FRESNO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2023

FRESNO UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the year ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Audit Committee and Board of Education
Fresno Unified School District
Fresno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fresno Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Fresno Unified School 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 Fresno Unified School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 Fresno Unified School 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 Fresno Unified School 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.

(Continued)

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 Fresno Unified School 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 Fresno Unified School 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 on pages 5 to 22 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District’s Net Other Postemployment Benefits (OPEB) Liability, the Schedule of Money-Weighted Return of OPEB Plan Investments, the Schedule of the District’s Proportionate Share of the Net Pension Liability, and the Schedule of the District’s Contributions on pages 75 to 81 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fresno Unified School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from, and relates directly to, the underlying accounting and other records used to prepare the 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, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2023 on our consideration of Fresno Unified 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 Fresno Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fresno Unified School District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
November 29, 2023

December 06, 2023

Board of Trustees
Fresno Unified School District
Fresno, California 93721

Dear Trustees:

I am pleased to present the financial statements for the Fresno Unified School District (the District) for the fiscal year ended June 30, 2023, with the Independent Auditors' Reports on those financial statements and the Federal and State Compliance audits. These financial statements have been prepared in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), and confirm that the District is fiscally sound as defined by the State Controller's Office, with a General Fund balance of $553,873,864.

The California Education Code requires the governing board to provide for an annual audit made by certified public accountants licensed by the State Board of Accountancy. The licensed firm of Crowe LLP rendered the attached auditors' reports. I believe that the data, as presented, is accurate in all material respects, that it is a fair presentation of the financial position and the results of the District's operations, and that the audit satisfies the requirements of the Education Code.

The District has prepared its financial statements since 2001 using the financial reporting requirements as prescribed by Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB No. 34). GASB No. 34 requires that Management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The financial statements for the year ended June 30, 2023 present the District's sound financial condition and, along with the MD&A as well as the included note disclosures, provide the reader with an understanding of the District's financial affairs.

Respectfully Submitted,

Patrick Jensen
Chief Financial Officer

Fresno Unified School District
Preparing Career Ready Graduates

This section of Fresno Unified School District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2023. Readers are encouraged to consider the information presented in conjunction with the District's financial statements. This discussion and analysis provides a comparison between fiscal year 2022/23 and 2021/22.

ABOUT FRESNO UNIFIED SCHOOL DISTICT

Located in the heart of the Central Valley, Fresno Unified School District serves more than 69,300 students K to 12th grade and 1,500 preschool students, with an additional 4,800 adult learners served through Fresno Adult School. Through high quality instruction, district programs, and services and resources, the District is focused on building college and career ready graduates among its 67 elementary schools, 14 middle schools, 10 high schools, 6 alternative schools, 3 special education schools, and one adult school. In addition, the district provides oversight and evaluation to 10 neighborhood charter schools.

FINANCIAL HIGHLIGHTS

- The primary governmental fund has a net position deficit in governmental activities totaling $552.4 million at June 30, 2023.

- The total net position of the District increased by $393.8 million during fiscal year 2022/23. This is mainly due to the sale of the General Obligation Bonds, Election of 2020, Series B, Learning Recovery Emergency Block Grant, Net Pension Liabilities offset by a decrease in the Other Post Employment Benefits (OPEB) Liability.

- Fund balance of the District's governmental funds increased by $304.4 million resulting in an ending fund balance of $909.4 million. This was mainly due to a reduction in the OPEB liability, proceeds from the sale of bonds, and one-time entitlements offset with increased Net Pension Liabilities.

- At the end of the 2022/23 fiscal year, the balance in the District's Unrestricted General Fund increased by $43.8 million resulting in an ending fund balance of $328.4 million, The changes were mainly due to an increase in pandemic recovery reserve to elongate the support in future years.

- Governmental Accounting Standards Board (GASB) Statement No. 68 recognizes the District's portion of the California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) pension liabilities, deferred inflows, deferred outflows, and pension expenses at June 30, 2023. The District is recognizing a net increase of $40.6 million in the net position as a result of the changes in the net position liability related to deferred outflows and inflow of resources.

- The District's long-term obligations increased by $120.8 million to $2.5 billion mainly due to the following: general obligation bonds increased $94.8 million, net OPEB liability decreased $343.3 million, pension liabilities increased $370.3 million, and compensated absences decreased $1.0 million.

- GASB Statement No. 31 requires government agencies to record the fair value of investments held by governmental external investment pools to record any unrealized gains/losses to revenue. The Fresno County investment pool reported unrealized losses of (4.54%) as of June 30, 2023. As a result, the district recognized a decrease in the fair value adjustments to cash in county treasury which resulted in a lower ending fund balance to the impacted funds by $50.6 million.

- GASB Statement No. 75 requires an actuarial valuation of the District's Retiree Health Benefits Plan and full recognition of the total net Other Post Employment Benefit (OPEB) liability. The total OPEB liability of $713.8 million, as of June 30, 2023, is offset with the 2022/23 net assets in the District's Irrevocable Trust for OPEB liabilities of $69.8 million. The net OPEB liability at the end of 2022/23 is $644.0 million. The liability decreased by $362.6 million mainly due to adoption of Medicare Advantage Plan for retirees enrolled in Medicare Plans A and B. In addition, the District transfers $3.5 million into an irrevocable trust from the General and Self Insurance Funds on an annual basis.

- The District maintained a positive financial position for 2022/23 as reflected by Moody's credit rating of Aa3 issued in August 2022. In its report to potential investors, Moody's Investor Services noted "the district's growing central valley economy, relative stable enrollment trend and healthy finances, with solid reserves and considerable alternate liquidity outside of the general fund that could be used for operations. The district's finances also benefit from prudent management, with conservative budgeting practices and an adopted reserve policy, and significant supplemental and concentration grant funding received under the Local Control Funding Formula due to its high share of unduplicated students.". The rating report highlights that "the district's finances also benefit from prudent management, conservative budget practices and an adopted reserve policy".

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis presents an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *Government-wide Financial Statements* are designed to provide the reader of the District's Annual Financial Report, a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the *Statement of Net Position* and the S*tatement of Activities.*

- The *Statement of Net Position* presents information about the District's assets and liabilities. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator whether the financial position of the District is improving or deteriorating.

- The *Statement of Activities* presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The *Government-wide Financial Statements* consolidate governmental and internal service activities that are supported from taxes and intergovernmental revenues. The District's *Government-wide Financial Statements* include the following types of funds: General, Special Revenue, Capital Project, Debt Service, and Internal Service Funds.

We exclude these activities from the District's *Government-wide Financial Statements* because the District cannot use these assets to finance its operations.

Fund Financial Statements

Fund Financial Statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. *Fund Financial Statements* for the District include governmental funds and proprietary funds.

Governmental funds account for essentially the same information reported in the governmental activities of the *Government-wide Financial Statements*. However, unlike the *Government-wide Financial Statements*, the *Governmental Fund Financial Statements* focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information use the same functions, it is useful to compare the information presented. Because the focus of each report differs, reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains 12 different governmental funds. As of June 30, 2023, the major funds are the General Fund, Building Fund, and the Bond Interest and Redemption Fund. They are presented separately in the *Fund Financial Statements* with the remaining governmental funds combined into a single aggregated presentation labeled *All Non-Major Funds*. Individual fund information for the non-major funds is presented in the Supplementary Information section.

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the General Fund is included in the *Fund Financial Statements* to demonstrate compliance with the adopted budget.

The District maintains one type of proprietary fund which is the Self Insurance Fund.

The *Fund Financial Statements* of the proprietary fund provide the same information as the *Government-wide Financial Statements,* only in more detail. The Internal Service Fund is used to accumulate and allocate costs internally among the governmental functions.

Individual internal service fund information is presented in the *Fund Financial Statements* as the Statement of Fund Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position, and Statement of Cash Flows – Proprietary Fund. These statements consolidate the District's Internal Service Funds including the Property and Liability Fund, Workers' Compensation Fund, Health Fund, and the Defined Benefits Fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

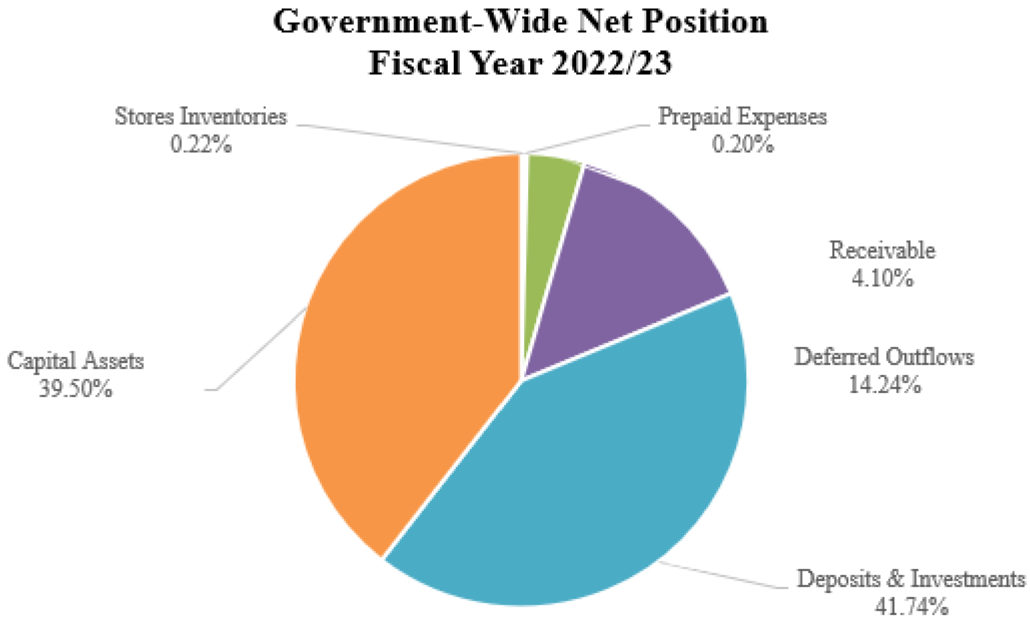
Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplemental information concerning the District's non-major governmental funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

	Governmental Activities			
	2023	**2022**	**$ Change**	**% Change**
Current and other assets	$1,287,287,092	$886,054,953	$401,232,139	45.28%
Capital assets	1,099,099,178	1,034,445,066	64,654,112	6.25%
Total Assets	2,386,386,270	1,920,500,019	465,886,251	24.26%
Deferred Outflows	396,227,651	288,305,492	107,922,159	37.43%
Current liabilities	275,334,297	214,854,312	60,479,985	28.15%
Long-term liabilities	2,463,790,214	2,343,010,766	120,779,448	5.15%
Total Liabilities	$2,739,124,511	$2,557,865,078	$181,259,433	7.09%
Deferred Inflows	595,855,647	597,095,232	(1,239,585)	(0.21%)
Net invested in capital assets	395,708,280	347,143,590	48,564,690	13.99%
Restricted	548,994,377	268,865,840	280,128,537	104.19%
Unrestricted	(1,497,068,894)	(1,562,164,229)	65,095,335	4.17%
Total Net Position	($552,366,237)	($946,154,799)	$393,788,562	41.62%



Government-wide Net Position

The assets of the District are classified as follows: cash, investments, receivables, prepaid expenses, stores inventory, and capital assets. Current and other assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of State apportionment and property tax resources.

Capital assets are used in the operations of the District. These assets include land, land improvements, buildings, equipment, and work-in-process.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, unearned revenue, and self-insurance claims liabilities. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that became available during the 2022/23 fiscal year. Long-term liabilities such as general obligation bonds and compensated absences will be liquidated from resources that will become available after the 2022/23 fiscal year.

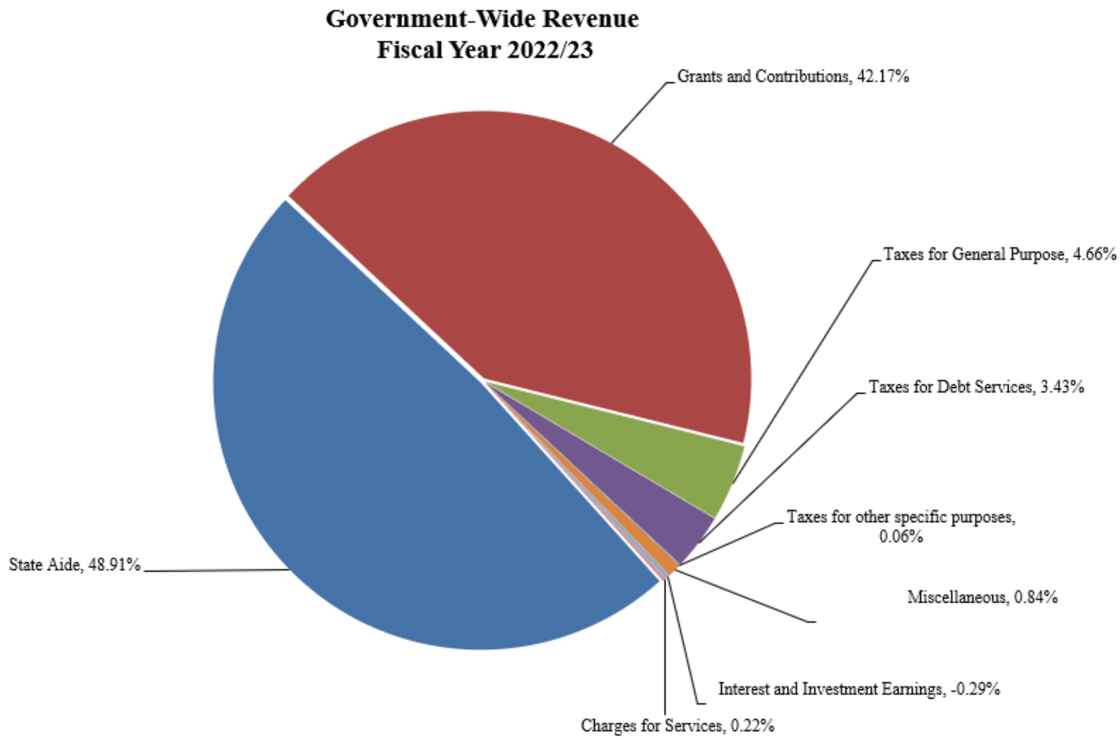
The liabilities and deferred inflows of the primary governmental activities exceed the assets and deferred outflows by $552.4 million. Total net position of the primary governmental activities does not include internal balances. Internal balances are interfund payables and receivables within the governmental activities. The amounts reported in the accounts are eliminated to avoid the "gross up" effect on the assets and liabilities.

A net investment of $1.10 billion in land, land improvements, buildings, equipment, and work-in-process, represents 46% of the District's total assets. The District serves 69,327 public school students including transitional kindergarten through 12th grade. In addition, the District participates in the State preschool program in which 1,516 students are enrolled.

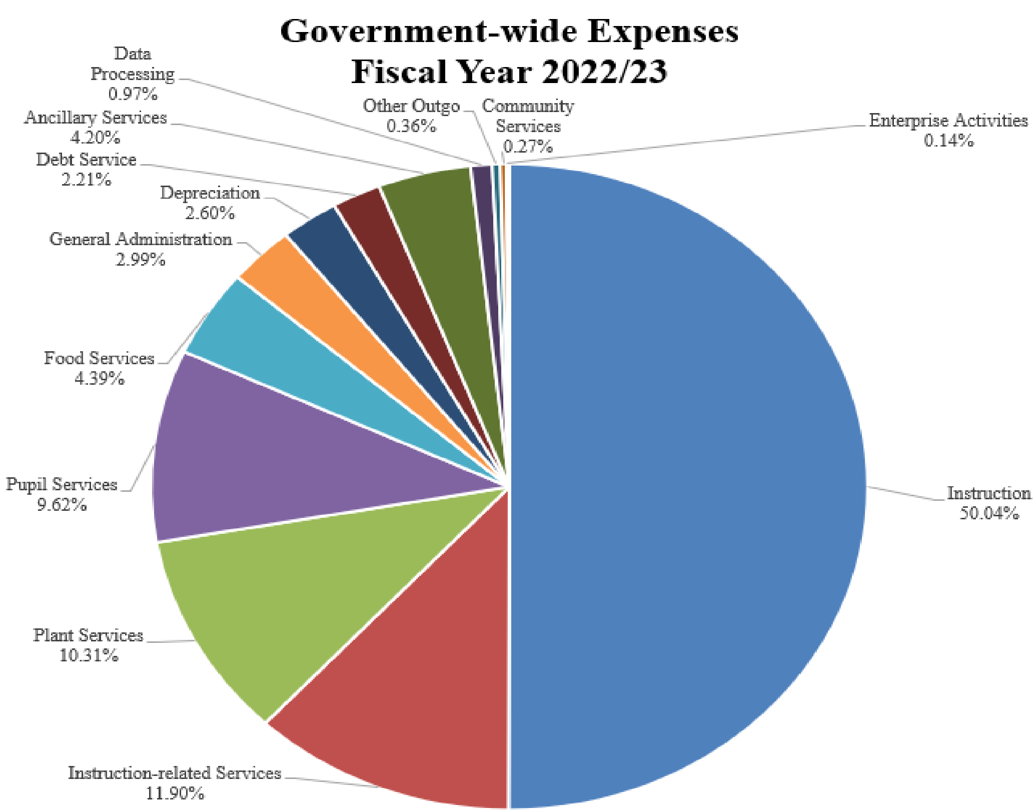
The table and chart above summarize the District's *Government-wide Net Position*.

Statement of Activities

	Governmental Activities 2023	2022	Change
Program Revenues			
Charges for Services	$3,966,631	$3,023,514	31.19%
Operating Grants & Contributions	748,902,099	596,370,001	25.58%
Capital Grants & Contributions	21,361,963	-	100%
General Revenues			
Taxes and Subventions	148,815,596	137,933,892	7.89%
Federal and State Aid, Unrestricted	893,451,320	784,758,511	13.85%
Interest and Investment Earnings	(5,349,747)	(18,778,276)	71.51%
Other General Revenues	15,456,181	12,464,809	24.00%
Total Revenues	$1,826,604,043	$1,515,772,451	20.51%
Expenses			
Instruction	$717,027,201	$706,229,125	1.53%
Instructional Related	170,446,179	143,193,503	19.03%
Student Support Services	200,867,881	171,930,004	16.83%
General Administrative	56,674,457	48,882,847	15.94%
Maintenance and Operations	147,749,062	124,316,608	18.85%
Depreciation	37,267,662	35,341,062	5.45%
Other	102,783,039	94,744,661	8.48%
Total Expenses	$1,432,815,481	$1,324,637,810	8.17%
Change in Net Position	$393,788,562	$191,134,641	106.03%



Government-Wide Revenue
Fiscal Year 2022/23
Grants and Contributions, 42.17%
Taxes for General Purpose, 4.66%
Taxes for Debt Services, 3.43%
Taxes for other specific purposes, 0.06%
Miscellaneous, 0.84%
Interest and Investment Earnings, -0.29%
Charges for Services, 0.22%
State Aide, 48.91%



Government-wide Expenses
Fiscal Year 2022/23
Data Processing 0.97%
Ancillary Services 4.20%
Debt Service 2.21%
Depreciation 2.60%
General Administration 2.99%
Food Services 4.39%
Pupil Services 9.62%
Plant Services 10.31%
Instruction-related Services 11.90%
Other Outgo 0.36%
Community Services 0.27%
Enterprise Activities 0.14%
Instruction 50.04%

Financial Analysis of the District's Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental activities – Capital Project Funds for the District provide the same type of information presented in the government-wide financial statements but in greater detail. The following highlights significant activity in the District's Capital Project Funds for fiscal year 2022/23:

- The County School Facilities Fund spent $46.8 million on projects (Measure X – $7.1 million, Measure M – $29.0 million), and savings from state facility projects totaling $10.7 million.

- The County School Facilities Fund's major projects and activities included the following:

  - Construction and Maintenance major projects and activities totaling $22.6 million:
    - Addams Elementary $ 5.8 million
    - Edison High $ 5.3 million
    - Duncan Polytechnical $ 3.3 million
    - Juan Herrera Elementary $ 1.7 million
    - Ericson Elementary $ 1.3 million
    - Sunnyside High $ 1.2 million
    - Columbia Elementary $ 0.9 million
    - Fresno High $ 0.9 million
    - 20 other sites totaling $ 2.2 million

  - Modernization Projects included the following sites totaling $24.2 million:
    - Hoover High $ 3.9 million
    - Yosemite Middle $ 2.5 million
    - Edison High $ 2.0 million
    - Kirk Elementary $ 1.0 million
    - Addicott $ 0.9 million
    - Bullard High $ 0.9 million
    - Fresno High $ 0.7 million
    - Tenaya Middle $ 0.7 million
    - 100 other sites totaling $11.6 million

The General Fund is the chief operating fund of the District. Student enrollment decreased by 197 students during the fiscal year. The funded average daily attendance (ADA) for fiscal year 2022/23 increased by 3,639 ADA from 2021/22, however, the district is funded on a 3-year prior year average, which is approximately 4,062 ADA higher than 2022/23 ADA. The 3-year prior year average provides an additional $58.4 million of relief due to declining ADA.

The Bond Interest and Redemption Fund has adequate resources accumulated to make the principal and interest payments.

The Cafeteria Fund's key elements that highlight the activities in the 2022/23 fiscal year are as follows:

- Approximately 15,600 breakfasts, 54,600 lunches, and 3,300 snacks per day were served, equating to 13.2 million meals annually which is an increase of 1.4 million meals overall from the prior year due to students continuing to return to campus.

- The District received a grant for 60 elementary school sites to participate in the Fresh Fruit and Vegetable Program, making the District the largest grant recipient from the California Department of Education.

- The District continues to participate in the National School Lunch and School Breakfast Programs under the Community Eligibility Provision (CEP), which allows all students at every site to receive a healthy breakfast, lunch, and snack every day.

- Meals are served at 107 locations, utilizing 453 full and part-time employees. The volume of meals served has enabled the program to operate on Federal and State reimbursement without additional contribution from the Unrestricted General Fund.

General Fund Budgetary Highlights

The General Fund budget is composed of the unrestricted and restricted fund budgets. Restricted funds are grants or entitlements that have specified rules on how the funds can be spent. Unrestricted funds may be used as determined by the Board of Education. Education Code 41011 requires unified districts to spend at least 55% towards classroom compensation. In 2022/23, Fresno Unified spent 55.04% towards classroom compensation.

Over the course of the year, the District revised the annual operating budget six times. These budget amendments are authorized per Education Code 42601 and fall into the following categories:

- Changes made to recognize revenue anticipated/received from sources outside the District
- Changes made to recognize expenses

The District is required to present year-end projections at two different intervals (December and March).

The District, as a general rule, requires restricted budgets to stay within their State and/or Federal allocation. The major exceptions include Special Education, Ongoing & Major Maintenance Account and Medi-Cal. In addition to the State and/or Federal allocation, the District contributes Unrestricted General Fund resources to these programs.

Unrestricted Ending Balance

The adopted unrestricted ending balance for 2022/23 was projected to be $289.3 million. The actual 2022/23 ending balance is $328.4 million, a gain of $39.0 million, mainly due to the following:

2021/22 Ending Fund Balance Impacts

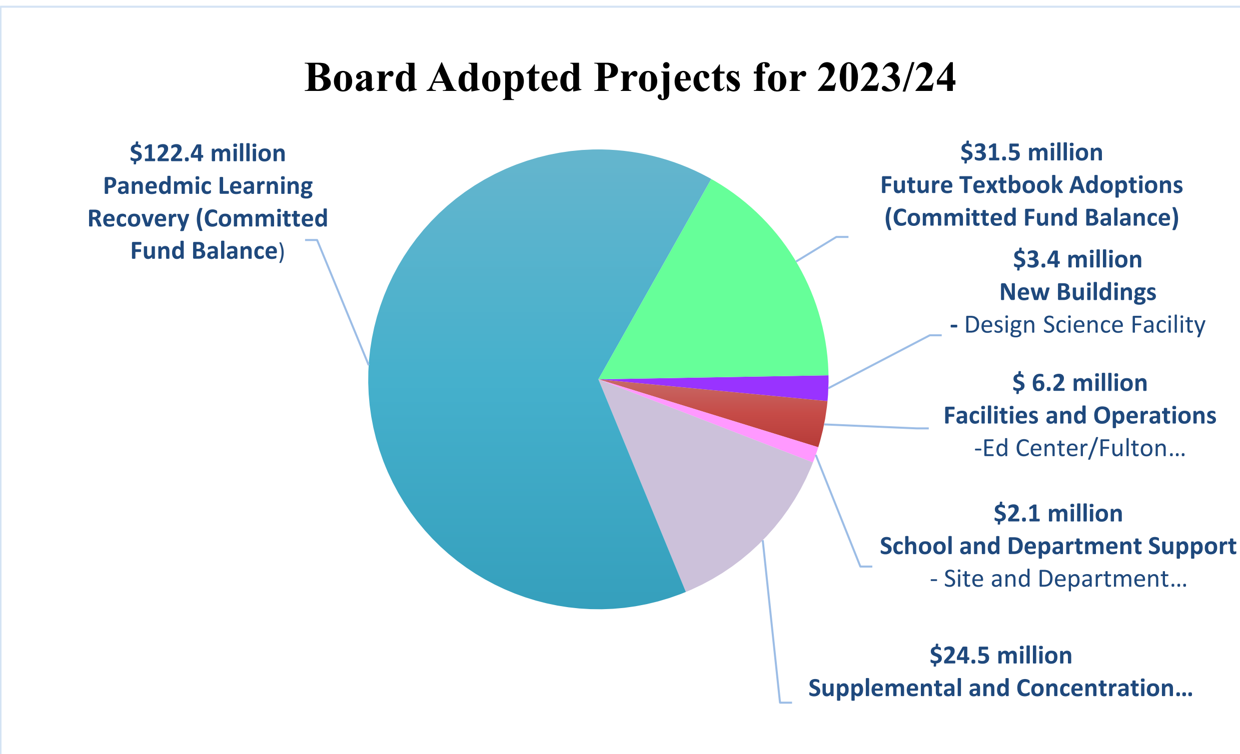
- Actual general fund balance in 2021/22 was lower than the adopted budget by $3.0 million mainly due to:
  - School site and department expenditures lower than anticipated
  - Additional revenue due to increased Unduplicated Pupil Percentage (UPP)
  - Additional one-time lottery, interest income, and Medi-Cal Administrative Activity (MAA) revenue
  - Record the fair value investments held in Fresno County investment pool which reported unrealized losses of (3.17%)

2022/23 Impacts

- An increase in Local Control Funding Formula (LCFF) revenue of $55.0 million due to an increase in Cost-of-Living Adjustment (COLA) from 6.56% to 13.26%
- An increase in Federal, State, and local income of $6.0 million mainly due to transportation funding, one-time MAA revenue, interest income, and lottery - offset by the unrealized loss of investments held with the Fresno County Treasury
- Total expenditures and contributions increased by $19.0 million was recognized due to the following changes:
  - Increased cost to provide an ongoing 6% raise from Adopted Budget of 3% by $19.0 million
  - Salaries were lower than anticipated by $5.0 million
  - School site/department expenditures were lower than anticipated by $5.0 million
  - Purchase of second education center facility of $8.0 million

The Board designated funds for the 2023/24 budget in the amount of $190.1 million for future projects as follows:

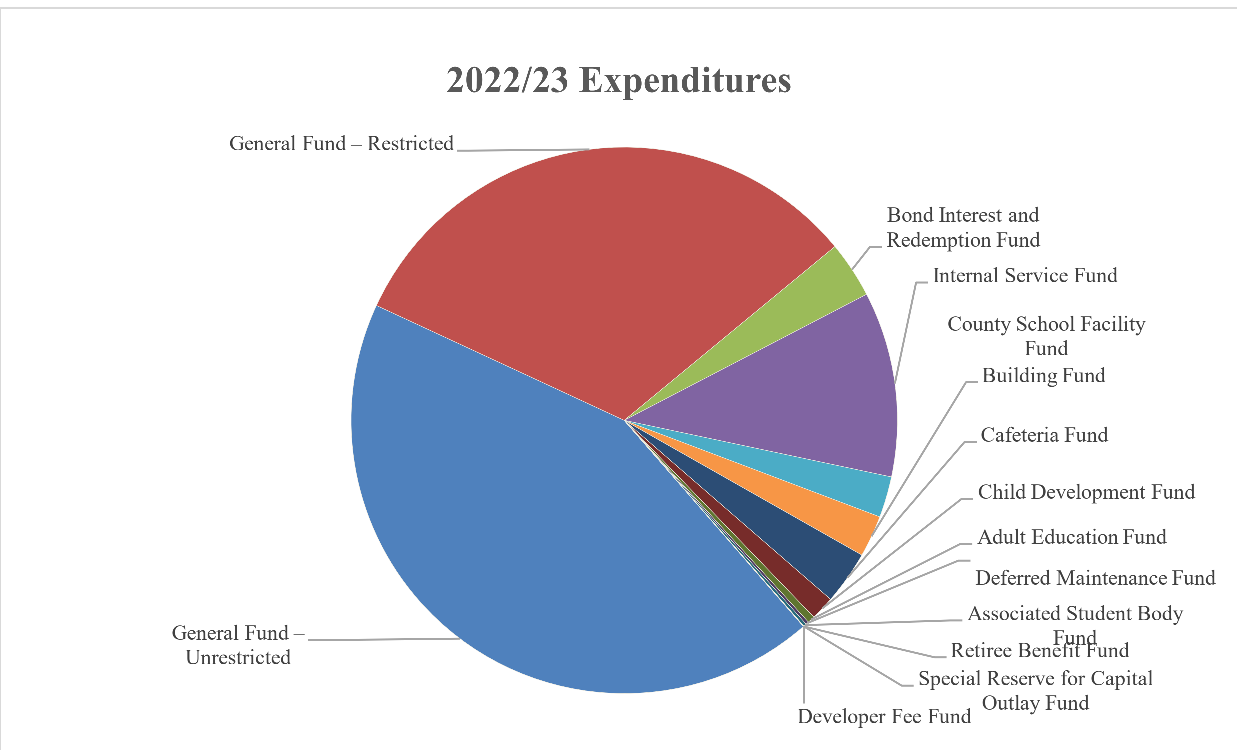
Committed Fund Balance:	
Supplemental and Concentration Carryover	$ 24.5 million
Future Textbook Adoptions	$ 31.5 million
Pandemic Learning	$122.4 million
Assigned Fund Balance:	
Ed Center/Fulton St. Remodel	$ 5.0 million
Design Science Facility	$ 3.4 million
Restroom Renovation	$ 1.2 million
Financial Software Upgrade	$ 1.1 million
Site and Department Carryover	$ 1.0 million



Total expenditures for 2022/23 were $1.9 billion, representing a decrease from 2021/22 of $29 million as listed below (in millions):

Expenditures	2022/23 Unaudited Actuals Expense	2021/22 Unaudited Actuals Expense	Difference	Change
General Fund – Unrestricted	$835.9	$687.5	$148.4	21.6%
General Fund – Restricted	615.1	581.1	34.0	5.9%
Bond Interest and Redemption Fund	64.4	230.6	(166.2)	(72.1%)
Internal Service Fund	211.0	203.5	7.5	3.7%
County School Facility Fund	46.7	91.1	(44.4)	(48.7%)
Building Fund	48.0	74.9	(27.5)	(36.7%)
Cafeteria Fund	60.9	49.3	11.6	23.5%
Child Development Fund	27.3	20.3	7.0	34.5%
Adult Education Fund	8.4	7.7	0.7	9.1%
Deferred Maintenance Fund	3.4	4.1	(0.7)	(17.1%)
Associated Student Body Fund	3.4	2.2	1.2	54.5%
Developer Fee Fund	0.1	1.2	(1.1)	(91.7%)
Special Reserve for Capital Outlay Fund	0.4	0.5	(0.1)	(20.0%)
Retiree Benefit Fund [(A)]	0.1	0.1	0.0	0.0%
Total	$1,925.1	$1,954.1	($29.0)	(1.5%)

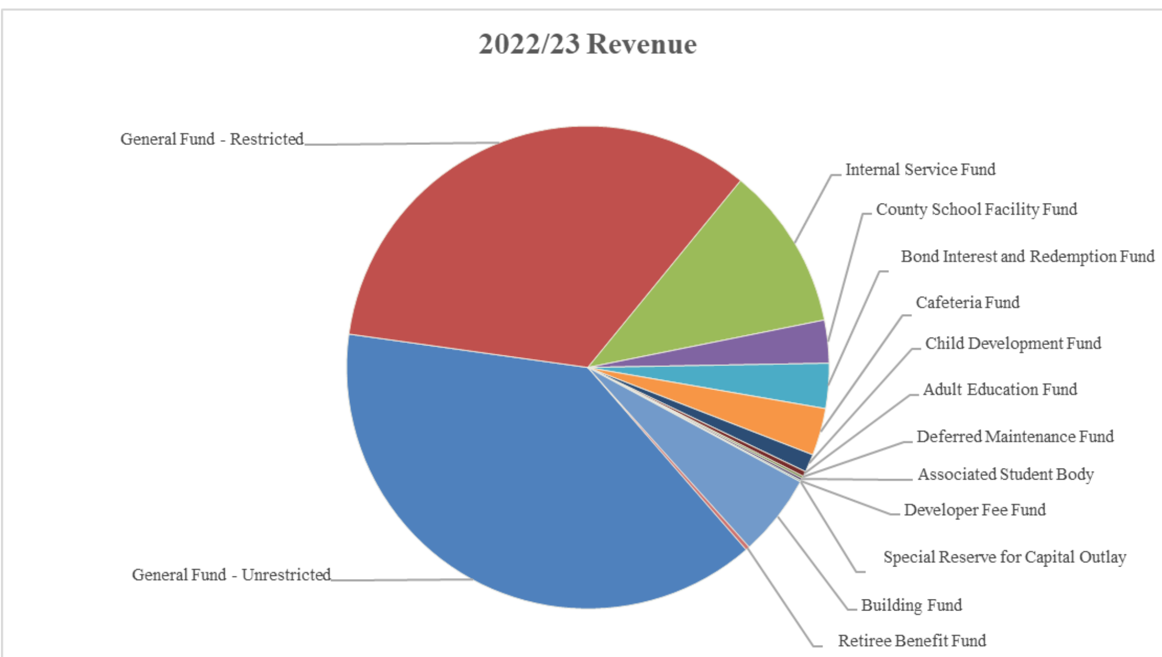
(A) The Retiree Benefit Fund is not included in the District's financial statements. The funds in the California Employers' Retiree Benefit Trust (CERBT) are held in trust and will be administered by the CalPERS as an agent multiple-employer plan. The District's contributions to the irrevocable trust are included in the CERBT, which is included in the CalPERS Annual Comprehensive Financial Report (ACFR).



Total revenue for 2022/23 was $2.3 billion, representing an increase from 2021/22 of $448.0 million as listed below (in millions):

Revenue	2022/23 Unaudited Actuals Revenue	2021/22 Unaudited Actuals Revenue	Difference	Change
General Fund - Unrestricted	$986.5	$772.6	$213.9	27.7%
General Fund - Restricted	654.0	628.9	25.1	4.0%
Internal Service Fund	248.5	213.6	34.9	16.3%
County School Facility Fund	65.3	70.0	(4.7)	(6.7%)
Bond Interest and Redemption Fund	68.4	58.3	10.1	17.3%
Cafeteria Fund	72.0	53.1	18.9	35.6%
Child Development Fund	27.4	20.3	7.1	35.0%
Adult Education Fund	7.8	7.9	(0.1)	(1.3%)
Deferred Maintenance Fund	3.4	4.1	(0.7)	(17.1%)
Associated Student Body	3.7	2.6	1.1	42.3%
Developer Fee Fund	2.2	1.6	0.6	37.5%
Special Reserve for Capital Outlay	0.1	(0.1)	0.2	200.0%
Building Fund	125.5	(1.9)	126.8	6,673.7%
Retiree Benefit Fund[A]	5.9	(5.5)	11.4	207.3%
Total	$2,270.7	$1,825.5	$445.2	24.4%

[A] The Retiree Benefit Fund is not included in the District's financial statements. The funds in the CERBT are held in trust and will be administered by the CalPERS as an agent multiple-employer plan. The District's contributions to the irrevocable trust are included in the CERBT, which is included in the CalPERS Annual Comprehensive Financial Report (ACFR).



Summary of Capital Assets

Governmental Activities, Capital Assets	**2023**	**2022**	**$ Change**	**% Change**
Land	$66,411,797	$ 66,411,797	-	0.00%
Work-in-process	266,026,724	223,076,943	42,949,781	19.25%
Land improvements	134,424,158	119,617,401	14,806,757	12.38%
Buildings	1,156,826,700	1,121,888,371	34,938,329	3.11%
Equipment	53,055,159	44,598,346	8,456,813	18.96%
Capital Assets, cost	$1,676,744,538	$1,575,592,858	$101,151,680	6.42%
Accumulated Depreciation	(577,645,360)	(541,147,792)	(36,497,568)	6.74%
Governmental Activities Capital Assets, net	$1,099,099,178	$1,034,445,066	$64,654,112	6.25%

The District's investment in Capital Assets for its governmental activities as of June 30, 2023 was $1.1 billion (net of accumulated depreciation).

Capital Assets include land, land improvements, buildings, equipment, and work-in-process. Capital Assets continued to grow in the governmental activities as District-wide construction continued due to utilization of Measure M and Measure X funds.

Summary of Long-Term Liabilities

	2023	**2022**	**$ Change**	**% Change**
Governmental Activities				
General Obligation Bonds	$883,477,511	$797,372,603	$86,104,908	10.80%
Accreted Interest	31,837,361	25,531,944	6,305,417	24.70%
Unamortized Premium	37,687,554	35,303,862	2,383,692	6.75%
Other Postemployment Benefits	644,006,970	987,304,445	(343,297,475)	-34.77%
Compensated Absences	4,025,818	5,065,912	(1,040,094)	-20.53%
Net Pension Liability	862,755,000	492,432,000	370,323,000	75.20%
Governmental Long-Term Liabilities	$2,463,790,214	$2,343,010,766	$120,779,448	5.15%

As of June 30, 2023, the District had a total outstanding bonded debt of $883.5 million backed by the full faith and credit of the District.

Total long-term debt for the District increased by $120.8 million. The change in the long-term debt was due mainly to the following: General Obligation Bonds increased $94.8 million, net OPEB liability decreased $343.3 million , pension liabilities increased $370.3 million , and compensated absences decreased $1.0 million .

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was 3.07%.

Economic Factors and Budgets and Rates for 2023/24

The annual process to develop the District's budget begins in the fall with an update to the Board of Education and stakeholders regarding the District's Local Control and Accountability Plan (LCAP) actions and investment areas. The following January the Governor proposes the State budget. Since most of the District's revenue comes from the State, the District carefully derives assumptions from the Governor's proposal, guidance from the Fresno County Superintendent of Schools, and enrollment projections. The 2023/24 Proposed Budget includes recommendations that continue to balance the Board of Education's investments in extensive student programs, competitive employee compensation, and prudent fiscal responsibility.

On June 14, 2023, the Board of Education approved an Adopted Budget for fiscal year 2023/24. The Adopted Budget included a 7.59% unrestricted reserve.

- **The major State assumptions are:**
  - Statutory cost-of-living adjustment of 8.13%
    - Subsequently, the Adopted State Budget increased the COLA to 8.22%
  - The cash flow projected a positive balance of $367.6 million on June 30, 2024
  - Educational Protection Account continues, as required by Proposition 30 (November 2012), which represents 45% ($208.7 million) of the Local Control Funding Formula (LCFF)
  - The District is projected to be funded on the three year prior rolling average ADA
  - LCFF Supplemental and Concentration funding of $280.1 million
- **The local assumptions are as follows:**
  - The Elementary School Aligned Instructional System: Designated sites, instructional aides including kindergarten aides, home school liaisons, police chaplains and campus safety assistants, custodial, clerical supports, administrative support, and health care professionals including a registered nurse, licensed vocational nurse or health assistant and school psychologist
  - The Middle School Aligned Instructional System: Transition teachers and campus culture support, safety investments include campus assistants, custodial support, clerical support, home school liaison, administrative support, and health care professionals including a registered nurse and licensed vocational nurse or health assistant, and school psychologist
  - The High School Aligned Instructional System: Professional learning, librarian, student engagement, campus culture assistant and athletic director support, safety investments include school resource officer, probation officer and campus assistants, custodial support including PE custodians, pool custodians and auditorium custodians, clerical supports including a library technician, administrative support, and health care professionals including a registered nurse and licensed vocational nurse on a daily basis and school psychologist
  - School Site Allocations: Investments for instructional classroom support, after-school activities/athletics, equipment and coaching contracts, as well as supplies for libraries including increase of 10% allocation and continued support from Recovery Funds to lower class size for 9th grade English and elementary staffing

  Improve academic performance at challenging levels
  - Health Services: Addition of nurses, licensed vocational nurses, budget technician, increases license vocational nurses from 6-hour to 7-hour per bargaining agreement, and increases the Supplemental Health Care contracts to support additional services
  - Security Office: Addition of an executive director, manager II, safety school specialists, elementary school campus safety assistants, high school campus safety assistants, alternative school campus safety assistants and training for staff; One-time supports for vehicles, radios and safety supplies, pilot safe route evaluations, elementary cafeteria cameras, deaf and hard of hearing sensors at four sites, pilot vaping sensors and cameras, and replace outdated AED's and provide training
  - Emergency Response: Allocates supplies to expand outreach

- Information Technology: Addition of a director, expands Parsec contract to support district dashboards, and high school drone club support; One-time supports for Harvard Strategic Project Data Fellowship
- Information Technology Learner Support: Addition of a project manager, technician specialist, help desk support, hotspots for students, GoGuardian software licenses, new model student laptop pilot, and paraeducator laptop refresh. In addition, shifts pre-order computer savings from 2024/25 to 2023/24 due to breakage
- Chief Academic Officer: Addition of an executive coach for new leaders and reduces an executive director to support school data psychometrics
- School Site Data & Psychometrics: Addition of an administrative analyst, analyst II, secretary II, and shifts assistant superintendent from alternative education, and provides operational supplies and contracts
- Alternative Education: Addition of library teachers, library technicians, activity director, an office assistant, shifts an assistant superintendent to School Site Data & Psychometrics, and converts contracts to teaching personnel
- African American Academic Acceleration: Supports advisory program for African American students in grades 5-12 and shifts teacher to College and Career Readiness: One-time supports African American Student Leadership; One-time Literacy grant supports expansion of elementary reading program
- Curriculum and Instruction: Supports for IdeaFest, shift Ed Cite contracts from sites to district office, add security for E Street, and support GATE participation

<u>Increase student engagement in the school & community</u>

- Plant Operations: Addition of a manager, district supervisors, high school plant supervisors, grounds worker IV's, ground worker III, grounds worker I, plant coordinator, custodians, office assistant III, field rehabilitation, tree service projects, and annual equipment replacement; In addition, increase utility costs; One-time support of fleet vehicles, custodial and field equipment, service recreational turf district wide, and reorganize Brawley office
- Plant Maintenance: Additional HVAC mechanics, HVAC supervisor, irrigation specialist, lead plumber, plumbers, equipment operator II, mechanic, deferred maintenance projects, curtain repairs, and mold testing and sampling; One-time support of fleet vehicles, tools and equipment, and Laserfiche license
- Nutrition Services: Additional nutrition service assistants, project manager, accountant, wellness coordinator, and executive chef contracts; One-time supports site equipment upgrades
- Transportation: Additional business operations manager, special education dispatcher, driver trainer, accountant, relief drivers, expand free bus passes for full year, upgrade transportation systems, and GPS system; One-time support to upgrade transportation systems, add cameras, an equipment lift, vans, bus rodeo team trailer, CNG compressor, and bus wash system
- Early Learning: Additional paraprofessionals and child development teacher; One-time transitional-kindergarten expansion equipment
- Department of Prevention and Intervention: Additional behavior intervention specialist, technical support specialist, Men's and Women's alliance transportation, Let's Talk full year contract, and materials and supplies offset with climate and culture specialist and supplies
- Equity and Access: Additional director, manager II, support community schools with training and materials and supplies, increase Hanover contract, and add black educator development
- American Indian Education: Additional manager and support for materials and supplies
- Purchasing and Warehouse: Additional warehouse workers; One-time support for forklift, shipment equipment, and mail vans
- Student Engagement: Support for official contracts, enrichment at elementary, and graduation supports

Expand student centered and real-world learning experiences

- Extended Learning: Additional analyst II, executive officer, after school paraprofessionals, after school leads, and TSA for student engagement. In addition, shift the After School program from Fresno County Office of Education to Fresno Unified in 2023/24; all funds are supported by the Expanded Learning Opportunities Grant, After School Grant, and 21st Century. In addition, utilization of carryover to support the aviation facility
- College and Career Readiness: Additional coordinator, teachers, counselors, manager II's, analyst, secretary II, Spanish community liaison, registrar, administrative secretary, child welfare assistant to support Steve Scholars, supports career exploration, historical black colleges, and transportation to support college trips; One-time support of historical black college, counselor professional learning, and dual enrollment
- English Learners: Additional manager

Increase inclusive opportunities for families to engage in their student's education

- Translation Services: Additional Hmong translator, office assistant and supplies
- Parent University: Additional community education specialist offset by contracts in Title I
- Communications: Supports district-wide events and Final Site contract; One-time support for marketing contract
- School Leadership: Additional manager and support for school oversight; One-time support of enterprise software and district-wide staff meetings
- Engagement & External Partnership: Supports marketing and communication
- Board Office: Additional administrative secretary and supplies
- Business and Financial Services: Support budget book software

Increase recruitment and retention of staff reflecting the diversity of the community

- Special Education: Additional guidance learning advisors at specialty schools, administrative secretary II, manager III, program technician, behavior support advisors, budget technician II, school office assistants, convert Lori Ann preschool teachers from 206 days to 215 days, paraeducators, upgrade 86 positions paraeducators to support diapering and toileting, and upgrade 58 paraeducator positions from 3.5 hours to 6 hours
- Human Resources: Additional administrator, directors, manager III's, coordinator I's, administrative analyst, analyst II, data specialist II's, artificial intelligence to support reporting, and training protocol for new hires; One-time support for negotiation costs, supplies for new staff, development of orientation and training modules, and contract to recruit hard-to-fill positions
- Leadership Development: Additional administrative secretary
- State and Federal: Additional project manager; shifts analyst from one-time recovery funds
- Charter Office: Additional manager
- 4% salary increase based on contingency language
- One-time allocations using recovery funds include:
    - Health Services: Support personal protective equipment for sites
    - Information Technology Learner Support: Support for Bullard FLATS location and high school flat panel displays
    - Alternative Education: Support for teaching personnel, credit recovery, and Home & Hospital technology
    - African American Academic Acceleration: Support of a manager
    - Curriculum and Instruction: Supports for home libraries, tier II intervention materials, teacher development (Algebra, Literacy, Science, World Language, Ethnic Studies, Math Lesson Design, 2-day Learning Summit), winter and summer classified professional learning, digital lessons, Tutor.com, First K-3 reading licenses, and ethnic studies curriculum. In addition, support African American and Latin X history participation
    - Plant Maintenance: Support carryover of HVAC projects, support space and Farber building

  - Early Learning: Support for assessment and outreach, health and safety classroom kits, creative license, and professional learning
  - Department of Prevention and Intervention: Support for registered behavior technician contract, professional development for restorative practices and responding to behaviors, Care Solace and substance abuse contract, counselors, manager III, Office Assistant III, child welfare and attendance specialists, social workers, behavioral intervention specialists, guidance learning advisor, and behavior support advisor
  - Student Engagement: Support summer athletic bridge program, replacement of uniforms and equipment
  - College and Career Readiness: Support IMAGO contract
  - English learners: Support Tiger Bytes application, peer mentoring services, Rosetta Stone licenses, Hmong consultant, Orchid Translation services, and professional learning
  - Parent University: Support professional development for home school liaisons and family leadership advocacy
  - Special Education: Support for registered behavioral technician contract, Wonderworks Goalbook, and paraeducator contract support
  - Leadership Development: Support for vice principal mentors, new administrator coaching, 3-day administrator summer institute, breakthrough leadership, coaching equity session
  - Teacher Professional Development: Supports for tuition fees for year one and two interns, partnership with Fresno Pacific for masters in reading, math institute, literacy institute, summer Teacher Academy, Special Education Teacher Residency, STEAM pipeline, Dual Immersion Academy, literacy master and dual enrollment, Ethnic Studies Institute, Aspiring Teacher cohort, Coaching Institute, Teacher Tutoring Academy, extra days for TSA's to support summer and winter programs, and Substitute Teacher pipeline

- Multi-Year Items:
  - Future Textbook Adoptions: Commit for other subject areas to be identified in future years
  - Pandemic Learning Recovery in 2022/23 and 2023/24 to support a phased-in and balanced approach
  - STRS and PERS increased employer rates:

Year	STRS Employer Rate	PERS Employer Rate	Annual Increase/Decrease to District Contribution	Annual District Contribution
2023/24	19.10%	26.68%	$2.1 million	$238.0 million
2024/25	19.10%	27.70%	$1.4 million	$239.4 million
2025/26	19.10%	28.30%	$0.9 million	$240.3 million

  - Unemployment Rate – Decreased to .005% for a savings of $2.6 million.
  - An Unrestricted General Fund contribution of $1.5 million and a $2.0 million contribution from the Health Fund to the OPEB irrevocable trust for all years
- Benefit Rates:
  - Increase the Health rate in accordance with the current employee bargaining agreements by $1,355 to $24,370 per employee. For each active eligible employee, the contribution to the Health Fund is estimated to increase by $507 in 2024/25, and an additional $728 in 2025/26, equating to $3.5 million and $4.9 million accordingly
  - Workers' Compensation Rate – Decreased to maintain a 90% liability reserve for a savings of $1.6 million

Employee Benefits

The District provides post-employment health benefits to all District employees (employed before July 1, 2005) and their dependents, with a minimum of 16 years of service who retire at a minimum of 57½ years of age. For employees hired on or after July 1, 2005, the District provides five years of post-employment medical benefits to District employees and their dependents, with a minimum of 25 years of service who retire at least 60 years of age. GASB 74 and GASB 75, are governmental accounting standards that direct how State and local governments will account for these benefits.

The District's most recent actuarial study calculated the total gross liability for post-employment benefits to be $713.8 million in September 2023 which is a decrease of $292.9 million since October 2021. The District established an irrevocable trust in 2013/14. The Trust Fund increased by $5.9 million and at the end of 2022/23 had an ending fund balance of $69.8 million. In 2023/24, the District plans to transfer $3.5 million to the OPEB irrevocable trust. At June 30, 2023, the total net OPEB liability was $644.0 million.

Included in total employee statutory benefits are the District's contributions to CalPERS and CalSTRS on behalf of employees' pensions. The employer contribution rates for CalSTRS and CalPERS began to increase in 2014/15 from rates of 8.25% and 11.44% respectively. CalSTRS rates are currently legislated to remain at 19.1% through 2026/27 and CalPERS projects rate increases through 2026/27 to 28.7%.

Fresno Unified ranks third in spending for total employee benefits per ADA when compared to the largest ten districts in the State and two of the largest local districts. The District outspends the average by $984/ADA. If the District spent at the average of those other districts of $4,952/ADA, annual savings generated equates to $65.4 million. Furthermore, the District's total benefits per ADA expense for 2022/23 increased by $727 over 2021/22.

Pension Liability

The District contributes to CalSTRS and CalPERS on behalf of employees. GASB 68 is a governmental accounting standard that directs how state and local governments will account for these pensions. GASB 68 requires all employers to recognize the long-term pension liability on their financial statements. The District has made the statutory contribution and does not make any investment decisions on the fund, as these plans are governmental controlled plans.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the Office of the Chief Financial Officer, Office Business and Financial Services at (559) 457-6226.

BASIC FINANCIAL STATEMENTS

	Governmental Activities
ASSETS	
Cash and cash equivalents (Note 2)	$ 1,103,167,920
Investments (Note 2)	58,367,116
Receivables	114,090,707
Prepaid expenses	5,644,963
Stores inventory	6,016,386
Non-depreciable capital assets (Note 4)	332,438,521
Depreciable capital assets, net of accumulated depreciation (Note 4)	766,660,657
Total assets	2,386,386,270
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 8 and 9)	329,388,364
Deferred outflows of resources - loss from refunding of debt	12,353,900
Deferred outflows of resources - OPEB (Note 10)	54,485,387
Total deferred outflows	396,227,651
LIABILITIES	
Accounts payable and other current liabilities	175,468,548
Unearned revenue	37,548,693
Self-insurance claims liability (Note 5)	62,317,056
Long-term liabilities (Note 6):	
Due within one year	38,594,600
Due after one year	2,425,195,614
Total liabilities	2,739,124,511
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 8 and 9)	130,955,000
Deferred inflows of resources - OPEB (Note 10)	464,900,647
Total deferred inflows	595,855,647
NET POSITION	
Net investment in capital assets	395,708,280
Restricted:	
Legally restricted programs	258,516,129
Capital projects	56,290,931
Debt service	120,327,312
Self insurance	113,860,005
Unrestricted	(1,497,068,894)
Total net position	$ (552,366,237)

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 717,027,201	$ 820,073	$ 458,569,687	$ 21,361,963	$ (236,275,478)
Instruction-related services:					
Supervision of instruction	82,238,009	572,183	55,932,086	-	(25,733,740)
Instructional library and technology	15,195,824	-	11,968,631	-	(3,227,193)
School site administration	73,012,346	84,319	11,860,639	-	(61,067,388)
Pupil services:					
Home-to-school transportation	20,638,818	-	10,127,827	-	(10,510,991)
Food services	62,960,599	146,906	68,636,425	-	5,822,732
All other pupil services	117,268,464	1,281,931	44,525,359	-	(71,461,174)
General administration:					
Data processing	13,826,530	-	3,993,732	-	(9,832,798)
All other general administration	42,847,927	92,738	16,525,417	-	(26,229,772)
Plant services	147,749,062	42,179	11,861,938	-	(135,844,945)
Ancillary services	60,115,059	-	48,607,803	-	(11,507,256)
Community services	3,794,764	1,828	4,044,644	-	251,708
Enterprise activities	2,064,171	25,472	447,308	-	(1,591,391)
Interest on long-term liabilities	31,662,276	-	-	-	(31,662,276)
Other outgo	5,146,769	899,002	1,800,603	-	(2,447,164)
Depreciation (unallocated) (Note 4)	37,267,662	-	-	-	(37,267,662)
Total governmental activities	$1,432,815,481	$ 3,966,631	$ 748,902,099	$ 21,361,963	(658,584,788)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	85,104,536
Taxes levied for debt service	62,643,956
Taxes levied for other specific purposes	1,067,104
Federal and state aid not restricted to specific purposes	893,451,320
Interest and investment earnings (loss)	(5,349,747)
Miscellaneous	15,456,181
Total general revenues	1,052,373,350
Change in net position	393,788,562
Net Position, July 1, 2022	(946,154,799)
Net position, June 30, 2023	$ (552,366,237)

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents:					
Cash in County Treasury	$ 598,900,125	$ 191,876,956	$ 61,585,275	$ 38,117,551	$ 890,479,907
Cash in revolving fund	43,534	-	-	550	44,084
Cash on hand and in banks	34,399,869	-	-	5,234,540	39,634,409
Investments	-	-	58,367,116	-	58,367,116
Receivables	97,937,758	1,310,515	374,921	13,287,403	112,910,597
Prepaid expenditures	2,189,659	-	-	40,194	2,229,853
Due from other funds	17,479,382	6,231,045	-	67,989,365	91,699,792
Stores inventory	3,028,901	-	-	2,987,485	6,016,386
Total assets	$ 753,979,228	$ 199,418,516	$ 120,327,312	$ 127,657,088	$1,201,382,144
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 150,762,576	$ 8,999	$ -	$ 10,381,795	$ 161,153,370
Unearned revenue	31,512,482	-	-	6,036,211	37,548,693
Due to other funds	17,830,306	53,580,238	-	21,916,137	93,326,681
Total liabilities	200,105,364	53,589,237	-	38,334,143	292,028,744
Fund balances:					
Nonspendable	5,262,094	-	-	3,028,229	8,290,323
Restricted	225,484,115	145,829,279	120,327,312	86,294,716	577,935,422
Committed	178,444,897	-	-	-	178,444,897
Assigned	11,728,000	-	-	-	11,728,000
Unassigned	132,954,758	-	-	-	132,954,758
Total fund balances	553,873,864	145,829,279	120,327,312	89,322,945	909,353,400
Total liabilities and fund balances	$ 753,979,228	$ 199,418,516	$ 120,327,312	$ 127,657,088	$1,201,382,144

Total fund balances - Governmental Funds		$ 909,353,400
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $1,676,744,538 and the accumulated depreciation is $577,645,360 (Note 4).		1,099,099,178
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2023 consisted of (Note 6):		
General Obligation Bonds	$ (883,477,511)	
Unamortized premiums	(37,687,554)	
Accreted interest	(31,837,361)	
Net OPEB liability (Note 10)	(644,006,970)	
Net pension liability (Notes 8 and 9)	(862,755,000)	
Compensated absences	(4,025,818)	
		(2,463,790,214)
Internal service funds are included in the government-wide financial statements.		113,860,005
Losses on refundings of debt are categorized as deferred outflows and are amortized over the shorter life of the refunded or refunding of the debt.		12,353,900
In government funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred outflows of resources - pensions (Note 8 and 9)	$ 329,388,364	
Deferred outflows of resources - OPEB (Note 10)	54,485,387	
Deferred inflows of resources - pensions (Notes 8 and 9)	(130,955,000)	
Deferred inflows of resources - OPEB (Note 10)	(464,900,647)	
		(211,981,896)
Unmatured interest on long-term liabilities is recognized in the period incurred.		(11,260,610)
Total net position - governmental activities		$ (552,366,237)

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	$ 873,879,788	$ -	$ -	$ -	$ 873,879,788
Local sources	80,837,235	-	-	-	80,837,235
Total LCFF	954,717,023	-	-	-	954,717,023
Federal sources	270,046,404	-	-	55,882,982	325,929,386
Other state sources	399,756,490	-	404,077	70,214,912	470,375,479
Other local sources	15,933,182	-	64,279,002	8,948,412	89,160,596
Total revenues	1,640,453,099	-	64,683,079	135,046,306	1,840,182,484
Expenditures:					
Current:					
Certificated salaries	519,899,450	-	-	11,425,967	531,325,417
Classified salaries	190,895,573	-	-	24,476,898	215,372,471
Employee benefits	395,818,111	-	-	26,284,506	422,102,617
Books and supplies	109,968,616	-	-	36,266,935	146,235,551
Contract services and operating expenditures	177,508,908	1,236,565	-	20,274,342	199,019,815
Other outgo	5,146,769	-	-	-	5,146,769
Capital outlay	51,752,075	-	-	29,761,047	81,513,122
Debt service:					
Principal retirement	-	-	38,895,092	-	38,895,092
Interest	-	-	25,459,705	-	25,459,705
Total expenditures	1,450,989,502	1,236,565	64,354,797	148,489,695	1,665,070,559
Excess (deficiency) of revenues over (under) expenditures	189,463,597	(1,236,565)	328,282	(13,443,389)	175,111,925
Other financing sources (uses):					
Transfers in	5,580,450	-	-	46,725,251	52,305,701
Transfers out	(3,353,446)	(46,725,251)	-	(2,227,004)	(52,305,701)
Proceeds from the sale of bonds	-	125,000,000	-	-	125,000,000
Debt issuance premiums	-	497,250	3,826,463	-	4,323,713
Total other financing sources (uses)	2,227,004	78,771,999	3,826,463	44,498,247	129,323,713
Net change in fund balances	191,690,601	77,535,434	4,154,745	31,054,858	304,435,638
Fund balances, July 1, 2022	362,183,263	68,293,845	116,172,567	58,268,087	604,917,762
Fund balances, June 30, 2023	$ 553,873,864	$ 145,829,279	$ 120,327,312	$ 89,322,945	$ 909,353,400

See accompanying notes to financial statements.

Net change in fund balances - Total Governmental Funds		$ 304,435,638
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	$ 101,921,774	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(37,267,662)	
In the governmental funds, proceeds from the issuance of debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt.	(125,000,000)	
In the governmental funds, debt issued at a premium is recognized as an other financing source. In the government-wide statements debt issued at a premium is amortized as interest over the life of the debt (Note 6).	(2,383,692)	
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 6).	38,895,092	
Accreted interest is an expense that is not recorded in the governmental funds (Note 6).	(6,305,417)	
Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is due.	(1,112,706)	
Activities of the internal service fund are reported with governmental activities.	37,429,222	
Losses on refundings of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt.	(724,469)	
In the governmental funds, OPEB is recognized when employers contributions are made. In the government-wide statements, other post-employment benefits are recognized on the accrual basis (Note 6 and 10).	42,272,873	

(Continued).

In the government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual -basis pension costs and actual employer contributions was (Note 8 and 9).	$ 40,587,815	
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 6).	1,040,094	$ 89,352,924
Change in net position of governmental activities		$ 393,788,562

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
June 30, 2023

ASSETS	
Current assets:	
Cash and investments (Note 2):	
Cash in County Treasury	$ 173,009,420
Cash on hand and in banks	100
Receivables	1,180,110
Due from other funds (Note 3)	2,109,920
Prepaid expenditures	3,415,110
Total current assets	179,714,660
LIABILITIES	
Current liabilities:	
Accounts payable	3,054,568
Due to other funds (Note 3)	483,031
Self-insurance claims liability (Note 5)	62,317,056
Total current liabilities	65,854,655
NET POSITION	
Net position - restricted	$ 113,860,005

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
For the year ended June 30, 2023

Operating revenues:	
Self insurance premiums	$ 248,018,606
Operating expenses:	
Classified salaries	1,940,181
Employee benefits	1,150,363
Books and supplies	5,842
Contract services	205,925,935
Total operating expenses	209,022,321
Operating income	38,996,285
Non-operating revenues (expense):	
Interest income	3,148,298
Net decrease in fair value of Cash in County Treasury	(2,715,361)
Contribution to California Employers' Retiree Benefit Trust (CERBT)	(2,000,000)
Total non-operating (expense) revenues	(1,567,063)
Change in net position	37,429,222
Net position, July 1, 2022	76,430,783
Net position, June 30, 2023	$ 113,860,005

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
For the year ended June 30, 2023

Cash flows from operating activities:	
Cash received from self-insurance premiums	$ 240,007,670
Cash received from user charges	9,724,864
Cash paid for employee benefits	(206,106,431)
Cash paid for salaries	(3,090,544)
Cash paid for other expenses	(5,842)
Net cash provided by operating activities	40,529,717
Cash flows from noncapital financing activities:	
Contribution to CERBT	(2,000,000)
Cash flows from investing activities:	
Change in Cash in County Treasury value	(2,715,361)
Interest income received	2,432,387
Net cash used in investing activities	(282,974)
Increase in cash and investments	38,246,743
Cash and investments, July 1, 2022	134,762,777
Cash and investments, June 30, 2023	$ 173,009,520
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 38,996,285
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in:	
Amount due from other funds	1,713,928
Prepaid expenditures	(478,252)
Increase (decrease) in:	
Accounts payable	(444,991)
Amount due to other funds	(2,744,711)
Unpaid claims and claim adjustment expenses	3,487,458
Total adjustments	1,533,432
Net cash provided by operating activities	$ 40,529,717

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fresno Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California 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 as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

Reporting Entity: The Board of Education is the level of government which has governance responsibilities over all activities related to public school education in Fresno Unified School District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District receives funding from local, state and federal government sources and must comply with all the requirements of these funding source entities.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis (MD & A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Cod. Sec. N50.118-.121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of indirect expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense and interest on general long-term liabilities are considered indirect expenses and are reported separately on the Statement of Activities.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

1 - *General Fund*:

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund, are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

2 - *Building Fund*:

The Building Fund is a capital project funds used to account for resources used for the acquisition of capital facilities by the District.

3 - *Bond Interest and Redemption Fund*:

The Bond Interest and Redemption Fund is a debt service fund used to account for resources used for the payment of general long-term liabilities principal, interest and related costs.

B - Other Funds

1 - *Special Revenue Funds*:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes the Student Activity, Adult Education, Child Development, Cafeteria, and Deferred Maintenance Funds.

2 - *Capital Project Funds*:

The Capital Project Funds are used to account for resources used for the acquisition of capital facilities by the District. This includes the Capital Facilities, County School Facilities, and Special Reserve for Capital Outlay Projects Funds.

3 - *Self Insurance Fund*:

The Self-Insurance Fund is an internal service fund which is used to account for the District's property and liability claims, workers' compensation claims, and health benefits to current and retired employees, including medical, vision, dental and long-term sick leave. Included in the Self-Insurance Fund's nonoperating activities are contributions to fund the irrevocable OPEB trust fund and interest income.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Accrual: Governmental activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting: By state law, the Board of Education must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Education complied with these requirements.

Receivables: Receivables are made up principally of amounts due from the State of California for the Local Control Funding Formula and categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2023.

Stores Inventory: Stores inventory in the General, Student Activity and Cafeteria Funds consists mainly of consumable supplies and instructional materials held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools and offices.

Capital Assets: Capital assets purchased or acquired, with an original cost of $15,000 or more, or an original cost of $5,000 or more when purchased with Federal resources, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 2 - 50 years depending on asset types.

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Additionally, the District has recognized deferred outflows of resources related to the recognition of the pension and OPEB liabilities reported, which are in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized deferred inflows of resources related to the recognition of the pension and OPEB liabilities reported, which are in the Statement of Net Position.

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 State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP an PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Certain investments are reported at fair value. The following is a summary of pension amounts in the aggregate:

	STRP	PERF B	Total
Deferred outflows of resources	$ 211,879,042	$ 117,509,322	$ 329,388,364
Deferred inflows of resources	$ 122,455,000	$ 8,500,000	$ 130,955,000
Net pension liability	$ 521,129,000	$ 341,626,000	$ 862,755,000
Pension expense	$ 84,650,991	$ 48,851,522	$ 133,502,513

Compensated Absences: Compensated absences benefits are recorded as a liability of the District. The liability of $4,025,818 is for the earned but unused benefits.

Accumulated Sick Leave: Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the District since cash payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period that sick leave is taken.

Unearned Revenue: Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: Net position is displayed in three components:

1. *Net Investment in Capital Assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted Net Position* - Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for self-insurance represents the portion of net position restricted for the District's property and liability claims, workers' compensation claims and health benefits to current and retired employees. It is the District's policy to use restricted net position first when allowable expenditures are incurred.
3. *Unrestricted Net Position* – All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, Fund Balance Reporting and Governmental Fund Type Definitions (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - Restricted Fund Balance:

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide and proprietary fund statements.

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel within the District to assign fund balances. At June 30, 2023, the District had assigned a portion of the fund balance for the General Fund.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E - Unassigned Fund Balance:

In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements if they have been adopted by the Board of Education. On July 30, 2008, the Board approved Board Policy 3100 establishing levels for the general fund reserve for economic uncertainties of five percent to ten percent of total expenditures.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Fresno bills and collects taxes for the District. Tax revenues are recognized by the District when received.

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

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Estimates: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements: In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. GASB Statement No. 96 defines a subscription-based information technology arrangement and requires the recognition of a right to use subscription asset and corresponding subscription liability. This statement was effective for fiscal years beginning after June 15, 2022. There was no impact to the District’s July 1, 2022 net position as a result of the implementation of GASB Statement No. 96.

(Continued)

NOTE 2 - CASH AND INVESTMENTS

District cash and investments at June 30, 2023 consisted of the following:

	Governmental Activities		
	Governmental Funds	Proprietary Fund	Total
Pooled Funds:			
Cash in County Treasury	$ 890,479,907	$ 173,009,420	$1,063,489,327
Deposits:			
Cash on hand and in banks	39,634,409	100	39,634,509
Cash in revolving fund	44,084	-	44,084
Total deposits	39,678,493	100	39,678,593
Investments	58,367,116	-	58,367,116
Total cash and investments	$ 988,525,516	$ 173,009,520	$ 1,161,535,036

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Fresno County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the Fresno County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2023, the Fresno County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2023, the carrying amount of the District's accounts was $39,196,229 and the bank balances were $32,492,199. The total uninsured bank balance at June 30, 2023 was $31,480,121.

Cash balances held in credit unions are insured by the National Credit Union Association. At June 30, 2023, the carrying amount of the District's accounts was $482,364 and the credit union balances were $482,717. The total uninsured credit union balance at June 30, 2023 was $232,717.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments: In October 2016, the District issued crossover refunding bonds and the bond proceeds were deposited into an irrevocable escrow fund to be funded, invested and held. Amounts held in the escrow fund will be applied to (a) pay respective interest due on the 2016 Refunding Bonds to and including the crossover dates, and (b) on the crossover date, pay the redemption price of the refunded prior bonds. The amounts Investments at June 30, 2023 are reported at fair value and consisted of the following:

	Rating	2023
Investments:		
U.S. Treasury Notes	Aaa	$ 58,365,266
Money Market account	N/A	1,850
Total investments		$ 58,367,116

Investment security ratings reported as of June 30, 2023 are defined by Moody's.

The following presents information about the District's assets measured at fair value on a recurring basis as of June 30, 2023, and indicates the fair value hierarchy of the valuation techniques utilized by the District to determine such fair value based on the hierarchy:

Level 1 – Quoted market prices or identical instruments traded in active exchange markets.

Level 2 – Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability.

The District is required or permitted to record the following assets at fair value on a recurring basis:

	2023			
Description	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Notes	$ 58,365,266	$ -	$ 58,365,266	$ -
Money Market account	1,850	-	1,850	-
	$ 58,367,116	$ -	$ 58,367,116	$ -

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

The District’s investments are generally classified in Level 2 of the fair value hierarchy because they are valued using broker or dealer quotations, or alternative pricing sources with reasonable level of price transparency. The types of investments valued based on observable inputs includes U.S. Treasury Notes and Foreign Issues are classified within level 2 of the fair value hierarchy.

The District had no non-recurring assets and no liabilities at June 30, 2023 which were required to be disclosed using the fair value hierarchy.

Investment Interest Rate Risk: The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Maturities of investments held at June 30, 2023 consist of the following:

		Maturity		
	Fair Value	Less Than One Year	One Year through Five Years	Six Years through Ten Years
Investments securities:				
U.S. Treasury Notes	$ 58,365,266	$ 58,365,266	$ -	$ -
Money Market account	1,850	1,850	-	-
Total	$ 58,367,116	$ 58,367,116	$ -	$ -

Investment Credit Risk: The District's investment policy limits investment choices to obligations of the United States Treasury, sweep accounts and trustee banks and guaranteed investment contracts. At June 30, 2023, all investments represented U.S. Treasury Notes and Foreign Issue Notes which were issued, registered and held by the Escrow Agent.

Concentration of Investment Credit Risk: At June 30, 2023, the District had $58,365,266 in U.S. Treasury Notes which represented more than five percent of the District's total investments.

(Continued)

NOTE 3 - INTERFUND TRANSACTIONS

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

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances at June 30, 2023 were as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
Major Funds:		
General	$ 17,479,382	$ 17,830,306
Building	6,231,045	53,580,238
Non-Major Funds:		
Student Activities	183	184,153
Adult Education	50,316	1,904,754
Child Development	5,625,062	11,858,232
Cafeteria	7,671,941	7,774,486
Deferred Maintenance	-	49,046
Capital Facilities	-	145,466
County School Facilities	52,641,774	-
Special Reserve for Capital Outlay Projects	2,000,089	-
Proprietary Fund:		
Self-Insurance	2,109,920	483,031
Total	$ 93,809,712	$ 93,809,712

(Continued)

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

Transfers: Transfers consists of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Transfers for the 2022-23 fiscal year were as follows:

Transfer from the Building Fund to the County School Facilities Fund to contribute for the local share by project.	$ 43,371,805
Transfer from the General Fund to the Deferred Maintenance Fund for the State Deferred Allocation, as received in the General Fund.	3,353,446
Transfer from the Building Fund to the General Fund to contribute to Routine Restricted Maintenance.	3,353,446
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	1,137,745
Transfer from the Child Development Fund to the General Fund for indirect costs.	827,512
Transfer from the Adult Education Fund to the General Fund for indirect costs.	195,637
Transfer from the Capital Facilities Fund to the General Fund for indirect costs.	66,110
	$ 52,305,701

(Continued)

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2023 is shown below:

	Balance July 1, 2022	Transfers and Additions	Transfers and Deletions	Balance June 30, 2023
Governmental Activities				
Non-depreciable:				
Land	$ 66,411,797	$ -	$ -	$ 66,411,797
Work-in-process	223,076,943	93,464,961	50,515,180	266,026,724
Depreciable:				
Land improvements	119,617,401	14,806,757	-	134,424,158
Buildings	1,121,888,371	35,708,423	770,094	1,156,826,700
Equipment	44,598,346	8,456,813	-	53,055,159
Totals, at cost	1,575,592,858	152,436,954	51,285,274	1,676,744,538
Less accumulated depreciation:				
Land improvements	(63,008,895)	(5,648,618)	-	(68,657,513)
Buildings	(444,814,799)	(28,997,498)	(770,094)	(473,042,203)
Equipment	(33,324,098)	(2,621,546)	-	(35,945,644)
Total accumulated depreciation	(541,147,792)	(37,267,662)	(770,094)	(577,645,360)
Governmental activities capital assets, net	$ 1,034,445,066	$ 115,169,292	$ 50,515,180	$ 1,099,099,178

Depreciation expense was charged to governmental activities for the year end June 30, 2023 as follows:

Governmental activities:	
Unallocated	$ 37,267,662

NOTE 5 - SELF-INSURANCE

The District has established a self-insurance fund to account for the risk of loss for property and liability, workers' compensation, and employee health benefits. For the year ended June 30, 2023, the District was self-insured up to $2,000,000 for each workers' compensation claim, $250,000 for each property claim, and $1,000,000 for each liability claim. The District purchased commercial excess insurance for claims above the self-insured retention.

The property and liability claims liability of $5,167,664 is based on an actuarial projected estimate at June 30, 2023, discounted at .25%. The workers' compensation claims liability of $32,097,871 is based on an actuarial projected estimate at June 30, 2023, discounted at 3.5%. The health claims liability of $25,051,521 is based on an actuarial projected estimate at June 30, 2023, discounted at 3.0% - 6.0%. The liability for all programs includes a component for unallocated loss adjustment expenses. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. Changes in the claims liability for the years ended June 30, 2023 and 2022 were as follows:

	Property and Liability	Workers' Compen-sation	Health	Total
Claims liability at June 30, 2021	$ 3,143,815	$ 31,001,698	$ 21,888,321	$ 56,033,834
Incurred claims	5,259,210	8,348,030	183,750,812	197,358,052
Paid claims	(5,102,019)	(7,048,456)	(182,411,813)	(194,562,288)
Claims liability at June 30, 2022	3,301,006	32,301,272	23,227,320	58,829,598
Incurred claims	9,052,047	8,480,768	189,425,422	206,958,237
Paid claims	(7,185,389)	(8,684,169)	(187,601,221)	(203,470,779)
Claims liability at June 30, 2023	$ 5,167,664	$ 32,097,871	$ 25,051,521	$ 62,317,056

(Continued)

NOTE 6 - LONG-TERM LIABILITIES

General Obligation Bonds

Series	Interest Rate %	Date of Issuance	Maturity Date	Original Issuance	Outstanding July 1, 2022	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2023
1999 Series C	4.5 - 5.125%	1999	2023	$ 40,640,000	$ 820,000	$ -	$ 820,000	$ -
2002 Series A	2.25 - 6.0%	2002	2027	65,485,000	18,330,000	-	4,880,000	13,450,000
2004 GO Refunding 1995 Series B	1.70 - 5.25%	2004	2028	58,040,000	16,895,000	-	3,425,000	13,470,000
2001 Series F	5.48%	2009	2026	29,429,022	10,429,219	-	2,400,086	8,029,133
2010 GO Refunding	2.0 - 4.0%	2010	2023	12,040,000	1,065,000	-	1,065,000	-
2001 Measure K Series G	5.39 - 11.814%	2011	2023	55,570,915	275,006	-	275,006	-
2012 GO Refunding Series A	1.0 - 4.5%	2012	2023	39,895,000	1,775,000	-	1,775,000	-
2010 Measure Q Series C	2% - 5.5%	2012	2047	54,997,540	45,105,385	-	-	45,105,385
2015 GO Refunding	2.0% - 5.0%	2015	2031	14,555,000	10,450,000	-	735,000	9,715,000
2010 Series E Current Interest	2.0% - 5.0%	2015	2041	49,565,000	14,825,000	-	-	14,825,000
2010 Series E Capital Appreciation	2.0% - 5.0%	2015	2028	5,433,095	2,799,706	-	-	2,799,706
2016 GO Refunding Series A	3.13% - 3.6%	2016	2042	60,480,000	60,480,000	-	-	60,480,000
2010 Measure Q Series F	2.0% - 4.0%	2016	2042	30,010,000	25,890,000	-	-	25,890,000
2016 GO Refunding Series B	4.0% - 5.0%	2016	2047	59,590,988	59,590,988	-	-	59,590,988
2016 Series A Current Interest	2.0% - 5.0%	2018	2044	38,500,000	12,820,000	-	-	12,820,000
2016 Series A Capital Appreciation	2.0% - 5.0%	2018	2032	21,496,623	9,899,294	-	-	9,899,294
2019 GO Refunding	2.317 - 3.756%	2019	2042	103,738,005	103,738,005	-	-	103,738,005
2016 Measure X Series B	3.0 - 4.0%	2019	2044	75,000,000	53,840,000	-	-	53,840,000
2016 Measure X Series C	2.5 - 4.0%	2021	2044	45,000,000	36,295,000	-	-	36,295,000
2016 Measure X Series D	2.0 - 3.0%	2021	2037	45,000,000	45,000,000	-	3,380,000	41,620,000
2020 Measure M Series A	3.0 - 4.0%	2021	2056	80,000,000	74,775,000	-	9,035,000	65,740,000
2020 GO Refunding	0.237 - 3.013%	2021	2048	92,615,000	91,625,000	-	415,000	91,210,000
2022 GO Refunding Series A	4.0%	2022	2030	30,290,000	30,290,000	-	4,390,000	25,900,000
2022 GO Refunding Series B	0.538 - 3.197%	2022	2046	70,360,000	70,360,000	-	655,000	69,705,000
2020 Measure M Series B	3.48 - 5.00%	2023	2056	125,000,000	-	125,000,000	5,645,000	119,355,000
				$ 1,302,731,188	$ 797,372,603	$ 125,000,000	$ 38,895,092	$ 883,477,511

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2002, Series A, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 5,180,000	$ 794,400	$ 5,974,400
2025	5,500,000	483,000	5,983,000
2026	2,550,000	152,400	2,702,400
2027	220,000	6,600	226,600
	$ 13,450,000	$ 1,436,400	$ 14,886,400

The annual payments required to amortize the 2004 Refunding, Series 95B, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 3,585,000	$ 699,301	$ 4,284,301
2025	3,815,000	510,037	4,325,037
2026	3,985,000	309,487	4,294,487
2027	1,925,000	99,224	2,024,224
2028	160,000	4,200	164,200
	$ 13,470,000	$ 1,622,249	$ 15,092,249

In December 2009, the District issued Qualified School Construction Bonds (QSCB) through the Central Valley Support Services Joint Powers Agency (CVSS) with proceeds of $41,397,820. Also in December 2009, the District issued 2001, Series F, General Obligation Bonds with proceeds of $29,429,022. The proceeds from Series F were sold to CVSS for the purpose of completing the District's obligation to repay the outstanding QSCB balance. The District incurred $720,142 in expenses related to the cost of issuance of the QSCB and Series F. The remaining proceeds from the QSCB totaling $11,248,656 was deposited in the District Building Fund for use on District construction projects approved under Measure K.

Year Ending June 30,	Principal	Interest	Total
2024	$ 2,530,083	$ 370,807	$ 2,900,890
2025	2,667,218	228,350	2,895,568
2026	2,831,832	77,621	2,909,453
	$ 8,029,133	$ 676,778	$ 8,705,911

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2010 Measure Q, Series C, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 1,707,200	$ 1,707,200
2025	-	1,707,200	1,707,200
2026	-	1,707,200	1,707,200
2027	-	1,707,200	1,707,200
2028	-	1,707,200	1,707,200
2029-2033	2,387,475	13,443,525	15,831,000
2034-2038	3,724,528	20,126,471	23,850,999
2039-2043	4,433,193	31,958,423	36,391,616
2044-2047	34,560,189	29,478,663	64,038,852
	$ 45,105,385	$ 103,543,082	$ 148,648,467

The annual payments required to amortize the 2015 Refunding General Obligation Bonds, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 765,000	$ 293,544	$ 1,058,544
2025	2,370,000	255,313	2,625,313
2026	765,000	210,388	975,388
2027	650,000	185,338	835,338
2028	80,000	174,338	254,338
2029-2031	5,085,000	234,769	5,319,769
	$ 9,715,000	$ 1,353,690	$ 11,068,690

The annual payments required to amortize the 2010 Series E, Current Interest General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 578,306	$ 578,306
2025	-	578,306	578,306
2026	-	578,306	578,306
2027	-	578,306	578,306
2028	-	578,306	578,306
2029-2033	1,010,000	2,873,225	3,883,225
2034-2038	6,865,000	2,107,097	8,972,097
2039-2041	6,950,000	473,400	7,423,400
	$ 14,825,000	$ 8,345,252	$ 23,170,252

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2010 Series E, Capital Appreciation General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 675,063	$ 219,937	$ 895,000
2026	662,569	267,431	930,000
2027	732,894	357,106	1,090,000
2028	729,180	420,820	1,150,000
	$ 2,799,706	$ 1,265,294	$ 4,065,000

The annual payments required to amortize the 2016 Refunding General Obligation Bonds, Series A, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 2,475,850	$ 2,475,850
2025	-	2,475,850	2,475,850
2026	-	2,475,850	2,475,850
2027	-	2,475,850	2,475,850
2028	-	2,475,850	2,475,850
2029-2033	9,075,000	11,754,175	20,829,175
2034-2038	23,375,000	8,124,900	31,499,900
2039-2042	28,030,000	2,361,000	30,391,000
	$ 60,480,000	$ 34,619,325	$ 95,099,325

The annual payments required to amortize the 2010 Election of 2010, Series F, outstanding as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 840,050	$ 840,050
2025	-	840,050	840,050
2026	-	840,050	840,050
2027	-	840,050	840,050
2028	-	840,050	840,050
2029-2033	4,940,000	3,946,300	8,886,300
2034-2038	10,020,000	2,463,925	12,483,925
2039-2042	10,930,000	696,750	11,626,750
	$ 25,890,000	$ 11,307,225	$ 37,197,225

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

In October 2016, the District issued the 2016 Refunding General Obligation Bonds, Series B in the amount of $59,590,988. Proceeds from the Crossover Refunding will be applied for the purpose of advance refunding, on a crossover basis, certain maturities of the District's Election of 2010, Series C General Obligation Bonds. At the crossover date, August 1, 2023, the proceeds from the Series B Refunding General Obligation Bonds will be used to repay the refunded maturities, at which time they will be considered defeased.

The annual payments required to amortize the 2016 Refunding General Obligation Bonds, Series B, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 1,649,600	$ 1,649,600
2025	-	1,649,600	1,649,600
2026	-	1,649,600	1,649,600
2027	-	1,649,600	1,649,600
2028	-	1,649,600	1,649,600
2029-2033	1,580,083	9,207,917	10,788,000
2034-2038	3,853,511	11,784,489	15,638,000
2039-2043	8,294,265	19,863,735	28,158,000
2044-2047	45,863,129	11,620,271	57,483,400
	$ 59,590,988	$ 60,724,412	$ 120,315,400

The annual payments required to amortize the 2016 Series A, Current Interest General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 512,800	$ 512,800
2025	-	512,800	512,800
2026	-	512,800	512,800
2027	-	512,800	512,800
2028	-	512,800	512,800
2029-2033	-	2,564,000	2,564,000
2034-2038	-	2,564,000	2,564,000
2039-2043	6,170,000	2,440,600	8,610,600
2044	6,650,000	133,000	6,783,000
	$ 12,820,000	$ 10,265,600	$ 23,085,600

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2016 Series A, Capital Appreciation General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

The annual payments required to amortize the 2019 General Obligation Refunding Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 599,980	$ 55,020	$ 655,000
2025	802,445	102,555	905,000
2026	1,034,613	170,387	1,205,000
2027	3,260,694	664,306	3,925,000
2028	4,364,112	1,080,887	5,444,999
2029-2033	30,171,797	13,291,367	43,463,164
2034-2038	35,687,591	27,667,645	63,355,236
2039-2042	27,816,773	31,452,738	59,269,511
	$ 103,738,005	$ 74,484,905	$ 178,222,910

The annual payments required to amortize the 2016 Series B General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 1,959,350	$ 1,959,350
2025	-	1,959,350	1,959,350
2026	-	1,959,350	1,959,350
2027	-	1,959,350	1,959,350
2028	1,475,000	1,929,850	3,404,850
2029-2033	9,885,000	8,584,650	18,469,650
2034-2038	15,030,000	6,115,350	21,145,350
2039-2043	22,190,000	2,618,175	24,808,175
2044	5,260,000	78,900	5,338,900
	$ 53,840,000	$ 27,164,325	$ 81,004,325

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2016 Series C General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 1,172,000	$ 1,172,000
2025	-	1,172,000	1,172,000
2026	-	1,172,000	1,172,000
2027	1,775,000	1,136,500	2,911,500
2028	1,005,000	1,080,900	2,085,900
2029-2033	6,615,000	4,688,100	11,303,100
2034-2038	9,840,000	3,144,450	12,984,450
2039-2043	13,885,000	1,364,238	15,249,238
2044	3,175,000	39,688	3,214,688
	$ 36,295,000	$ 14,969,876	$ 51,264,876

The annual payments required to amortize the 2016 Series D General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 5,130,000	$ 956,850	$ 6,086,850
2025	3,435,000	854,250	4,289,250
2026	2,810,000	785,550	3,595,550
2027	3,530,000	729,350	4,259,350
2028	2,075,000	658,750	2,733,750
2029-2033	12,195,000	2,624,450	14,819,450
2034-2037	12,445,000	960,450	13,405,450
	$ 41,620,000	$ 7,569,650	$ 49,189,650

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2020 Series A General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 1,800,000	$ 2,130,175	$ 3,930,175
2025	-	2,094,175	2,094,175
2026	-	2,094,175	2,094,175
2027	-	2,094,175	2,094,175
2028	-	2,094,175	2,094,175
2029-2033	1,765,000	10,372,975	12,137,975
2034-2038	5,235,000	9,645,375	14,880,375
2039-2043	8,945,000	8,244,775	17,189,775
2044-2048	13,825,000	6,084,697	19,909,697
2049-2053	19,325,000	3,739,016	23,064,016
2054-2056	14,845,000	686,025	15,531,025
	$ 65,740,000	$ 49,279,738	$ 115,019,738

The annual payments required to amortize the 2020 Refunding General Obligation Bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 3,775,000	$ 2,147,794	$ 5,922,794
2025	2,215,000	2,131,111	4,346,111
2026	3,875,000	2,106,311	5,981,311
2027	3,890,000	2,066,873	5,956,873
2028	3,925,000	2,017,739	5,942,739
2029-2033	11,185,000	9,458,168	20,643,168
2034-2038	11,750,000	8,331,724	20,081,724
2039-2043	14,075,000	6,516,401	20,591,401
2044-2048	36,520,000	3,886,619	40,406,619
	$ 91,210,000	$ 38,662,740	$ 129,872,740

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2021 Refunding General Obligation Bonds, Series A, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 2,840,000	$ 979,200	$ 3,819,200
2025	2,870,000	865,000	3,735,000
2026	3,370,000	740,200	4,110,200
2027	3,645,000	599,900	4,244,900
2028	4,165,000	443,700	4,608,700
2029-2030	9,010,000	363,400	9,373,400
	$ 25,900,000	$ 3,991,400	$ 29,891,400

The annual payments required to amortize the 2021 Refunding General Obligation Bonds, Series B, outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 2,124,845	$ 2,124,845
2025	-	2,124,845	2,124,845
2026	-	2,124,845	2,124,845
2027	-	2,124,845	2,124,845
2028	-	2,124,845	2,124,845
2029-2033	6,760,000	10,325,397	17,085,397
2034-2038	19,635,000	8,503,357	28,138,357
2039-2043	28,175,000	4,813,483	32,988,483
2044-2046	15,135,000	744,821	15,879,821
	$ 69,705,000	$ 35,011,283	$ 104,716,283

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

In August 2022, the District issued Election of 2020, Series B General Obligation Bonds (2020 Series B Bonds), totaling $125,000,000. The 2020 Series B Bonds were issued to finance the repair, upgrade, acquisition, construction and/or reequipping of various District properties.

The annual payments required to amortize the 2020 Series B Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 10,475,000	$ 5,061,525	$ 15,536,525
2025	8,520,000	4,586,650	13,106,650
2026	-	4,373,650	4,373,650
2027	-	4,373,650	4,373,650
2028	-	4,373,650	4,373,650
2029-2033	1,065,000	21,819,125	22,884,125
2034-2038	6,055,000	20,952,625	27,007,625
2039-2043	12,495,000	18,677,625	31,172,625
2044-2048	21,470,000	14,516,550	35,986,550
2049-2053	32,880,000	8,768,400	41,648,400
2054-2056	26,395,000	1,633,300	28,028,300
	$ 119,355,000	$ 109,136,750	$ 228,491,750

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2023 is shown below:

Governmental Activities	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023	Amounts Due Within One Year
Debt:					
General Obligation Bonds	$ 797,372,603	$ 125,000,000	$ 38,895,092	$ 883,477,511	$ 36,680,063
Unamortized premiums	35,303,862	4,323,713	1,940,021	37,687,554	1,859,517
Accreted interest	25,531,944	6,980,411	674,994	31,837,361	55,020
Other long-term liabilities:					
Net OPEB liability (Note 10)	987,304,445	-	343,297,475	644,006,970	-
Net pension liability (Notes 8 and 9)	492,432,000	370,323,000	-	862,755,000	-
Compensated absences	5,065,912	-	1,040,094	4,025,818	-
Totals	$2,343,010,766	$ 506,627,124	$ 385,847,676	$ 2,463,790,214	$ 38,594,600

Payments on the General Obligation Bonds are made from the Bond Interest Redemption Fund. Payments for compensated absences, net OPEB liability, and net pension liability are made from the fund for which the related employee worked.

(Continued)

NOTE 7 - FUND BALANCES

Fund balances, by category, at June 30, 2023 consisted of the following:

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:					
Revolving cash fund	$ 43,534	$ -	$ -	$ 550	$ 44,084
Prepaid expenditures	2,189,659	-	-	40,194	2,229,853
Stores inventory	3,028,901	-	-	2,987,485	6,016,386
Subtotal nonspendable	5,262,094	-	-	3,028,229	8,290,323
Restricted:					
Legally restricted:					
Grants	225,484,115	-	-	-	225,484,115
Student activities	-	-	-	2,523,773	2,523,773
Adult ed programs	-	-	-	1,403,339	1,403,339
Child development	-	-	-	713,448	713,448
Cafeteria operations	-	-	-	25,363,225	25,363,225
Capital projects	-	145,829,279	-	56,290,931	202,120,210
Debt service	-	-	120,327,312	-	120,327,312
Subtotal restricted	225,484,115	145,829,279	120,327,312	86,294,716	577,935,422
Committed:					
Pandemic learning recovery	122,400,000	-	-	-	122,400,000
Textbook Adoption	31,500,000	-	-	-	31,500,000
Supplemental and concentration carryover	24,544,897	-	-	-	24,544,897
Subtotal assigned	178,444,897	-	-	-	178,444,897
Assigned:					
Education center and 2011 Fulton St remodels	5,000,000	-	-	-	5,000,000
School site carryover	1,023,000	-	-	-	1,023,000
Design Science facility	3,400,000	-	-	-	3,400,000
Financial softw are upgrade	1,100,000	-	-	-	1,100,000
Restroom renovation	1,205,000	-	-	-	1,205,000
Subtotal assigned	11,728,000	-	-	-	11,728,000
Unassigned:					
Designated for economic uncertainty	132,954,758	-	-	-	132,954,758
Total fund balances	$ 553,873,864	$ 145,829,279	$ 120,327,312	$ 89,322,945	$ 909,353,400

(Continued)

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com/comprehensive-annual-financial-report.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, up to the 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

CalSTRS 2% at 62

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

(Continued)

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by fiscal year 2046. California Senate Bill 90 and California Assembly Bill 84 (collectively the "Special Legislation") were signed into law in June 2019 and June 2020, respectively, and provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and AB 84, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2021-22. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2021-22.

Under CalSTRS 2% at 62,pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2021, valuation adopted by the CalSTRS board in May 2022, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2022.

Employers – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2022, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2022–23 for a total employer contribution rate of 19.10%.

(Continued)

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS employer contribution rates effective for fiscal year 2022-2023 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	Total
July 1, 2022	8.250%	10.850%	19.100%
July 1, 2023 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed $97,170,042 to the plan for the fiscal year ended June 30, 2023.

State – 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state's share of the CalSTRS unfunded actuarial obligation by 2046. In May 2022, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022–23 for a total contribution rate of 10.828%.

Special legislation appropriated supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2021-22. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, the "Rainy-Day Budget Stabilization Fund Act", which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2021–22, CalSTRS received $410.0 million in supplemental state contributions from Proposition 2 funds. Additionally, CalSTRS received a one-time supplemental payment of $173.7 million from the General Fund in fiscal year 2021–22 to offset forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21.

(Continued)

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS state contribution rates effective for fiscal year 2022-2023 and beyond are summarized in the table below.

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	SBMA Funding[(1)]	Total
July 01, 2022	2.017%	6.311%	2.50%	10.828%
July 01, 2023 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

(1) The SBMA contribution rate excludes the $72 million that is reduced from the required contribution in accordance with Education Code section 22954.
(2) The CalSTRS board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
(3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$	521,129,000
State's proportionate share of the net pension liability associated with the District		294,556,000
Total	$	815,685,000

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2022, the District's proportion was 0.750 percent, which was an increase of 0.101 percent from its proportion measured as of June 30, 2021.

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

For the year ended June 30, 2023, the District recognized pension expense of $84,650,991 and revenue of $47,123,964 for support provided by the State. 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	Deferred Inflows of Resources
Difference between expected and actual experience	$ 427,000	$ 39,074,000
Changes of assumptions	25,844,000	-
Net differences between projected and actual earnings on investments	-	25,484,000
Changes in proportion and differences between District contributions and proportionate share of contributions	88,438,000	57,897,000
Contributions made subsequent to measurement date	97,170,042	-
Total	$ 211,879,042	$ 122,455,000

$97,170,042 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	
2024	$ 968,234
2025	$ (18,834,767)
2026	$ (35,637,267)
2027	$ 38,878,400
2028	$ (2,871,600)
2029	$ 9,751,000

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022 . The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public Equity	42%	4.8%
Real Estate	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 885,071,000	$ 521,129,000	$ 218,948,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

(Continued)

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools' cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and non- certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at: https://www.calpers.ca.gov/docs/forms-publications/acfr-2022.pdf.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2023 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-2023.

Employers - The employer contribution rate was 25.37 percent of applicable member earnings.

The District contributed $43,112,322 to the plan for the fiscal year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of $341,626,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2023, the District's proportion was 0.993 percent, which was an increase of 0.023 percent from its proportion measured as of June 30, 2023.

(Continued)

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2023, the District recognized pension expense of $48,851,522. 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	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,544,000	$ 8,500,000
Changes of assumptions	25,272,000	-
Net differences between projected and actual earnings on investments	40,336,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,245,000	-
Contributions made subsequent to measurement date	43,112,322	-
Total	$ 117,509,322	$ 8,500,000

$43,112,322 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	
2024	$ 17,331,333
2025	$ 13,644,333
2026	$ 10,324,834
2027	$ 24,596,500

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 3.9 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

During the 2021-22 measurement period, the financial reporting discount rate for PERF B was lowered from 7.15 percent to 6.90 percent. In addition, the inflation assumption was reduced from 2.50 percent to 2.30 percent. Lastly, demographic assumptions for mortality rates were updated.

The table below reflects 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.

Asset Class	Assumed Asset Allocation	Expected Real Rates of Return Years 1-10 (1, 2)
Global Equity – cap-weighted	30.00%	4.45%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.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%)	(0.59%)

(1) An expected inflation rate of 2.30% used for this period
(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

(Continued)

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 493,496,000	$ 341,626,000	$ 216,111,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

General Information about the Other Postemployment Benefits (OPEB) Plan

Plan Description: In addition to the pension benefits described in Notes 8 and 9, the District provides postemployment health care benefits to eligible employees and their dependents under a single employer defined benefit OPEB plan. The plan does not issue separate financial statements.

The District established an irrevocable trust under the California Employer's Retiree Benefit Trust Program (CERBT) to prefund the costs of other postemployment benefits. The funds in the CERBT are held in trust and will be administered by the California Public Employees' Retirement System (CalPERS) as an agent multiple-employer plan. Benefit provisions are established and may be amended by District labor agreements which are approved by the Board of Education. The District's contributions to the irrevocable trust is included in the CERBT, which is included in the CalPERS ACFR. Copies of the CalPERS' ACFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

The CERBT fund, which is an Internal Revenue Code (IRC) Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to prefund health and other post-employment benefits for retirees and their beneficiaries, (ii) invest contributed amounts and income therein, and (iii) disburse contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other post-employment benefits in accordance with the terms of the District's OPEB plan.

Benefits Provided: District employees hired before July 1, 2005, who retire after attaining age 57.5 and completing a requisite period of service, may receive District-paid medical and prescription drug coverage for life (with continuation to the surviving spouse, if any), and subject to retiree contributions shown in the table below. The requisite service is 10 years if hired before January 1, 1982 (July 1, 1982 for Classified), 16 years if hired between January 1, 1982 and July 1, 1994 (but 10 years if rehired with a pre-1982 original date of hire), and 16 years for those hired or re-hired after July 1, 1994 (but before July 1, 2005).

District employees hired on or after July 1, 2005, who retire after attaining age 60 and completing at least 25 years of service, receive District-paid coverage for the earlier of 5 years or until age 65. These benefits are also subject to retiree contributions, described below.

Effective July 1, 2023, retirees who enroll in Medicare Parts A and B will be covered under the Aetna Medicare Advantage Plan. Retirees over age 65 who are not enrolled in Medicare remain on the self-insured plan.

The District began collecting retiree contributions in July 2006. Retiree contributions will be charged only to individuals retiring after August 31, 2006.

The schedule for determining a retiree's monthly contributions (including Health Assessment Fees of $10, where applicable) is shown in the following table:

Retiree Age	Retiree	Spouse <65	Spouse 65-74	Spouse 75+	Child	Family
Under 65	$160	$60	$60	$60	$15	$70
Ages 65 - 74	$10	$10	$10	$-	$10 each	N/A
Ages 75 +	$-	$10	$10	$-	10	N/A

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2023:

	Number of Participants
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	5,444
Active employees	8,574
	14,018

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Contributions to the Plan from the District were $41,070,546 for the year ended June 30, 2023. District contributions to the Trust are voluntary. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The plan discount rate of 5.5% was determined using the following asset allocation and assumed rate of return:

Asset Class	Long-Term* Assumed Asset Allocation	Expected Real Rate of Return
Global Equity	34.0%	4.8%
U.S. Fixed Income	41.0	1.8
Real Estate	17.0	3.7
Treasury Inflation-Protected Securities	5.0	1.6
Cash Equivalents	3.0	0.2

*Geometric average

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 30 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 30 years.

Money-weighted rate of return on OPEB plan investments	3.51%

The money-weighted rate of return expresses investment performance, net of OPEB plan investment expenses, adjusted for the changing amounts actually invested.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions: The District's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that same date.

Valuation Date	June 30, 2023
Pre-Retirement Mortality Rate	RP 2019 Employee Mortality Table, without projection
Post-Retirement Mortality Rate	RP 2019 Health Annuitant Mortality Table, without projection
Discount Rate	5.5%. Based on the long-term expected rate of return
Investment Rate of Return	5.5%
Retirement Rate	CalPERS (2019) and CalSTRS (2018) experience studies.
Healthcare cost trend rate	6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later. Medicare ages: 4.50% for 2023-2029 and 4.00% for 2030 and later.
Salary Increases	3.0% per year
Termination Rate	CalPERS (2019) and CalSTRS (2018) experience studies.
Percent of Retirees with Spouses	Future Retirees <65: 67% Future Retirees >65: 50%
Percent of Retirees with Eligible Dependents	Future Retirees: In proportion to current retirees Current Retirees: Actual dependent data was used
Funding Method	Entry Age Cost Method

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability:

	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2022	$ 1,051,184,852	$ 63,880,407	$ 987,304,445
Changes for the year:			
Service cost	16,833,050	-	16,833,050
Interest	62,970,376	-	62,970,376
Difference between expected and actual experience	(39,961,024)	-	(39,961,024)
Changes in assumptions	(339,676,866)	-	(339,676,866)
Employer contributions	-	41,070,546	(41,070,546)
Net investment income	-	2,448,040	(2,448,040)
Administrative expense	-	(55,575)	55,575
Benefit payments	(37,570,546)	(37,570,546)	-
Net change	(337,405,010)	5,892,465	(343,297,475)
Balance at June 30, 2023	$ 713,779,842	$ 69,772,872	$ 644,006,970

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2023: 9.78%

The changes in assumptions at the June 30, 2023 measurement include incorporating the impact of the adoption of the Medicare Advantage Plan for retirees enrolled in Medicare Parts A and B. In addition, the healthcare cost trend rate was updated from a decreasing range of 5.60% to 4.00% at the June 30, 2022 measurement date, to a decreasing range of 6.00% to 4.00% at the June 30, 2023 measurement date. Lastly, the discount rate was updated from 6.00% at the June 30, 2022 measurement date, to 5.50% at the June 30, 2023 measurement date.

Sensitivity of the Net OPEB Liability to Assumptions: The following presents the net OPEB liability calculated using the discount rate of 5.50 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (4.50 percent) and 1 percent higher (6.50 percent):

	Discount Rate 1% Lower (4.50%)	Valuation Discount Rate (5.50%)	Discount Rate 1% Higher (6.50%)
Net OPEB liability	$ 738,046,152	$ 644,006,970	$ 565,566,897

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following table presents the net OPEB liability calculated using the heath care cost trend rate of 6.0-4.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (5.0-3.0 percent) and 1 percent higher (7.0-5.0 percent):

	Health Care Trend Rate 1% Lower (5.0 - 3.0%)	Valuation Health Care Trend Rate (6.0 - 4.0%)	Health Care Trend Rate 1% Higher (7.0 - 5.0%)
Net OPEB liability	$ 556,484,690	$ 644,006,970	$ 751,150,716

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the District recognized OPEB expense (benefit) of $(1,202,327). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 45,324,922	$ 34,169,571
Change in assumptions	-	427,660,283
Net differences between projected and actual earnings on investments	9,160,465	3,070,793
Total	$ 54,485,387	$ 464,900,647

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

Years Ending June 30,	
2024	$ (77,118,428)
2025	$ (77,184,807)
2026	$ (72,104,990)
2027	$ (72,404,575)
2028	$ (62,084,474)
2029	$ (49,517,986)

Deferred outflows and deferred inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period. Deferred outflows and deferred inflows related to changes in assumptions and differences between expected and actual experience which originated in fiscal years ending June 30, 2019 through June 30, 2022 are amortized over a closed 6.4-year period. Deferred outflows and deferred inflows related to changes in assumptions and differences between expected and actual experience which originated in fiscal years ending June 30, 2019 through June 30, 2023 are amortized over a closed 6.9-year period.

(Continued)

NOTE 11 - JOINT POWERS AGREEMENT

The District is a member with other school districts of a Joint Powers Authority, Central Valley Support Services (CVSS), to provide support services to educational agencies in the Central Valley of California. CVSS is governed by a board consisting of one district representative selected by each member district's superintendent, one member of the operations staff of each member district and the Treasurer of CVSS. The CVSS Board controls the operations of CVSS, independent of any influence by the member districts beyond their representation on the Board. The following is a summary of financial information of CVSS as of June 30, 2022 (the most recent information available):

Total assets	$ 37,148,249
Deferred outflows of resources	$ 118,265,496
Total liabilities	$ 136,583,017
Deferred inflows of resources	$ 4,430,000
Net position	$ 14,400,728
Total revenues	$ 105,645,079
Total expenses	$ 104,238,624
Change in net position	$ 1,406,455

The relationship between Fresno Unified School District and the Joint Powers Authority is such that it is not a component unit of the District for financial reporting purposes.

NOTE 12 - CONTINGENCIES

Contingent Liabilities: The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District. Also, the District has received federal and state funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

Construction Commitments: As of June 30, 2023, the District had approximately $94.6 million in outstanding commitments on construction contracts.

(Continued)

NOTE 13 - FINANCIAL RESPONSIBILITY

The District has maintained a commitment to strategic guiding principles anchored in providing extensive student programs, competitive employee compensation, and prudent fiscal responsibility. These principles and approach to budget development have enabled the district to maintain a positive financial position. Recently, through use of one-time state and federal resources, the District has complimented these principles with addressing unfinished learning and responding to the impacts of the pandemic.

The District continues to maintain a positive reserve in the current and future years as shown in the 2023/24 adopted budget and a commitment to equity-based resource allocation as intended with implementation of the Local Control Funding Formula. The District has maintained a positive financial position since 2006/07 as reflected by Moody's continued affirmation of the District's credit rating of Aa3 since 2010 during a time when other agencies have been lowered.

The District continues to monitor and budget for the current and future years to ensure financial stability and conservatively evaluate reserves to mitigate the effects of the prolonged state economic crisis.

REQUIRED SUPPLEMENTARY INFORMATION

FRESNO UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the year ended June 30, 2023

	Budget Original	Budget Final	Actual	Over/ (Under) Budget
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	$ 823,520,536	$ 873,698,039	$ 873,879,788	$ 181,749
Local sources	76,178,811	80,820,422	80,837,235	16,813
Total LCFF	899,699,347	954,518,461	954,717,023	198,562
Federal sources	342,818,761	364,450,289	270,046,404	(94,403,885)
Other state sources	257,589,458	306,020,633	399,756,490	93,735,857
Other local sources	21,913,286	29,096,227	15,933,182	(13,163,045)
Total revenues	1,522,020,852	1,654,085,610	1,640,453,099	(13,632,511)
Expenditures:				
Current:				
Certificated salaries	514,758,032	522,035,078	519,899,450	(2,135,628)
Classified salaries	199,933,019	197,168,928	190,895,573	(6,273,355)
Employee benefits	411,514,320	419,431,023	395,818,111	(23,612,912)
Books and supplies	139,662,812	168,228,710	109,968,616	(58,260,094)
Contract services and operating expenditures	171,031,064	275,078,260	177,508,908	(97,569,352)
Other outgo	1,854,531	2,087,627	5,146,769	3,059,142
Capital outlay	107,961,661	165,100,273	51,752,075	(113,348,198)
Total expenditures	1,546,715,439	1,749,129,899	1,450,989,502	(298,140,397)
(Deficiency) excess of revenues (under) over expenditures	(24,694,587)	(95,044,289)	189,463,597	284,507,886
Other financing (uses) sources:				
Transfers in	7,385,329	7,385,329	5,580,450	(1,804,879)
Transfers out	(8,856,409)	(8,856,409)	(3,353,446)	5,502,963
Total other financing (uses) sources	(1,471,080)	(1,471,080)	2,227,004	3,698,084
Net change in fund balance	(26,165,667)	(96,515,369)	191,690,601	288,205,970
Fund balance, July 1, 2022	362,183,263	362,183,263	362,183,263	-
Fund balance, June 30, 2023	$ 336,017,596	$ 265,667,894	$ 553,873,864	$ 288,205,970

See accompanying notes to required supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the year ended June 30, 2023

Last 10 fiscal years

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	$ 19,392,480	$ 19,974,255	$ 16,341,671	$ 16,831,921	$ 16,808,552	$ 16,833,050
Interest	57,806,121	60,369,696	61,778,007	64,400,035	60,440,115	62,970,376
Difference between expected and actual experience	-	-	82,504,316	-	20,924,804	(39,961,024)
Changes in assumptions	-	-	(120,311,404)	-	(133,956,614)	(339,676,866)
Benefit payments	(32,459,314)	(36,544,893)	(34,234,823)	(35,604,029)	(32,704,642)	(37,570,546)
Net change in total OPEB liability	44,739,287	43,799,058	6,077,767	45,627,927	(68,487,785)	(337,405,010)
Total OPEB liability, beginning of year	979,428,598	1,024,167,885	1,067,966,943	1,074,044,710	1,119,672,637	1,051,184,852
Total OPEB liability, end of year (a)	$ 1,024,167,885	$ 1,067,966,943	$ 1,074,044,710	$ 1,119,672,637	$ 1,051,184,852	$ 713,779,842
Plan fiduciary net position						
Employer contributions	$ 35,959,314	$ 40,044,893	$ 37,734,823	$ 39,104,029	$ 36,204,642	$ 41,070,546
Expected investment return (loss)	2,250,968	3,172,151	2,685,784	11,123,667	(8,985,231)	2,448,040
Administrative expense	(33,150)	(37,143)	(43,345)	(52,833)	(59,287)	(55,575)
Benefits payment	(32,459,314)	(36,544,893)	(34,234,823)	(35,604,029)	(32,704,642)	(37,570,546)
Change in plan fiduciary net position	5,717,818	6,635,008	6,142,439	14,570,834	(5,544,518)	5,892,465
Fiduciary trust net position, beginning of year	36,358,826	42,076,644	48,711,652	54,854,091	69,424,925	63,880,407
Fiduciary trust net position, end of year (b)	$ 42,076,644	$ 48,711,652	$ 54,854,091	$ 69,424,925	$ 63,880,407	$ 69,772,872
Net OPEB liability, ending (a) - (b)	$ 982,091,241	$ 1,019,255,291	$ 1,019,190,619	$ 1,050,247,712	$ 987,304,445	$ 644,006,970
Covered employee payroll	$ 550,120,072	$ 568,497,726	$ 595,678,953	$ 620,124,968	$ 714,683,611	$ 750,192,157
Plan fiduciary net position as a percentage of the total OPEB liability	4.11%	4.56%	5.11%	6.20%	6.08%	9.78%
Net OPEB liability as a percentage of covered-employee payroll	178.52%	179.29%	171.10%	169.36%	138.15%	85.85%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See accompanying notes to required supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF MONEY-WEIGHTED RATE
OF RETURN OF OPEB PLAN INVESTMENTS
For the year ended June 30, 2023

Last 10 Fiscal Years

	2018	2019	2020	2021	2022	2023
Money-weighted rate of return on OPEB plan investments	6.01%	6.98%	5.37%	19.65%	-12.65%	3.51%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See accompanying notes to required supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the year ended June 30, 2023

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.666%	0.696%	0.679%	0.664%	0.723%	0.740%	0.721%	0.649%	0.750%
District's proportionate share of the net pension liability	$ 389,455,000	$ 468,883,000	$ 549,121,000	$ 613,982,000	$ 664,860,000	$ 668,050,000	$ 698,344,000	$ 295,209,000	$ 521,129,000
State's proportionate share of the net pension liability associated with the District	235,171,000	247,987,000	312,634,000	363,228,000	380,665,000	364,468,000	381,640,000	175,644,000	294,556,000
Total net pension liability	$ 624,626,000	$ 716,870,000	$ 861,755,000	$ 977,210,000	$1,045,525,000	$1,032,518,000	$1,079,984,000	$ 470,853,000	$ 815,685,000
District's covered payroll	$ 296,840,000	$ 323,258,000	$ 338,357,000	$ 351,408,000	$ 380,363,000	$ 402,574,000	$ 389,097,000	$ 365,132,000	$ 449,079,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	174.72%	174.80%	165.95%	179.48%	80.85%	119.81%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the year ended June 30, 2023

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.845%	0.905%	0.919%	0.873%	0.907%	0.941%	0.962%	0.970%	0.993%
District's proportionate share of the net pension liability	$ 95,928,000	$ 133,463,000	$ 181,422,000	$ 208,394,000	$ 241,867,000	$ 274,153,000	$ 295,181,000	$ 197,223,000	$ 341,626,000
District's covered payroll	$ 88,704,000	$ 100,241,000	$ 110,204,000	$ 111,303,000	$ 123,132,000	$ 130,845,000	$ 138,577,000	$ 139,687,000	$ 151,163,000
District's proportionate share of the net pension liability as a percentage of its covered payr	108.14%	133.14%	164.62%	187.23%	196.43%	209.53%	213.01%	141.19%	224.50%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	74.02%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

See accompanying notes to required supplementary information.

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 28,705,329	$ 36,305,716	$ 44,207,146	$ 54,886,374	$ 65,539,064	$ 71,921,290	$ 69,740,257	$ 85,774,027	$ 97,170,042
Contributions in relation to the contractually required contribution	(28,705,329)	(36,305,716)	(44,207,146)	(54,886,374)	(65,539,064)	(71,921,290)	(69,740,257)	(85,774,027)	(97,170,042)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 323,258,000	$ 338,357,000	$ 351,408,000	$ 380,363,000	$ 402,574,000	$ 389,097,000	$ 365,132,000	$ 449,079,000	$ 508,744,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10% (1)	16.15% (2)	16.92% (3)	19.10%

(1) This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

(2) This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

(3) This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB 90.

All years prior to 2015 are not available.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the year ended June 30, 2023

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 11,799,345	$ 13,055,815	$ 15,457,728	$ 19,123,632	$ 23,633,158	$ 27,391,892	$ 28,915,243	$ 34,631,522	$ 43,112,322
Contributions in relation to the contractually required contribution	(11,799,345)	(13,055,815)	(15,457,728)	(19,123,632)	(23,633,158)	(27,391,892)	(28,915,243)	(34,631,522)	(43,112,322)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 100,241,000	$ 110,204,000	$ 111,303,000	$ 123,132,000	$ 130,845,000	$ 138,577,000	$ 139,687,000	$ 151,163,000	$ 169,934,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%

All years prior to 2015 are not available.

See accompanying notes to required supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

A - Budgetary Comparison Schedule:

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

B - Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability:

The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

C - Schedule of Money-Weighted Rate of Return of OPEB Plan Investments:

The Schedule of Money-Weighted Rate of Return of OPEB Plan Investments presents the weighted average rate of return for the District's OPEB Plan investments.

D - Schedule of the District's Proportionate Share of the Net Pension Liability:

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

E - Schedule of District Contributions:

The Schedule of District Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

F - Changes of Benefit Terms:

There are no changes in benefit terms reported in the Required Supplementary Information.

(Continued)

G - Changes of Assumptions:

The healthcare cost trend rate for the total OPEB liability was 5.0% for all age groups in the June 30, 2019 measurement. In the June 30, 2020 and 2021 measurement, the healthcare cost trend rate included a decreasing range beginning with 5.9% to an ultimate rate of 5.0%. In the June 30, 2022 measurement, healthcare cost trend rate included a decreasing range beginning with 5.6% to an ultimate rate of 4.0%. In the June 30, 2023 measurement, healthcare cost trend rate included a decreasing range beginning with 6.0% to an ultimate rate of 4.0%.

In the June 30, 2019, 2020 and 2021 measurements for the total OPEB liability, mortality, retirement, and termination rates were based on the 2010 CalSTRS experience study and 2014 CalPERS experience study, as applicable for the District’s employee groups. In the June 30, 2022 and 2023 measurements for the total OPEB liability, mortality, retirement, and termination rates were based on the 2018 CalSTRS experience study and 2019 CalPERS experience study, as applicable for the District’s employee groups.

In the June 30, 2019, 2020, 2021, and 2022 measurements for the total OPEB liability, the discount rate used was 6.00%. In the June 30, 2023 measurement for the total OPEB liability, the discount rate used was 5.50%.

The discount rate used for the Public Employer's Retirement Fund B (PERF B) plan was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, 7.15 and 6.90 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The inflation rate used for the PERF B plan was 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, and 2.30 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

	Measurement Period							
Assumption	As of June 30 2022	As of June 30, 2021	As of June 30, 2020	As of June 30 2019	As of June 30 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

FRESNO UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2023

	Student Activity Fund	Adult Education Fund	Child Develop-ment Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
ASSETS									
Cash in County Treasury	$ 895,893	$ 2,749,954	$ 10,562,256	$ 16,296,335	$ 182,041	$ 3,544,252	$ 3,105,607	$ 781,213	$ 38,117,551
Cash on hand and in banks	1,869,372	8,124	-	3,357,044	-	-	-	-	5,234,540
Cash in revolving fund	-	550	-	-	-	-	-	-	550
Receivables	6,753	598,025	2,778,988	9,839,520	652	23,589	29,856	10,020	13,287,403
Prepaid expenditures	520	-	-	39,674	-	-	-	-	40,194
Due from other funds	183	50,316	5,625,062	7,671,941	-	-	52,641,774	2,000,089	67,989,365
Stores inventory	183,282	-	-	2,804,203	-	-	-	-	2,987,485
Total assets	$ 2,956,003	$ 3,406,969	$ 18,966,306	$ 40,008,717	$ 182,693	$ 3,567,841	$ 55,777,237	$ 2,791,322	$ 127,657,088
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 64,275	$ 98,326	$ 361,926	$ 4,023,618	$ 133,647	$ 167	$ 5,660,175	$ 39,661	$ 10,381,795
Unearned revenue	-	-	6,032,700	3,511	-	-	-	-	6,036,211
Due to other funds	184,153	1,904,754	11,858,232	7,774,486	49,046	145,466	-	-	21,916,137
Total liabilities	248,428	2,003,080	18,252,858	11,801,615	182,693	145,633	5,660,175	39,661	38,334,143
Fund balances:									
Nonspendable	183,802	550	-	2,843,877	-	-	-	-	3,028,229
Restricted	2,523,773	1,403,339	713,448	25,363,225	-	3,422,208	50,117,062	2,751,661	86,294,716
Total fund balance	2,707,575	1,403,889	713,448	28,207,102	-	3,422,208	50,117,062	2,751,661	89,322,945
Total liabilities and fund balances	$ 2,956,003	$ 3,406,969	$ 18,966,306	$ 40,008,717	$ 182,693	$ 3,567,841	$ 55,777,237	$ 2,791,322	$ 127,657,088

FRESNO UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the year ended June 30, 2023

	Student Activity Fund	Adult Education Fund	Child Develop-ment Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
Revenues:									
Federal sources	$ -	$ 1,399,507	$ 1,126,836	$ 53,356,639	$ -	$ -	$ -	$ -	$ 55,882,982
Other state sources	-	5,841,360	24,535,922	18,475,667	-	-	21,361,963	-	70,214,912
Other local sources	3,665,266	539,285	1,733,870	164,701	2,963	2,160,470	595,942	85,915	8,948,412
Total revenues	3,665,266	7,780,152	27,396,628	71,997,007	2,963	2,160,470	21,957,905	85,915	135,046,306
Expenditures:									
Current:									
Certificated salaries	-	2,683,055	8,742,912	-	-	-	-	-	11,425,967
Classified salaries	-	1,543,500	5,264,913	16,313,716	-	583	1,155,522	198,664	24,476,898
Employee benefits	-	2,497,364	10,006,610	13,039,296	-	270	622,743	118,223	26,284,506
Books and supplies	3,339,443	722,440	1,282,737	28,182,623	-	-	2,739,692	-	36,266,935
Contract services and operating expenditures	46,693	708,494	1,222,620	2,037,240	3,321,873	2,759	12,849,917	84,746	20,274,342
Capital outlay	-	-	1,020	212,867	34,536	29,756	29,459,140	23,728	29,761,047
Total expenditures	3,386,136	8,154,853	26,520,812	59,785,742	3,356,409	33,368	46,827,014	425,361	148,489,695
Excess (deficiency) of revenues over (under) expenditures	279,130	(374,701)	875,816	12,211,265	(3,353,446)	2,127,102	(24,869,109)	(339,446)	(13,443,389)
Other financing (uses) sources:									
Transfers in	-	-	-	-	3,353,446	-	43,371,805	-	46,725,251
Transfers out	-	(195,637)	(827,512)	(1,137,745)	-	(66,110)	-	-	(2,227,004)
Total other financing (uses) sources	-	(195,637)	(827,512)	(1,137,745)	3,353,446	(66,110)	43,371,805	-	44,498,247
Net change in fund balances	279,130	(570,338)	48,304	11,073,520	-	2,060,992	18,502,696	(339,446)	31,054,858
Fund balance, July 1, 2022	2,428,445	1,974,227	665,144	17,133,582	-	1,361,216	31,614,366	3,091,107	58,268,087
Fund balance, June 30, 2023	$ 2,707,575	$ 1,403,889	$ 713,448	$ 28,207,102	$ -	$ 3,422,208	$ 50,117,062	$ 2,751,661	$ 89,322,945

Fresno Unified School District, a political subdivision of the State of California, was established on July 1, 1948. The District serves grades preschool through twelve and operates sixty-seven elementary, fourteen middle, ten high schools, six alternative schools, and three special education schools. All of the District's schools are located in Fresno County. The District is comprised of approximately 99 square miles. There were no changes to the District's boundaries during the current year.

The Board of Education at June 30, 2023 was comprised of the following members:

Name	Office	Term Expires
Veva Islas	President	2026
Susan Wittrup	Clerk	2026
Elizabeth Jonasson Rosas	Member	2024
Valerie F. Davis	Member	2026
Keisha Thomas	Member	2026
Claudia Cazares	Member	2024
Andy Levine	Member	2024

The Superintendent's Executive Staff at June 30, 2023 was comprised of the following:

Robert G. Nelson, Ed.D.
Superintendent

Patrick Jensen
Chief Financial Officer
Business and Financial Services

Misty Her
Deputy Superintendent
Office of Superintendent

Natasha Baker
Chief Academic Officer
School Leadership

David Chavez
Chief of Human Resources / Labor Relations

Tami Lundberg
Chief Technology Officer
Information Technology

Carlos Castillo
Chief of Diversity, Equity and Access

Paul Idsvoog
Chief Operations / Classified Labor Management Officer
Operational Services

Ambra O’Connor
Chief of Staff

Wendy McCulley
Chief Engagement and External Partnerships Officer

Nikki Henry
Chief Information Officer
Communications Office

Alex Belanger
Chief Executive
Facilities Management & Planning

Marie Williams
Inst. Superintendent
Curriculum and Instruction & School Leadership

Sandra Aguayo
Inst. Superintendent
School Leadership

Kal Isom-Moore
Inst. Superintendent
School Leadership

Jennifer Stacy-Alcantara
Inst. Superintendent
School Leadership

Matt Ward
Inst. Superintendent/
School Leadership

Rebecca Wheeler
Inst. Superintendent
School Leadership

Tangee Pinheiro
Inst. Superintendent
Special Education

Jeremy Ward
Assistant Superintendent
College Career Readiness

Bryan Wells
Assistant Superintendent
Student Engagement

Jennifer Stacy-Alcantara
Inst. Superintendent
School Leadership

Zerina Hargrove-Brown
Assistant Superintendent
Research, Evaluation, & Assessment

Kimberly Turk-Collins
Assistant Superintendent
Human Resources

Giovanna Difilippo
Assistant Superintendent
Human Resources

Annarita Howell
Assistant Superintendent
Human Resources

Maria Mazzoni
Assistant Superintendent
Human Resources

(Continued)

The Administrative Services Leadership staff at June 30, 2023 was comprised of the following:

Kim Kelstrom Chief Executive Fiscal Services	Ashlee Chiarito Executive Officer State & Federal Programs	Stacey Sandoval Executive Director Risk Management
Steven Shubin Deputy Executive Payroll and Benefits	Rosa Contreras Director, Accounting Fiscal Services	Christine Stevens Director, Budget Fiscal Services

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
June 30, 2023

	Second Period Report	Audited* Second Period Report	Annual Report
Certificate #:	62B6EB90	5B541BFC	5B541B89
Elementary:			
Transitional Kindergarten through Third	20,187	20,266	20,289
Fourth through Sixth	15,190	15,217	15,188
Seventh and Eighth	9,553	9,566	9,491
Subtotal Elementary	44,930	45,049	44,968
Secondary:			
Ninth through Twelfth	17,325	17,334	17,056
Subtotal Secondary	17,325	17,334	17,056
District Total	62,255	62,383	62,024

* The District’s Second Period Report was revised based on an internal review of records.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the year ended June 30, 2023

Grade Level	Statutory Minutes Require-ment	2022-2023 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	47,290	180	In Compliance
Grade 1	50,400	55,360	180	In Compliance
Grade 2	50,400	55,325	180	In Compliance
Grade 3	50,400	54,370	180	In Compliance
Grade 4	54,000	55,240	180	In Compliance
Grade 5	54,000	55,090	180	In Compliance
Grade 6	54,000	55,090	180	In Compliance
Grade 7	54,000	59,121	180	In Compliance
Grade 8	54,000	59,121	180	In Compliance
Grade 9	64,800	64,800	180	In Compliance
Grade 10	64,800	64,800	180	In Compliance
Grade 11	64,800	64,800	180	In Compliance
Grade 12	64,800	64,800	180	In Compliance

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
	U.S. Department of Education - Passed through California Department of Education		
	Special Education Cluster:		
84.027	COVID-19: Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	15638	$ 1,603,641
84.027	COVID-19: Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Coordinated Early Intervening Services	10170	467,085
84.027	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec. 611	13379	12,763,293
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10169	1,075
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10115	10,268
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	10119	1,889,181
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec 619 Age (3-5)	13430	296,177
84.173	COVID-19: Special Ed: ARP IDEA Pt. B, Sec. 619, Preschool Grants	15639	209,240
84.027A	Special Ed: IDEA Preschool Capacity Building, Part B, Sec 619	13839	37,334
84.027A	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	15197	657,736
84.027A	Special Ed: Alternate Dispute Resolution, Part B, Sec 611	13007	3,450
84.173A	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	13431	2,434
	Subtotal Special Education Cluster		17,940,914
	Migrant Ed Programs:		
84.011	ESEA: Title I, Part C, Migrant Ed (Regular and Summer Program)	14326	504,772
84.011	ESEA: Title I, Migrant Ed Summer Program	10005	172,800
84.011	ESEA: Title I, Part C, Migrant Education (MESRP)	10144	13,421
	Subtotal Migrant ED Programs		690,993
	Special Ed Early Intervention Programs:		
84.181	Special Ed: IDEA Early Intervention Grants, Part C	23761	95,874
84.181X	COVID-19: Special Ed: ARP IDEA Part C, Early Education Program	25657	59,093
	Subtotal Special Ed Early Intervention Programs		154,967
	Title III Programs:		
84.365	ESEA: Title III, English Learner Student Program	14346	1,355,979
84.365	ESEA: Title III, Immigrant Education Program	15146	52,166
	Subtotal Title III Programs		1,408,145

(Continued)

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
	U.S. Department of Education - Passed through California Department of Education (Continued)		
	Adult Education Programs:		
84.002	Adult Education: ESL/ESL-Citizenship	14508	$ 551,220
84.002	Adult Education: Adult Secondary Education	13978	403,200
84.002A	Adult Education: English Literacy and Civics Education	14109	237,505
84.002	Citizenship and Integration Direct Services Grant Program	N/A	131,044
	Subtotal Adult Education Programs		1,322,969
	Title I Programs:		
84.010	ESEA: Title I, Part A Basic Grants, Low Income and Neglected	14329	60,398,280
84.010	ESSA: Comprehensive Support & Improvement (CIS)	15438	2,611,773
	Subtotal Title I Programs		63,010,053
	Carl D. Perkins Career and Tech Ed Programs:		
84.048	Vocational Programs: Voc and Applied Technology State Leadeship, Sec. 124 (Carl Perkins Act)	14891	1,133,975
84.048	Vocational Programs: Adult Sec. 132 (Carl Perkins Act)	14893	76,538
	Subtotal Carl D. Perkins Career and Tech Ed Programs		1,210,513
	Teacher Quality Programs:		
84.336S	National Teacher Quality Partneship Program	N/A	1,173,620
84.336S	Fresno Pacific Teacher Quality Partnership Program	N/A	1,260,995
	Subtotal Teacher Quality Programs		2,434,615
	COVID-19: Education Stabilitzation Fund (ESF) Programs:		
84.425	COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	15536	6,868
84.425	COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	85,381,669
84.425	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	67,190,676
84.425U	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	10155	16,625,186
84.425C	COVID-19: Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	15517	268
84.425	COVID-19: American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program Services	15566	231,400
	Subtotal COVID-19: ESF Programs		169,436,067

(Continued)

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
	U.S. Department of Education - Passed through California Department of Education (Continued)		
84.060A	Indian Education	10011	$ 62,805
84.196	ESEA (ESSA): Education for Homeless Children and Youth, Subtitle VII-B McKinney	14332	37,850
84.287	ESEA: Title IV, Part B, 21st Century Community Learning Centers Program	14349	1,147,370
84.367	ESEA: Title II, Improving Teacher Quality Local Grants	14341	11,446,741
84.423	Supporting Effective Educator Development (SEED) Program	N/A	1,660
84.35	Transition to Teaching	N/A	1,140,249
	Total U.S Department of Education		271,445,911
	U.S. Department of Health and Human Services - Passed through California Department of Health and Human Services		
	CCDF Cluster Programs:		
93.575	COVID-19: Child Development: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act	15555	141,696
93.575	COVID-19: Child Development: ARP California State Preschool Program One-time Stipend	15640	57,552
93.596	Child Development: Federal General and State Preschool	N/A	414,020
93.575	Child Development: Federal Quality Improvement	N/A	712,815
	Subtotal CCDF Cluster Programs		1,326,083
	Total U.S Department of Health and Human Services		1,326,083
	U.S. Department of Agriculture - Passed through California Department of Education		
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs (NSL Sec. 11)	13396	45,319,070
10.555	Child Nutrition: Supply Chain Assistance (SCA) Funds	N/A	1,687,214
10.582	Child Nutrition: Fresh Fruit & Vegetable Program	14968	1,629,614
	Subtotal Child Nutrition Cluster Programs		48,635,898
10.558	Child and Adult Care Food Program (CACFP) Claims	13394	5,617,883
10.170	Specialty Crop Block Grant Program - Farm Bill	N/A	1,678
	Total U.S Department of Agriculture		54,255,459
	Total Federal Expenditures		$ 327,027,453

There were no additional adjustments proposed to any funds of the District.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the year ended June 30, 2023
(UNAUDITED)

	(Adopted Budget) 2024	2023	2022	2021
General Fund				
Revenues and other financing sources	$ 1,711,234,228	$ 1,646,033,549	$ 1,403,778,976	$ 1,149,565,914
Expenditures	1,823,470,906	1,450,989,502	1,266,695,351	1,057,747,424
Other uses and transfers out	9,156,409	3,353,446	4,093,398	14,808,419
Total outgo	1,832,627,315	1,454,342,948	1,270,788,749	1,072,555,843
Change in fund balance	$ (121,393,087)	$ 191,690,601	$ 132,990,227	$ 77,010,071
Ending fund balance	$ 432,480,777	$ 553,873,864	$ 362,183,263	$ 229,193,036
Available reserves	$ 124,986,770	$ 132,954,758	$ 134,741,791	$ 113,741,043
Designated for economic uncertainties	$ 124,986,770	$ 132,954,758	$ 134,741,791	$ 113,741,043
Undesignated fund balance	$ -	$ -	$ -	$ -
Available reserves as percentages of total outgo	6.82%	9.14%	10.60%	10.60%
All Funds				
Total long-term liabilities	$ 2,425,195,614	$ 2,463,790,214	$ 2,343,010,766	$ 3,089,663,080
Average daily attendance at P-2	63,735	62,383	59,003	66,904

The fund balance of the General Fund has increased by $401,690,899 over the past three years. The fiscal year 2023-2024 budget projects a deficit of $121,393,087. For a district this size, the State of California recommends available reserves of at least 2% of total General Fund expenditures, transfers out, and other uses be maintained. For the year ended June 30, 2023, the District has met this requirement.

The District has incurred operating surpluses in each of the past three years, but anticipates an operating deficit in fiscal year 2023-2024.

Total long-term liabilities have decreased by $625,872,866 over the past two years, as shown in Note 6 to the basic financial statements.

Average daily attendance has decreased 4,521 over the past two years. An increase of 1,352 ADA is projected for the 2023-2024 fiscal year.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the year ended June 30, 2023

Charter Schools Chartered by District	Charter #	Included in District Financial Statements, or Separate report
Aspen Meadow Public	1792	Separate Report
Carter G. Woodson Public Charter	0378	Separate Report
Morris E. Dailey Charter Elementary	1172	Separate Report
Sierra Charter	0898	Separate Report
School of Unlimited Learning	0149	Separate Report
University High	0890	Separate Report
Aspen Valley Prep Academy	0662	Separate Report
Endeavor Charter School	2099	Separate Report
Aspen Ridge Public School	2115	Separate Report
The Golden Charter Academy	2113	Separate Report

NOTE 1- PURPOSE OF SCHEDULES

A - Schedule of Average Daily Attendance:

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

B - Schedule of Instructional Time:

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District, and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

C - Schedule of Expenditures of Federal Awards:

The Schedule of Expenditures of Federal Awards includes the federal award activity of Fresno Unified School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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. As a sub- recipient of the State of California the District is using the approved indirect cost rate provided by the California Department of Education rather than the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Fund Balances and the related expenditures reported on the Schedule of Expenditures of Federal Awards:

Description	AL Number	Amount
Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances		$ 325,929,386
Add:		
COVID-19: Child Development: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) act funds expended from prior year awards.	93.575	141,696
Child Nutrition: CACFP Claims not yet reimbursed.	10.558	898,819
COVID-19: Child Development: ARP Preschool Program expended from prior year awards.	93.575	57,552
Total Schedule of Expenditure of Federal Awards		$ 327,027,453

(Continued)

NOTE 1- PURPOSE OF SCHEDULES (Continued)

D - Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements:

This schedule provides the information necessary to reconcile the fund balances of all funds and the total long-term liabilities as reported on the Unaudited Actual Financial Report to the audited financial statements.

E - Schedule of Financial Trends and Analysis – Unaudited:

This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2023-2024 fiscal year, as required by the State Controller's Office. The information in this schedule has been derived from audited information.

F - Schedule of Charter Schools:

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

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Section 22714 and 44929. For the fiscal year ended June 30, 2023, the District did not adopt such a program.

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Audit Committee
Fresno Unified School District
Fresno, California

Report on Compliance

Opinion on State Compliance

We have audited Fresno Unified School District's (the District) compliance with the requirements specified in the State of California *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, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinions

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 *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

(Continued)

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 and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *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:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	Yes
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	Yes

(Continued)

School Districts, County Offices of Education, and Charter Schools:	
T. California Clean Energy Jobs Act	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study – Course-Based	Yes
Z. Immunizations	N/A, see below
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	N/A, see below
CZ. Career Technical Education Incentive Grant	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	N/A, see below
BB. Mode of Instruction	N/A, see below
CC. Nonclassroom-Based Instruction/Independent Study	N/A, see below
DD. Determination of Funding for Nonclassroom-Based Instruction	N/A, see below
EE. Annual Instructional Minutes-Classroom Based	N/A, see below
FF. Charter School Facility Grant Program	N/A, see below

The District did not offer an Early Retirement Incentive Program during the current audit year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

The District does not operate any Juvenile Court Schools; therefore, we did not perform procedures related to Juvenile Court Schools.

The District was not identified as a District of Choice by the California Department of Education; therefore, we did not perform any procedures related to District of Choice.

The District's schools submitted timely immunization assessment reports to the California Department of Public Health; therefore, we did not perform any procedures related to Immunizations program.

The District did not report any Expanded Learning Opportunities Grant (ELO-G) expenditures during the current audit year; therefore, we did not perform any procedures related to Expanded Learning Opportunities Grant (ELO-G).

The District did not include any charter schools in this report; therefore, we did not perform any procedures related to Charter Schools.

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.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance regarding After/Before School Education and Safety Program, which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001.

The District's response to the noncompliance finding identified in our audit is included 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 State Compliance and, accordingly, we express no opinion on it.

(Continued)

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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *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.

Crowe LLP

Crowe LLP

Sacramento, California
November 29, 2023

Crowe LLP
Independent Member Crowe Global

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*

Audit Committee
Fresno Unified School District
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fresno Unified School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Fresno Unified School District’s basic financial statements, and have issued our report thereon dated November 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fresno Unified 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 Fresno Unified School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Fresno Unified 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fresno Unified 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*.

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.

Crowe LLP

Crowe LLP

Sacramento, California
November 29, 2023

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

Audit Committee
Fresno Unified School District
Fresno, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fresno Unified 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 Fresno Unified School District's major federal programs for the year ended June 30, 2023. Fresno Unified 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, Fresno Unified 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 Fresno Unified 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 Fresno Unified 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 Fresno Unified School District's federal programs.

(Continued)

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 Fresno Unified 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 Fresno Unified 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 regarding Fresno Unified 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 Fresno Unified 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 Fresno Unified 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.

(Continued)

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

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

Crowe LLP

Crowe LLP

Sacramento, California
November 29, 2023

FINDINGS AND RECOMMENDATIONS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	______ Yes	X None reported

Noncompliance material to financial statements noted?	______ Yes	X No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	______ Yes	X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ Yes	X No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
84.027, 84,173, 84.027A, 84.173A	Special Education Cluster
84.425, 84.425C, 84.425U	COVID-19: ESF Programs
10.555, 10.582	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $3,000,000

Auditee qualified as low-risk auditee?	X Yes	______ No

STATE AWARDS

Type of auditors' report issued on compliance for state programs: Unmodified

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were noted.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were noted.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-001 STATE COMPLIANCE - AFTER SCHOOL EDUCATION AND SAFETY (40000)

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421(b) and Education Code Section 44809 - Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the State.

Condition: Of the four sites selected for testing for the After School Education and Safety (ASES) Program, audit procedures identified that two of the sites attendance reporting included differences between the supporting documentation of pupil count attendance versus the reported counts. The net impact was an overstatement of 2 days of attendance for the ASES program.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The effect of this finding is an overstatement of 2 days of attendance for the District's ASES program.

Cause: The errors were the result of clerical errors in accounting for attendance.

Fiscal Impact: Not determinable.

Recommendation: The District should enforce controls to ensure accurate accounting for attendance.

Views of Responsible Officials and Planned Corrective Actions: The District’s Extended Learning Team will provide annual training to retrain all after school staff, responsible for attendance accounting, on attendance procedures and reporting using the Fresno Unified Extended Learning Site Lead Manual. Managers from the Extended Learning Team will conduct random site visits throughout the school year to verify accurate reporting.

STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS

2022-001 STATE COMPLIANCE - ATTENDANCE REPORTING (10000)

Condition: A cumulative total of four students were improperly claimed for apportionment at Rowell Elementary School, Susan B. Anthony Elementary School, and Edison Computech Middle School, for a total overstatement of one day each, resulting in a calculated overstatement 0.01 ADA for each student.

Recommendation: The District should enforce established internal controls over attendance accounting and reporting, to ensure accurate accounting for attendance.

Current Status: Implemented

District Explanation if Not Implemented: Not applicable.