312

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Arvin Union School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Arvin Union School District's major federal programs for the year ended June 30, 2023**.** Arvin Union School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Arvin Union School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of This Report

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

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2023

Independent Auditor's Report on State Compliance

To the Board of Trustees
Arvin Union School District
Arvin, California 93312

Report on Compliance

Opinion

We have audited the District's compliance with the requirements specified in the 2022-2023 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, 2023.

In our opinion, Arvin Union School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the 2022-2023 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 Arvin Union School 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 2022-2023 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 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 2022-2023 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:

2022-23 K-12 Audit Guide Procedures	Procedures Performed?
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	Not applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss and Mitigation	Yes
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not applicable
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

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

We did not perform procedures for Independent Study for the District as ADA was under the materiality level and deemed not required per state testing guidance.

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

Report on Internal Control over Compliance

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the requirements referred to above, which is required to be reported in accordance with the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel and which is described in the accompanying schedule of audit findings and questioned costs as finding 2023-002. Our opinion is not modified with respect to matters identified.

The District’s response to the noncompliance finding identified in our audit is described in the accompanying schedule of audit findings and questioned costs. The District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2023

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Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Name of federal program or cluster	**Assistance Listing Number (ALN)**
COVID-19: ESF Programs	84.425, 84.425C, 84.425D, 84.425U
Title I, Part A Basic Grants Low-Income and Neglected	84.010

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

State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting?	Yes
Type of auditor's report issued on compliance for state programs:	Unmodified

Financial Statement Findings

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

2023-001 Internal Control [30000]

Federal Program Information

This finding does not relate to any Federal programs.

Criteria or Specific Requirement

A strong internal control structure is necessary to provide management with reasonable, but not absolute, assurance that financial data are recorded, processed, summarized, and reported consistent with the assertions embodied in the financial statements.

Condition

One check from the Student Body Fund was used for gift card incentives for staff. Gifts of any kind are prohibited from the Student Body Fund as such expenses are characterized as gift of public funds.

Questioned Costs

Other than the $75 check, there were no questioned costs related to this finding.

Effect

If financial data were recorded, processed, summarized, or reported in a manner which was not consistent with the assertions embodied in the financial statements, management may not be able to detect such errors within a reasonable period of time.

Cause

District employees did not follow the appropriate procedures when developing a fundraiser for staff incentives.

Recommendation

District employees should follow established processes to ensure such issues are avoided. We recommend the district refunds the student body for the prohibited expenditure and uses the General Fund for similar fundraisers in the future.

District's Response

The District's management has taken action to ensure the established processes are followed by personnel and the Student Body Fund is refunded.

Federal Award Findings and Questioned Costs

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

There were no federal award findings or questioned costs.

State Award Findings and Questioned Costs

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

2023-002 Attendance Reporting [10000]

Federal Program Information

This finding does not relate to any Federal programs.

Criteria or Specific Requirement

According to Education Code Sections 41341(a)(1) and 14503(a), attendance reports must be amended for any change in ADA.

Condition

Average daily attendance for the P2 "Attendance School District" report was understated by 5.72 ADA. The Annual "Attendance School District" report was understated by 4.97 ADA. This is not a repeat finding.

Questioned Costs

The District was underpaid for the P2 by 5.72 ADA and Annual by 4.97 ADA for TK through 8rd grade, calculated below as $80,902.54 and $1,599.37, respectively.

Perspective

P2	P2 Per District	P2 Per Audit	Underreported Difference
TK/K - 3	1,184.02	1,186.30	2.28
Grades 4 - 6	916.91	919.36	2.45
Grades 7 - 8	597.82	598.81	0.99
Total K - 8	2,698.75	2,704.47	5.72

P2	Derived Value of ADA	Understated ADA	Underpaid Apportionment
TK/K - 3	$ 14,790.39	2.28	$ 33,722.09
Grades 4 - 6	13,599.15	2.45	33,317.92
Grades 7 - 8	14,002.56	0.99	13,862.53
Total K - 8	$ 42,392.10	5.72	$ 80,902.54

Annual	Annual Per District	Annual Per Audit	Underreported Difference
TK/K - 3	1,186.59	1,188.41	1.82
Grades 4 - 6	918.05	920.41	2.36
Grades 7 - 8	598.47	599.26	0.79
Total K - 8	2,703.11	2,708.08	4.97

Lottery Prop 20	$	302,571.22
Non-Prop 20		567,302.29
	$	869,873.51
Divided by total ADA		2,703.11
Adjustment per ADA	$	321.80
Understated ADA		4.97
Underpaid Apportionment	$	1,599.37

Effect

The District's ADA was underreported on the P2 by 5.72 ADA and on Annual by 4.97. Since the District's ADA was underreported on the Annual, it affects Lottery Prop 20 and Non-Prop 20 calculations for apportionment in the amount of $1,599.37. The State will adjust the Local Control Funding Formula in 2023-24 to reflect this increase in apportionment, once the amended attendance reports are filed.

Cause

The District did not include their independent study ADA in their calculations.

Recommendation

An Amended P2 and Annual "Attendance School District" Report should be filed.

District's Response

The District management has reviewed all attendance, and will prepare the amended P2 and Annual reports.

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

There were no prior year findings or questioned costs.

GEORGIA RHETT
District Superintendent

EMMA PEREIDA-MARTINEZ
Assistant Superintendent

ARVIN UNION SCHOOL DISTRICT
737 Bear Mountain Blvd.
Arvin, CA 93203
(661) 854-6500 FAX (661) 854-2362

Corrective Action Plan

Finding Number: 2023-001
Contact Person: Chris Davis, CBO
Anticipated Completion Date: June 30, 2024
Corrective Action Plan: The District's management has taken action to ensure the established processes are followed by personnel and the Student Body Fund is refunded.

Finding Number: 2023-002
Contact Person: Chris Davis, CBO
Anticipated Completion Date: June 30, 2024
Corrective Action Plan: The District management has reviewed all attendance, and will prepare the amended P2 and Annual reports.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the Arvin Union School District (the "District") in connection with the execution and delivery of $____________ aggregate principal amount of its General Obligation Bonds, Election of 2018, Series 2024D and $_________ aggregate principal amount of its General Obligation Bonds, Election of 2014, Series 2024E (collectively, the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Trustees of the District on September 10, 2024 (the "Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Original Purchaser described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the Bondholders and in order to assist the entity submitting the successful bid for the purchase of the Bonds in a qualified response to the Notice of Sale and named in the Certificate of Award (the "Original Purchaser") in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Agreement.

"Bondholder" or "Holder" means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

"Designated Material Event" means any of the events listed in Section 6(a) of this Disclosure Agreement.

"Dissemination Agent" shall mean the District, or any Dissemination Agent, or any alternate or successor Dissemination Agent, designated in writing by the Superintendent (or otherwise by the District), which Dissemination Agent has evidenced its acceptance in writing. Initially, the Dissemination Agent shall be Fieldman, Rolapp & Associates, Inc. doing business as Applied Best Practices.

"EMMA System" shall mean the MSRB's Electronic Municipal Market Access system, which can be found at www.emma.msrb.org, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission in the future.

"Financial Obligation" means (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Material Event" means any of the events listed in Section 6(b) of this Disclosure Agreement.

"Material Events Disclosure" means dissemination of a notice of a Designated Material Event or Material Event as set forth in Section 6.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"State" shall mean the State of California.

SECTION 3. <u>CUSIP® Numbers and Final Official Statement</u>. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated October __, 2024.

SECTION 4. <u>Provision of Annual Reports</u>.

(a) The District shall cause the Dissemination Agent, not later than 270 days after the end of the District's Fiscal Year (currently ending June 30), commencing with the report for the Fiscal Year ending June 30, 2024, to provide to the MSRB through the EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report.

(b) If the District is unable to provide to the MSRB through the EMMA System an Annual Report by the date required in paragraph (a) above, the District shall send a notice to the MSRB through the EMMA System in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the electronic filing requirements of the MSRB for the Annual Reports; and

(ii) if the Dissemination Agent is other than the District or an official of the District, the Dissemination Agent shall file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and confirming that it has been filed with the MSRB through the EMMA System.

SECTION 5. <u>Content of Annual Report</u>. The District's Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the general purpose financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the EMMA System as soon as practical after it has been made available to the District.

(b) Operating data, including the following information (to the extent not included in the audited financial statements described in paragraph (a) above):

(i) Outstanding indebtedness and lease obligations for the preceding fiscal year;

(ii) General fund budget and actual results for the preceding fiscal year;

(iii) Average daily attendance and State funding information, as may be reasonably available, for the preceding fiscal year;

(iv) Assessed valuations for the current fiscal year; and

(v) Largest local secured taxpayers for the current fiscal year.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the EMMA System or to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Designated Material Events and Material Events.

(a) The District agrees to provide or cause to be provided to the MSRB notice of the occurrence of any of the following Designated Material Events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity provides, or their failure to perform;

(v) Adverse tax opinions with respect to the tax status of the Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Bonds;

(vi) Tender offers;

(vii) Defeasances

(viii) Rating changes;

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For purposes of item (ix) above, the described event shall be deemed to occur when any of the following shall occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or other governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority have supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following Material Events with respect to the Bonds, if material, not later than ten (10) Business Days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material notices or determinations affecting the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(ii) Modifications of rights to Bondholders;

(iii) Optional, unscheduled or contingent Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; or

(viii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondholders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Upon the occurrence of a Designated Material Event described in Section 6(a) hereof, or if the District determines that knowledge of a Material Event described in Section 6(b) hereof would be material under applicable federal securities laws, the District shall within ten (10) Business Days of occurrence of the Designated Material Event or Material Event file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of a Designated Material Event described in subsection (a)(vii) or a Material Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The District may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent shall be entitled to the protections, limitations from liability, immunities and indemnities provided to the Paying Agent as set forth in the Resolution which are incorporated by reference herein. The Dissemination Agent agrees to perform only those duties of the Dissemination Agent specifically set forth in the Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Dissemination Agent.

The Dissemination Agent shall have no duty or obligation to review the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the District in a timely manner in a form suitable for filing. In accepting the appointment under this Agreement, the Dissemination Agent is not acting in a fiduciary capacity to the registered holders or beneficial owners of the Bonds, the District, or any other party or person.

The Dissemination Agent may consult with counsel of its choice and shall be protected in any action taken or not taken by it in accordance with the advice or opinion of such counsel. No provision of this Agreement shall require the Dissemination Agent to risk or advance or expend its own funds or incur any financial liability. The Dissemination Agent shall have the right to resign from its duties as Dissemination Agent under this Agreement upon thirty days' written notice to the District. The Dissemination Agent shall be entitled to compensation for its services as Dissemination Agent and reimbursement for its out-of-pocket expenses, attorney's fees, costs and advances made or incurred in the performance of its duties under this Agreement in accordance with its written fee schedule provided to the District, as such fee schedule may be amended from time to time in writing. The District agrees to indemnify and hold the Dissemination Agent harmless from and against any cost, claim, expense, or liability related to or arising from the acceptance of and performance of the duties of the Dissemination Agent hereunder, provided the Dissemination Agent shall not be indemnified to the extent of its willful misconduct or negligence. The obligations of the District under this Section shall survive the termination or discharge of this Agreement and the Bonds.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement under the following conditions, provided no amendment to this Agreement shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Designated Material Event or a Material Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event or Material Event.

Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event or Material Event, in addition to that which is required by this Disclosure Agreement.

SECTION 11. Default. The District shall give notice to the MSRB through the EMMA System of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Original Purchaser and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State, applicable to contracts made and performed in such State.

Dated: October __, 2024

ARVIN UNION SCHOOL DISTRICT

By: ____
Superintendent

ACCEPTED:

FIELDMAN, ROLAPP & ASSOCIATES, INC. doing business as APPLIED BEST PRACTICES, as Dissemination Agent

By: ____
Authorized Officer

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: ARVIN UNION SCHOOL DISTRICT

Name of Issue: $__________ General Obligation Bonds, Election of 2018, Series 2024D (Bank Qualified) and $_________ General Obligation Bonds, Election of 2018, Series 2024E (Bank Qualified)

Date of Issuance: October __, 2024

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Continuing Disclosure Agreement dated October __, 2024. The Issuer anticipates that the Annual Report will be filed by ___________________.

Dated: _______________________________

[ISSUER/DISSEMINATION AGENT]

By: _______________________________________

cc: Arvin Union School District

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, as to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Direct Participants are on file with DTC.

General

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount or Maturity Value of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. Such information is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, interest payments and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, interest payments and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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APPENDIX F

NOTICE OF SALE

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OFFICIAL NOTICE OF SALE

$6,910,000*
ARVIN UNION SCHOOL DISTRICT
(KERN COUNTY, CALIFORNIA)
$1,000,000* GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES 2024E (BANK QUALIFIED),
$5,910,000* GENERAL OBLIGATION BONDS, 2018 ELECTION, SERIES 2024D (BANK QUALIFIED)

The Arvin Union School District will receive sealed bids and electronic bids for the above-referenced bonds at the place and up to the time specified below:

SALE DATE:	Wednesday, September 25, 2024* (Subject to postponement or cancellation in accordance with this Official Notice of Sale)
TIME:	9:00 a.m. (Pacific Standard Time)
DELIVERY DATE:	October 9, 2024*

* Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

$6,910,000*
ARVIN UNION SCHOOL DISTRICT
(KERN COUNTY, CALIFORNIA)
$1,000,000* GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES 2024E (BANK QUALIFIED),
$5,910,000* GENERAL OBLIGATION BONDS, 2018 ELECTION, SERIES 2024D (BANK QUALIFIED)

NOTICE IS HEREBY GIVEN that *electronic bids only* for the purchase of $6,910,000* aggregate principal amount of Arvin Union School District (Kern County, California) $1,000,000* General Obligation Bonds, 2014 Election, Series 2024E (Bank Qualified) (the "Series E Bonds"), and the $5,910,000* General Obligation Bonds, 2018 Election, Series 2024D (Bank Qualified) (the "Series D Bonds" and together with the Series E Bonds, the "Bonds") will be received by Arvin Union School District (the "District") at the time and in the form below specified:

DATE AND TIME: *Wednesday, September 25, 2024, until 9:00 A.M. (Pacific Standard Time).**

SUBMISSION OF BIDS: Bids may be submitted (for receipt not later than the time set forth above) *electronically only* through the I-Deal LLC BiDCOMP/PARITY® system ("PARITY®"). See "FORM OF BID" herein.

ISSUE; BOOK ENTRY: $6,910,000* consisting of fully registered bonds. The Bonds will be dated as of their date of delivery, expected to be October 9, 2024*, and will be issued in denominations of $5,000 in principal amount or any integral multiple thereof. The Bonds will be issued through a book entry only system with no physical distribution of Bonds made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Bonds which will be held in its custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds.

MATURITIES*: The Bonds will mature, or be subject to mandatory sinking fund redemption, on the dates and in the amounts, as set forth in the following table. **Bidders will provide bids on the Total Principal Amount of the Bonds only.** *Each bidder is required to specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year:*

[TABLE IS ON THE FOLLOWING PAGE]

* Preliminary, subject to change.

Principal Payment Date (November 1)	Principal Amount of Series E Bonds*	Principal Amount of Series D Bonds*	**Total Principal Amount of Bonds***
2026	$40,000	$250,000	$290,000
2027	10,000	10,000	20,000
2028	15,000	10,000	25,000
2029	15,000	15,000	30,000
2030	20,000	30,000	50,000
2031	25,000	40,000	65,000
2032	25,000	55,000	80,000
2033	25,000	70,000	95,000
2034	25,000	85,000	110,000
2035	25,000	105,000	130,000
2036	25,000	120,000	145,000
2037	25,000	140,000	165,000
2038	25,000	160,000	185,000
2039	25,000	185,000	210,000
2040	25,000	205,000	230,000
2041	30,000	235,000	265,000
2042	35,000	265,000	300,000
2043	40,000	295,000	335,000
2044	45,000	330,000	375,000
2045	50,000	365,000	415,000
2046	55,000	400,000	455,000
2047	65,000	445,000	510,000
2048	70,000	485,000	555,000
2049	125,000	685,000	810,000
2050	135,000	925,000	1,060,000
TOTAL	$1,000,000	$5,910,000	**$6,910,000**

ADJUSTMENT OF PRINCIPAL AMOUNT AND OF MATURITIES: Following the determination of the successful bidder ("Purchaser"), the District, in order to structure for tax rate considerations, reserves the right to increase or decrease the principal amount of each maturity of the Bonds, in $5,000 increments, and/or eliminate a maturity of the Bonds and decrease the aggregate principal amount of the Bonds to be issued; provided, however, that the total adjustments to the aggregate principal amount of the Bonds shall not exceed $1,000,000. The Purchaser will be notified of the actual principal amounts and maturity schedule relating to the Bonds within twenty-six (26) hours after the expiration of the time prescribed for the receipt of proposals. Any increase or decrease will be in $5,000 increments of principal amounts. In the event of any such adjustment, no re-bidding or recalculation of the bids submitted will be required or permitted and no successful bid may be withdrawn. The Purchaser will not be permitted to change the interest rates of the Bonds in its bid.

INTEREST: The Bonds shall bear interest, calculated using a year of 360 days comprised of twelve 30-day months, at a rate or rates to be fixed upon the sale thereof but not to exceed the maximum allowed under State law, payable semiannually on each May 1 and November 1, commencing May 1, 2025*.

PAYMENT: Principal of, premium, if any, and interest on any Bond are payable in lawful money of the United States of America. Principal and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by Zions Bancorporation, National Association (the "Paying Agent").

REGISTRATION: The Bonds will be issued as fully registered bonds as to both principal and interest. The Bonds will be issued in the book-entry system of DTC, and the ownership of the Bonds will be registered to Cede & Co.

OPTIONAL REDEMPTION*: The Bonds maturing on or before November 1, 2032 are not subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after November 1, 2033, may be redeemed before maturity, at the option of the District, from any source of available funds, in whole or in part on any date on or after November 1, 2032, at par, together with interest accrued thereon to the date of redemption, without premium. Bonds will be deemed to consist of $5,000 portions by principal amount, and any such portion may be separately redeemed.

Whenever provision is made for the redemption of Bonds of a series and less than all of the outstanding Bonds of that series are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds of that series for redemption in the manner directed by the District, or in the event the District shall fail to provide such direction, by lot. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. The portion of any Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof.

SINKING FUND REDEMPTION*: Any bidder may, at its option, specify that one or more maturities of the Bonds will consist of term bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. In the event that the bid of the Purchaser specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on November 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES," at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

PURPOSE: A duly called election was held in the District on November 4, 2014, and thereafter canvassed pursuant to law. At such election there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to voters to finance the District's construction, improvement, furnishing,

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* Preliminary, subject to change.

acquisition and equipping of certain of its public facilities (the "Series D Projects"), in the maximum aggregate principal amount of $15,000,000 ("2014 Authorization") payable from the levy of an *ad valorem* tax against the taxable property in the District. The Series E Bonds represent the fifth issue and final series under the 2014 Authorization and are being issued to fund the Series E Projects and other authorized costs.

A duly called election was held in the District on November 6, 2018, and thereafter canvassed pursuant to law. At such election there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to voters to finance the District's construction, improvement, furnishing, acquisition and equipping of certain of its public facilities (the "Series C Projects"), in the maximum aggregate principal amount of $15,000,000 ("2018 Authorization") payable from the levy of an *ad valorem* tax against the taxable property in the District. The Series D Bonds represent the fourth issue and final series under the 2018 Authorization and are being issued to fund the Series D Projects and other authorized costs.

SECURITY: The Bonds are general obligations of the District. The Kern County Board of Supervisors has the power and is obligated to levy and collect *ad valorem* taxes on all property within the District subject to taxation by the County, without limitation as to rate or amount (except for certain personal property, which is taxable at limited rates) for the payment of both principal and interest on the Bonds.

RATINGS: S&P Global Ratings has assigned the rating of "A" to the Bonds. **The cost of obtaining such rating will be borne entirely by the District and not by the Purchaser**.

TERMS OF SALE

INTEREST RATE: No rate of interest may be bid which exceeds 6.00% per annum. Each rate bid must be a multiple of one-twentieth of one percent (1/20%) or one-eighth of one percent (1/8%). No Bond shall bear a zero rate of interest. No Bond shall bear more than one interest rate, and all Bonds of the same maturity shall bear the same interest rate. Each Bond must bear interest at the rate specified in the bid from its dated date to its fixed maturity date.

PREMIUM BIDS. No bid shall be for less than 106% of the aggregate principal amount of the Bonds. No bid shall be for more than 110% of the aggregate principal amount of the Bonds. Bond premium received will be applied to the payment of debt service on the Bonds. No bid shall provide for original issue premium, net of purchaser's compensation and bond insurance premium, if any, which results in remaining original issue premium that exceeds interest due on the Bonds in the first three years from the date of issuance.

BOND INSURANCE. The District has applied to Assured Guaranty Inc. and Build America Mutual Assurance Company in an attempt to qualify the Bonds for a financial guaranty insurance policy. If the District and the Purchaser elect to obtain a policy of bond insurance, the insurance premium and costs for any related ratings shall be paid by the Purchaser, and the District will not have any responsibility for the payment of such premium and costs.

PURCHASER'S DISCOUNT: The Purchaser's Discount shall not exceed 2.50% of the aggregate principal amount of the Bonds.

To the extent any instructions or directions set forth on PARITY® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY®, bidders may contact Fieldman, Rolapp & Associates, Inc. (the "Municipal Advisor") at (949) 660-7300 or PARITY® at (212) 404-8102.

THE DISTRICT RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID IS TIMELY AND COMPLETE. NONE OF THE DISTRICT, THE MUNICIPAL ADVISOR, OR NIXON PEABODY, LLP ("BOND COUNSEL"), TAKES ANY RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE TIME FOR RECEIVING BIDS THAT ITS BID IS INCOMPLETE OR NOT RECEIVED.

EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY® AND THAT PARITY® IS NOT ACTING AS AN AGENT OF THE DISTRICT. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY® AND THE DISTRICT ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY®. THE DISTRICT SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY® HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE DISTRICT WILL MAKE ITS BEST EFFORTS TO ACCOMMODATE ELECTRONIC BIDS; HOWEVER THE DISTRICT, THE MUNICIPAL ADVISOR AND BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR ACCEPTED BY THE OFFICIAL DEADLINE FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE DISTRICT AND THE DISTRICT SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY® AS THE OFFICIAL TIME.

BEST BID: The Bonds will be awarded to the responsible bidder offering to purchase the Bonds at the lowest true interest cost ("TIC") to the District. The District requires that the maximum TIC for the Bonds not exceed 6.00%. The true interest cost of each bid will be determined on the basis of the present value of the aggregate future semiannual payments resulting from the interest rates specified by the bidder. The present value will be calculated to the dated date of the Bonds (assumed to be October 9, 2024*) and will be based on the proposed bid amount (par value plus any premium). For the purpose of making such determination, it shall be assumed that any Bonds designated as term Bonds by the bidder shall be deemed to be payable on the dates and in the amounts as shown under the section entitled "MATURITIES" herein. Each bidder is requested, but not required, to state in its bid the percentage TIC to the District, which shall be considered as informative only and shall not be binding on either the bidder or the District. The

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* Preliminary, subject to change.

determination of the best bid by the District's Municipal Advisor shall be binding and conclusive on all bidders.

RIGHT OF CANCELLATION OF SALE BY DISTRICT: The District reserves the right, in its sole discretion, at any time to cancel the public sale of the Bonds. In such event, the District shall cause notice of cancellation of this invitation for bids and the public sale of the Bonds to be communicated through PARITY® as promptly as practicable. However, no failure to publish such notice or any defect or omission therein shall affect the cancellation of the public sale of the Bonds.

RIGHT TO MODIFY OR AMEND: The District reserves the right, in its sole discretion, to modify or amend this official Notice of Sale including, but not limited to, the right to adjust and change the principal amount and principal amortization schedule of the Bonds being offered, at any time prior to the date and time for the receipt of bids, through PARITY®.

RIGHT OF POSTPONEMENT BY DISTRICT: The District reserves the right, in its sole discretion, to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be communicated through the PARITY® system prior to the date and time for the receipt of bids. If any date is postponed, any alternative sale date will be announced through the PARITY® system at least 24 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date of sale and except for the changes announced by through PARITY® at the time the sale date and time are announced.

RIGHT OF REJECTION: The District reserves the right, in its sole discretion, to reject any and all bids and to waive any irregularity or informality in any bid except that no bids will be accepted later than 9:00 A.M. (Pacific Standard Time) on September 25, 2024.

PROMPT AWARD: Pursuant to authority granted by the Board of Trustees of the District (the "Board"), the Superintendent of the District, or the Superintendent's designee, will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of bids; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given notice in writing of the withdrawal of such bid to the Board or the Superintendent.

PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that the Bonds will be delivered to DTC for the account of the Purchaser within thirty (30) days from the date of sale thereof (assumed to be September 25, 2024). The Purchaser shall have the right, at its option, to cancel its obligation to purchase the Bonds if the Bonds are not tendered for delivery within thirty (30) days from the date of the sale thereof, and in such event the Purchaser shall be entitled to the return of the deposit accompanying his bid.

GOOD FAITH DEPOSIT: A good faith deposit ("Deposit") in the form of a certified or cashier's check or a wire transfer, in the amount of $100,000, payable to the order of the Paying Agent, must be remitted by the Purchaser within 48 hours after the acceptance of its bid. The Deposit shall be cashed by the Paying Agent on behalf of the District and shall then be applied toward the purchase price of the Bonds. If, after the award of the Bonds, the Purchaser fails to complete their purchase on the terms stated in their bid, the Deposit will be retained by the District. No interest on the Deposit will accrue to any bidder.

CHANGE IN TAX EXEMPT STATUS: At any time before the Bonds are tendered for delivery, the Purchaser may disaffirm and withdraw its proposal if the interest received by private holders from Bonds of the same type and character shall be declared taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable, or be required to be taken into account in computing federal income taxes (except alternative minimum taxes and environmental taxes payable by corporations) by any federal income tax law enacted subsequent to the date of this notice.

CLOSING PAPERS; BOND PRINTING: Each proposal will be understood to be conditioned upon the District furnishing to the Purchaser, without charge, concurrently with payment for and delivery of the Bonds, the following closing papers, each dated the date of delivery:

(a) The opinion of Bond Counsel, substantially in the form attached to the Preliminary Official Statement (as later defined herein) as APPENDIX B;

(b) A certificate of the District certifying that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds;

(c) A certificate of the District, signed by officers and representatives of the District, certifying that the officers and representatives have signed the Bonds whether by facsimile or manual signature, and that they were respectively duly authorized to execute the same;

(d) The receipt of the District evidencing the receipt of the purchase price of the Bonds;

(e) A certificate of the District, certifying that there is no known litigation threatened or pending affecting the validity of the Bonds; and

(f) A certificate of the District, signed by an officer of the District, acting in his official capacity, to the effect that the Preliminary Official Statement, as of its date, and the final Official Statement ("Official Statement"), as of its date, and at all times subsequent thereto up to and including the time of the delivery of the Bonds, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: The Municipal Advisor has applied for CUSIP registration on the Bonds and it is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor error with respect thereto shall constitute cause for a failure or refusal by the Purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses of printing CUSIP numbers on the Bonds and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid by the Purchaser.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION: The Purchaser will be required, pursuant to State law, to pay any fees to the California Debt and Investment Advisory Commission when due.

ESTABLISHMENT OF ISSUE PRICE:

(a) The Purchaser shall assist the District in establishing the issue price of the Bonds in accordance with applicable requirements of the Internal Revenue Code, and shall execute and deliver to the District at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in one of the forms attached hereto as Exhibit A, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the District and Bond Counsel. All actions to be taken by the District under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the District's Municipal Advisor identified herein and any notice or report to be provided to the District may be provided to the District's Municipal Advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because:

> the District shall disseminate this Notice of Sale to potential Underwriters (as defined below) in a manner that is reasonably designed to reach such potential Underwriters;
>
> all bidders shall have an equal opportunity to bid;
>
> the District anticipates receiving bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds;
>
> the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the Purchaser. In such event, the District shall treat the first single price at which 10% of a Maturity (defined below) of the Bonds (the "10% test") is sold to the public as the issue price of that Maturity, applied on a Maturity-by-Maturity basis (and if different interest rates apply within a Maturity, to each separate CUSIP number within that Maturity), EXCEPT any Maturity of the Bonds identified by the Purchaser in writing within four hours of the time of the award as a hold-the-offering-price Maturity (each a "HTP Maturity"). Each HTP Maturity will be subject to the "Hold-the-Offering-Price Requirements" further described and set forth in subsection (e) below. **Bids will NOT be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

(d) In the event that the Competitive Sale Requirements are not satisfied, the Purchaser shall advise the District, within four hours of the time of award of the Bonds, which Maturities of the Bonds satisfy the 10% Test as of the date of award, and confirm any HTP Maturities which shall be subject to the Hold-the-Offering-Price Requirements. For each Maturity of the Bonds that does not satisfy the 10% Test, except for any HTP Maturity identified in writing within four hours of the time of award, the Purchaser agrees to promptly report to the District the prices at which the unsold Bonds of that Maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Bonds of that Maturity or until all Bonds of that Maturity have been sold.

(e) By submitting a bid, each bidder (i) confirms that the bidder has offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the bidder and (ii) on behalf of the Underwriters participating in the purchase of the Bonds with the bidder, for each HTP Maturity identified and confirmed by the Purchaser, that such Underwriters will neither offer nor sell unsold Bonds of any such HTP Maturity to which the Hold-the-Offering-Price Requirements described in this subsection (e) shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Underwriters have sold at least 10% of that HTP Maturity to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall promptly advise the District when the Underwriters have sold 10% of each HTP Maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(f) The District acknowledges that, in making the representation set forth in subsection (e) above, the Purchaser will rely upon (i) the agreement of each Underwriter to comply with the Hold-the-Offering-Price Requirements, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Requirements, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Requirements, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Requirements and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Requirements as applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each Maturity allotted to it until it is notified by the Purchaser that either the 10% Test has been satisfied as to a Maturity or all Bonds of that Maturity have been sold to the public and (B) comply with the Hold-the-Offering-Price Requirements, in the event that the bidder intends to utilize the Hold-the-Offering-Price Requirements, in each case if and for so long as directed by the Purchaser and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(1) "Public" means any person other than an Underwriter or a Related Party;

(2) "Underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(3) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities;

(4) a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(5) "Sale Date" means the date that the Bonds are awarded by the District to the Purchaser.

DTC FEES: All fees due DTC with respect to the Bonds shall be paid by the Purchaser.

OFFICIAL STATEMENT: The District has caused to be prepared a Preliminary Official Statement describing the Bonds (the "Preliminary Official Statement") in a form deemed final by the District within the meaning of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for certain information which is permitted under said Rule 15c2-12 to be omitted from the Preliminary Official Statement. A copy of the Preliminary Official Statement will be furnished upon request to Fieldman, Rolapp & Associates, Inc., 19900 MacArthur Boulevard, Suite 1100, Irvine, CA 92612-2433, telephone (949) 660-7300. The District will furnish to the Purchaser within seven business days following the date of award, at no charge, no more than 25 copies of the Official Statement for use in connection with any resale of the Bonds.

DISCLOSURE CERTIFICATE: The District will deliver to the Purchaser of the Bonds a certificate of an official of the District, dated the date of Bond delivery, stating to the effect that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date, and at all times subsequent thereto up to and including the time of the delivery of the Bonds, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and further certifying that the signatory knows of no material adverse change in the condition of the District which would make it unreasonable for the Purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds.

CONTINUING DISCLOSURE: In order to assist bidders in complying with the Rule, the District will undertake, pursuant to the resolution authorizing issuance of the Bonds and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Dated: September __, 2024

EXHIBIT A

ISSUE PRICE CERTIFICATE

(VERSION 1 – USED IF COMPETITIVE SALE REQUIREMENTS ARE SATISFIED (I.E., 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED))

This certificate is being delivered by ___________________, the purchaser (the "Purchaser") in connection with the issuance by the Arvin Union School District (the "District") of the Arvin Union School District (County of Kern, California) General Obligation Bonds, Election of 2014, Series 2024E (Bank Qualified) (the "Series E Bonds"), and the Arvin Union School District (County of Kern, California) General Obligation Bonds, Election of 2018, Series 2024D (Bank Qualified) (the "Series D Bonds", and together with the Series E Bonds, the "Bonds"). The Purchaser hereby certifies and represents that:

1. *Reasonably Expected Initial Offering Price*.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed on Schedule A attached hereto (the "Initial Offering Prices"). The Initial Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. *Defined Terms*.

(a) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates, or Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ____, 2024.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: ________________________________

Name: ______________________________

Dated: [EXECUTION AND DELIVERY DATE]

ISSUE PRICE CERTIFICATE

[VERSION 2 – USED IF THE COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED AND PURCHASER ELECTS TO UTILIZE THE 10% TEST FOR ALL MATURITIES]

This certificate is being delivered by **__________________**, the purchaser (the "Purchaser") in connection with the issuance by the Arvin Union School District (the "District") of the Arvin Union School District (County of Kern, California) General Obligation Bonds, Election of 2014, Series 2024E (Bank Qualified) (the "Series E Bonds"), and the Arvin Union School District (County of Kern, California) General Obligation Bonds, Election of 2018, Series 2024D (Bank Qualified) (the "Series D Bonds", and together with the Series E Bonds, the "Bonds"). The Purchaser hereby certifies and represents that:

1. As of the date hereof, other than the Bonds listed on Schedule A hereto as undersold maturities (the "Undersold Maturities"), the first single price or yield at which at least 10% of each Maturity of the Bonds was sold by the Purchaser to the Public was the price set forth on Schedule A hereto.

2. With respect to the Undersold Maturities, the Purchaser agrees to notify the District in writing of the first single price or yield at which at least 10% of each such Undersold Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold Maturity is sold to the Public but not more than 10% of the Undersold Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the District in writing of the amount of the Undersold Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold Maturity is sold to the Public.

3. ***Defined Terms***.

(a) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates, or Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is **____**, 2024.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: ________________________________

Name: ______________________________

Dated: [EXECUTION AND DELIVERY DATE]

ISSUE PRICE CERTIFICATE

[VERSION 3 --- USED IF THE COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED AND PURCHASER SELECTS HOLD-THE-OFFERING-PRICE RULE FOR CERTAIN MATURITIES

This certificate is being delivered by **______________________**, the purchaser (the "Purchaser") in connection with the issuance by the Arvin Union School District (the "District") of the Arvin Union School District (County of Kern, California) General Obligation Bonds, Election of 2014, Series 2024E (Bank Qualified) (the "Series E Bonds"), and the Arvin Union School District (County of Kern, California) General Obligation Bonds, Election of 2018, Series 2024D (Bank Qualified) (the "Series D Bonds", and together with the Series E Bonds, the "Bonds"). The Purchaser hereby certifies and represents that:

1 As of the date hereof, other than the Bonds listed on Schedule A hereto as undersold maturities (the "Undersold Maturities"), the first single price or yield at which at least 10% of each Maturity of the Bonds was sold by the Purchaser to the Public was the price set forth on Schedule A hereto.

2. For each Undersold Maturity indicated on Schedule A as a 10% Rule Maturity (an "Undersold 10% Rule Maturity"), the Purchaser agrees to notify the District in writing of the first single price or yield at which at least 10% of each such Undersold 10% Rule Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold 10% Rule Maturity is sold to the Public but not more than 10% of the Undersold 10% Rule Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the District in writing of the amount of the Undersold 10% Rule Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold 10% Rule Maturity is sold to the Public.

3. The Purchaser offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

4. As set forth in the Official Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Undersold Maturity of the Bonds identified on Schedule A as a HTP Maturity (an "Undersold HTP Maturity"), it would neither offer nor sell any of the Bonds of such Undersold HTP Maturity to any person at a price that is higher than the Initial Offering Price for such Undersold HTP Maturity during the Holding Period for such Undersold HTP Maturity (the "Hold-the-Offering-Price Requirement"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Requirement. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Undersold HTP Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Undersold HTP Maturity of the Bonds during the Holding Period.

5. ***Defined Terms***.

(a) *Holding Period* means, with respect to a HTP Maturity, the period starting on the Sale Date (_______) and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Undersold HTP Maturity to the Public at prices that are no higher than the Initial Offering Price for such Undersold HTP Maturity.

(b) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates, or Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ____, 2024.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: ________________________________

Name: ______________________________

Dated: [EXECUTION AND DELIVERY DATE]

SCHEDULE A TO ISSUE PRICE CERTIFICATE

TO BE USED IF COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED

THE PURCHASER SHALL IDENTIFY WHICH MATURITIES OF THE BONDS WILL BE SUBJECT TO THE 10% RULE AND WHICH TO THE HOLD-THE-OFFERING PRICE RULE AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE.

Payment Date (November 1)	Principal Amount	Interest Rate	Yield	Issue Price	10% Rule Maturity	HTP Maturity

SCHEDULE B TO ISSUE PRICE CERTIFICATE

PRICING WIRE (OR EQUIVALENT COMMUNICATION) (OR BID SUBMITTED, AS APPLICABLE)