

REED UNION SCHOOL DISTRICT

FY 2024/25 Independent Auditor's Report

Fiscal Year Ending June 30, 2025

Summary of Report by Stephen Roatch Accountancy Corporation, CPA

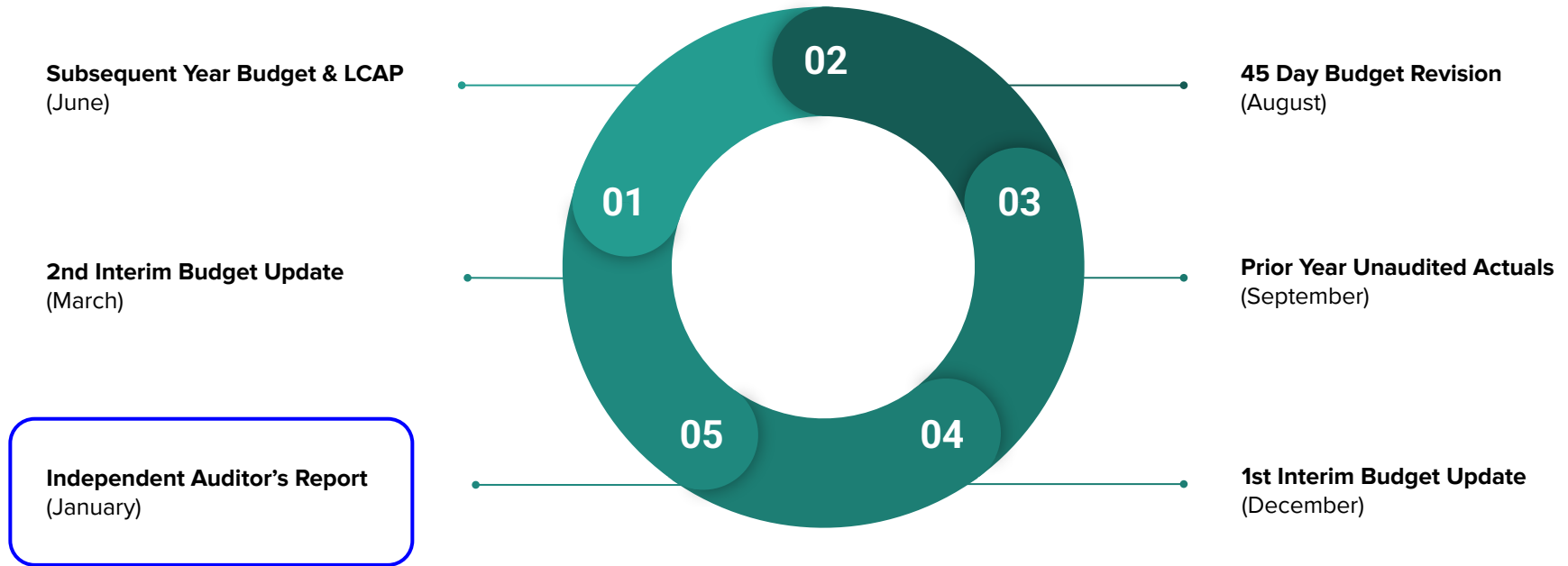
Dr. Chris J. Kim, Ed.D, MBA

Chief Business Official

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January 13, 2026

REED UNION SCHOOL DISTRICT



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Audit Cycle:

- **December 15th:** Audit reports for the prior fiscal year are filed electronically with the COE, the CDE and the SCO. [EC 41020(h)]
 - **January 31st:** The district governing board shall, at a public meeting pursuant to EC 35145, review their annual audit, including audit exceptions, recommendations, or findings of any management letter issued by the auditor, and any descriptions or corrective action plans. [EC 41020.3]
 - **April 1st:** The Governing Board of each school district is required to either provide for an annual audit or arrange with the county superintendent to provide for the annual audit. Districts that elect to make their own audit arrangements must do so no later than April 1 of each fiscal year. [EC 41020(b)(3)]
 - **May 15th:** The COE certifies to the Superintendent of Public Instruction (SPI) and the SCO that the annual district audits and the required audit exceptions were reviewed, and the districts have adequately corrected, or developed an acceptable plan of correction for the audit. [EC 41020(k)]
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Financial Highlight:

“ The District maintains sufficient reserves for a district its size. It meets the state required minimum reserve for economic uncertainty of 4%.” *(page 5, Audit Report).*

Financial Statement Findings:

- No Material Weaknesses Identified. No Significant Deficiencies Identified. “No matters to report for the fiscal year ended June 30, 2025.” *(page 88, Audit Report).*

Adverse Opinion on Discretely Presented Component Unit:

“ In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit...” *(page 1, Audit Report).*

- **NOTE:** *Foundation for Reed Schools Financials are not subject to the District's Audit.*
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FINDING: (2025-001 /40000)

SUBJECT: Expanded Learning Opportunities Program

- District received a mandatory apportionment in FY 2024/25 of \$107,797.
 - The District continued to provide a robust after school tutoring and enrichment program in partnership with the Ranch in FY 2024/25.
 - The FY 2023-24 Audit determined that the existing program as structured did not meet the requirements of the ELO-P grant program.
 - A payable in resource 2600 (ELO-P) has been booked to reflect the anticipated return of prior year funds to the CDE.
 - The District is operating a restructured Expanded Learning Opportunity Program in partnership with the Ranch in FY 2025/26.
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