FRESNO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
June 30, 2022

FRESNO UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the year ended June 30, 2022
(Continued)

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Crowe LLP
Independent Member Crowe Global

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, 2022, 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, 2022, 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.

(Continued)

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.

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 4 to 23 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 77 to 83 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 28, 2022 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 28, 2022

Fresno Unified School District

Achieving our Greatest Potential!

December 07, 2022

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, 2022, 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 $362,183,263.

The California Education Code requires the governing board 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, 2022 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
Interim 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, 2022. 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 2021/22 and 2020/21.

ABOUT FRESNO UNIFIED SCHOOL DISTICT

Located in the heart of the Central Valley, Fresno Unified School District serves more than 69,500 students Pre-K to 12th grade and 2,100 preschool students, with an additional 4,000 adult learners served through Fresno Adult School. Through high quality instruction, district programs, services and resources, the District is focused on building college and career ready graduates among its 66 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 $946.2 million at June 30, 2022.

- The total net position of the District increased by $191.1 million during fiscal year 2021/22. This is mainly due to a reduction in the post-retirement benefits liability, and net pension liabilities offset by an increase in the County School Facilities Fund for State funded construction projects.

- The fund balance of the District's governmental funds decreased by $133.0 million resulting in an ending fund balance of $604.9 million. This was mainly due to the spending of one-time recovery funds and the redemption of the 2016 and 2019 Crossover Refundings.

- At the end of the 2021/22 fiscal year, the balance in the District's Unrestricted General Fund increased by $85.1 million resulting in an ending fund balance of $284.6 million. The changes were mainly due to an increase in state and Local Control Funding Formula revenue.

- 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, 2022. The District is recognizing a net increase of $79 million in the net position as a result of the changes in the net position liability related to deferred outflows and inflows of resources.

- The District's long-term obligations decreased by $746.7 million to $2.3 billion mainly due to decreases in the following areas: General Obligation Bonds totaling $182.4 million, net OPEB liability of $62.9 million, and net pension liabilities of $501 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 (3.93%) as of June 30, 2022. 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 after the Unaudited Actuals were presented on September 14, 2022 by $25.4 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 $1.05 billion, as of June 30, 2022, is offset with the 2021/22 net assets in the District's Irrevocable Trust for OPEB liabilities of $63.9 million. The net OPEB liability at the end of 2021/22 is $987.3 million. 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 2021/22 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.

<u>*Fund Financial Statements*</u>

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, 2022, the major funds are the General Fund, Building Fund, County School Facilities 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.

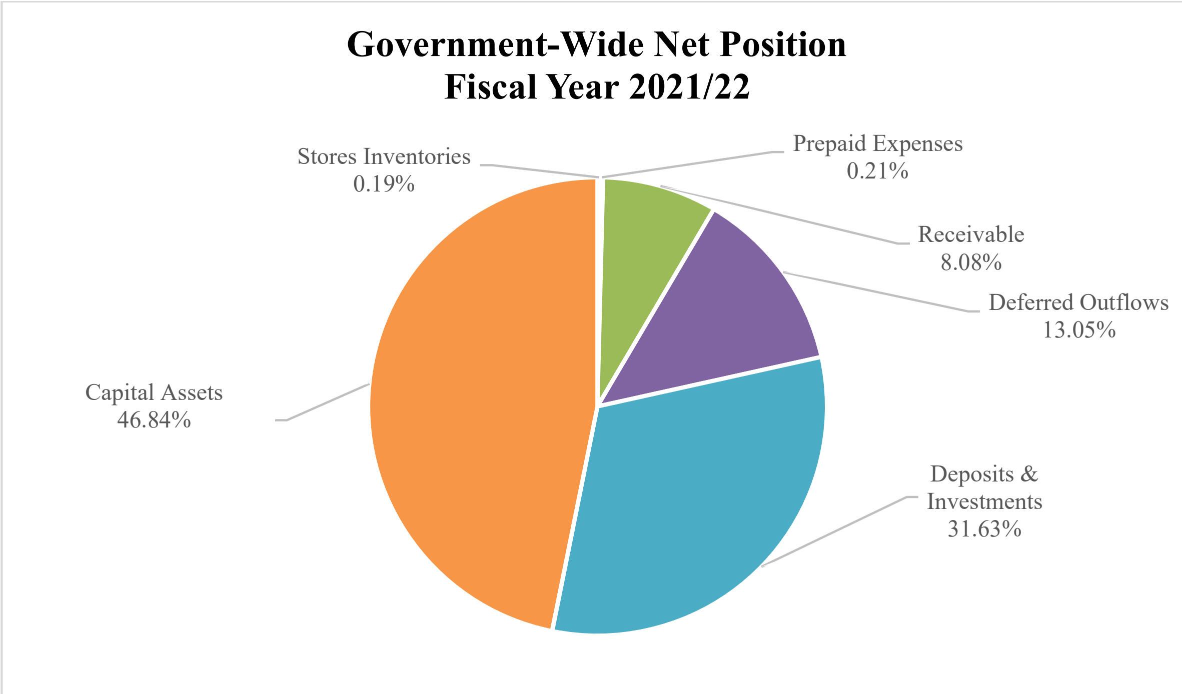
Other Information

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		
	2022	**2021**	**Change**
Current and other Assets	$886,054,953	$1,084,765,261	(18.32%)
Capital Assets	1,034,445,066	971,026,570	6.53%
Total Assets	1,920,500,019	2,055,791,831	(7.04%)
Deferred Outflows	288,305,492	322,901,689	(10.71%)
Current Liabilities	214,854,312	289,829,772	(25.87%)
Long-term Liabilities	2,343,010,766	3,089,663,080	(24.17%)
Total Liabilities	$2,557,865,078	$3,379,492,852	(24.31%)
Deferred Inflows	597,095,232	136,490,108	337.46%
Net invested in Capital Assets	347,143,590	399,496,265	(13.10%)
Restricted	268,865,840	459,729,697	(41.52%)
Unrestricted	(1,562,164,229)	(1,996,515,402)	21.76%
Total Net Position	($946,154,799)	($1,137,289,440)	16.81%



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.

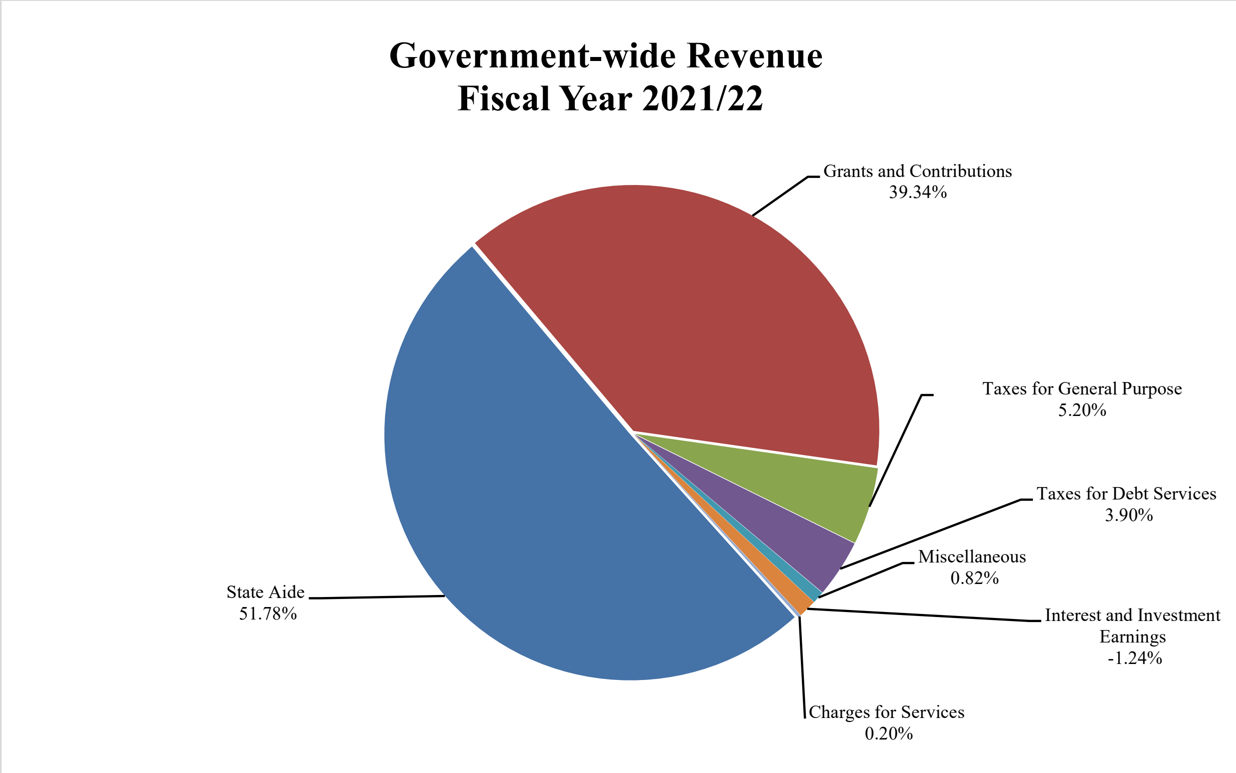
Capital assets are used in the operations of the District. These assets include land, land improvements, buildings, equipment, and work-in-process.

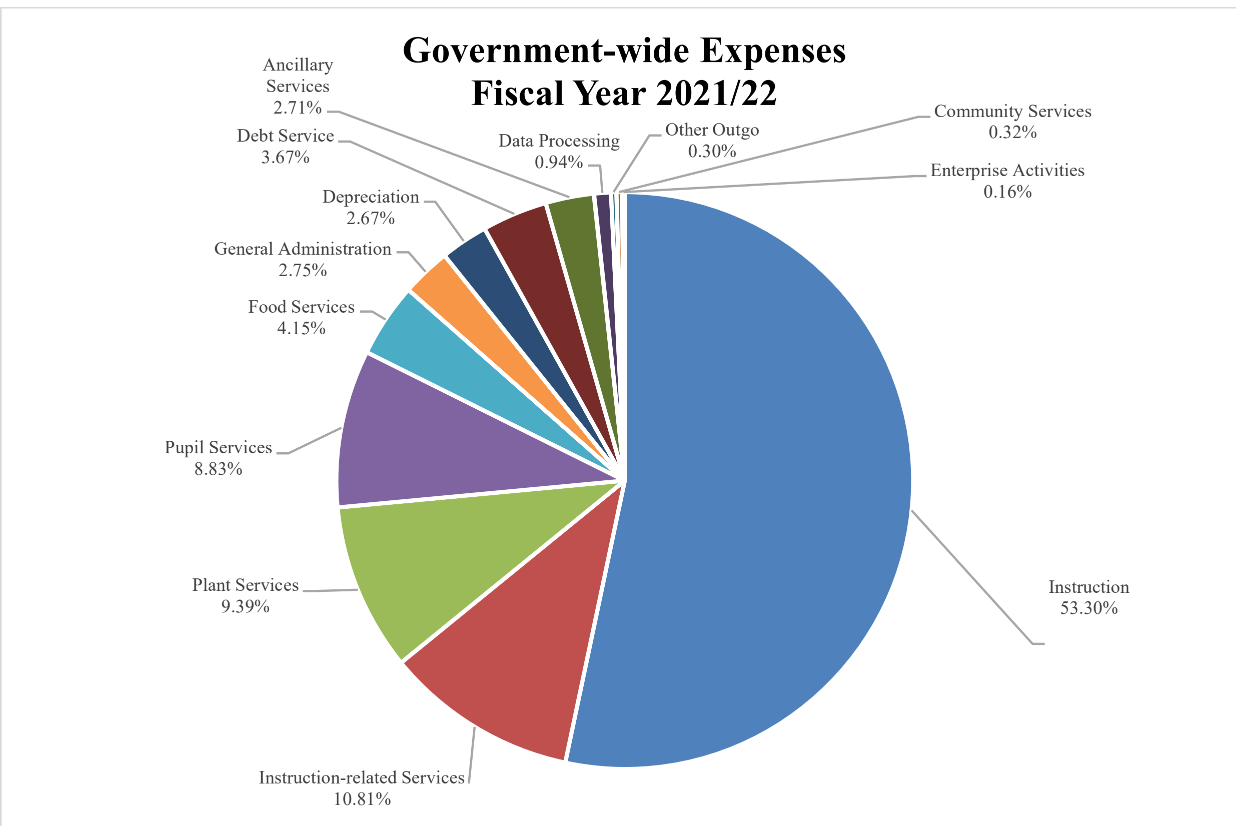
Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, unearned revenue, and self-insurance claims liabilities. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that became available during the 2021/22 fiscal year. Long-term liabilities such as general obligation bonds and compensated absences will be liquidated from resources that will become available after the 2021/22 fiscal year.

The liabilities and deferred inflows of the primary governmental activities exceed the assets and deferred outflows by $946 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 $1.03 billion in land, land improvements, buildings, equipment, and work-in-process, represents 54% of the District's total assets. The District serves 69,500 public school students including transitional kindergarten through 12th grade. In addition, the District participates in the State preschool program in which 2,100 students are enrolled. The table and chart above summarize the District's *Government-wide Net Position*.

Statement of Activities	Governmental Activities 2022	2021	Change
Program Revenues			
Charges for Services	$3,023,514	$1,382,148	118.75%
Operating Grants & Contributions	596,370,001	395,553,198	50.77%
General Revenues			
Taxes and Subventions	137,933,892	134,675,699	2.42%
Federal and State Aid, Unrestricted	784,758,511	721,734,074	8.73%
Interest and Investment Earnings	(18,778,276)	5,649,900	(432.36%)
Other General Revenues	12,464,809	9,833,800	26.75%
Capital Grants & Contributions	-	11,626,265	(100.00%)
Total Revenues	$1,515,772,451	$1,280,455,084	18.38%
Expenses			
Instruction	$706,229,125	$692,914,006	1.92%
Instructional Related	143,193,503	146,430,481	(2.21%)
Student Support Services	171,930,004	147,379,438	16.66%
General Administrative	48,882,847	51,670,044	(5.39%)
Maintenance and Operations	124,316,608	119,007,402	4.46%
Depreciation	35,341,062	33,957,505	4.07%
Other	94,744,661	80,104,984	18.28%
Total Expenses	$1,324,637,810	$1,271,463,860	4.18%
Change in Net Position	$191,134,641	$8,991,224	2,025.79%


Government-wide Revenue
Fiscal Year 2021/22
Grants and Contributions
39.34%
Taxes for General Purpose
5.20%
Taxes for Debt Services
3.90%
Miscellaneous
0.82%
Interest and Investment Earnings
-1.24%
Charges for Services
0.20%
State Aide
51.78%


Government-wide Expenses
Fiscal Year 2021/22
Ancillary Services
2.71%
Debt Service
3.67%
Depreciation
2.67%
General Administration
2.75%
Food Services
4.15%
Pupil Services
8.83%
Plant Services
9.39%
Instruction-related Services
10.81%
Data Processing
0.94%
Other Outgo
0.30%
Community Services
0.32%
Enterprise Activities
0.16%
Instruction
53.30%

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.

The General Fund is the chief operating fund of the District. Student enrollment decreased by 185 students during the fiscal year. The funded average daily attendance (ADA) for fiscal year 2021/22 remained status quo from the 2019/20 fiscal year.

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

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 2021/22:

- The County School Facilities Fund spent $91.1 million on projects Measure X – $39.5 million, Measure M – $35.1 million, and savings from state facility projects totaling $16.5 million

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

    - Construction and Maintenance major projects and activities totaling $64.3 million:
        - Juan Herrera $15.0 million
        - Edison High $11.6 million
        - Farber Campus $8.2 million
        - Duncan Polytechnical $7.3 million
        - Columbia Elementary $5.1 million
        - Addams Elementary $4.7 million
        - Bullard High $4.3 million
        - Ewing Elementary $2.7 million
        - Fresno High $2.3 million
        - Sunnyside High $1.6 million
        - Leavenworth Elementary $0.7 million
        - 21 other sites totaling $0.8 million

    - Modernization Projects included the following sites totaling $26.8 million:
        - Farber Campus $5.3 million
        - Jackson Elementary $3.9 million
        - Hoover High $2.9 million
        - Scandinavian Middle $0.9 million
        - Ahwahnee Middle $0.8 million
        - Tioga Middle $0.6 million
        - Centennial Elementary $0.6 million
        - Wishon Elementary $0.6 million
        - Addams Elementary $0.5 million
        - Webster Elementary $0.4 million
        - 94 other sites totaling $10.3 million

The Cafeteria Fund's key elements that highlight the activities in the 2021/22 fiscal year are as follows:

- Over 13,603 breakfasts, 3,177 snacks, 43,107 lunches, and 5,920 suppers per day were served, equating to 11.8 million meals annually which is an increase of 2.6 million meals overall from the prior year due to students returning to campus for the full-year.

- 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.

- The District received the California Department of Food And Agriculture's 2021 Farm to School Incubator Grant to implement nutrition education across the district and procure minimally processed organic food items.

- Meals are served at 107 locations, utilizing 431 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 2021/22, Fresno Unified spent 56.38% 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 2021/22 was projected to be $222 million. The actual 2021/22 ending balance is $285 million, a gain of $63 million, mainly due to the following:

2020/21 Ending Fund Balance Impacts

- Actual General Fund expenditures in 2020/21 were lower than the adopted budget by $16 million mainly due to:
    - Lower than anticipated expenditures in salaries
    - 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

2021/22 Impacts

- An increase in Local Control Funding Formula (LCFF) revenue of $33 million due to an increase in Concentration Grant Funding from 50% of base grant to 65% of base grant
- An increase in Federal, State, and local income of $5 million mainly due to one-time MAA revenue, interest income, and lottery funding allocated after the State adopted the budget
- Total expenditures and contributions decreased by $21 million was recognized due to the following changes:
    - Salaries were lower than anticipated by $9 million
    - School site/department expenditures were lower than anticipated by $13 million
    - Increased cost to provide an ongoing 1% increase to Adopted raise $5 million
    - Decreased State Unemployment insurance rate $3 million
- A decrease in fair value adjustment to cash in county treasury totaling $12 million

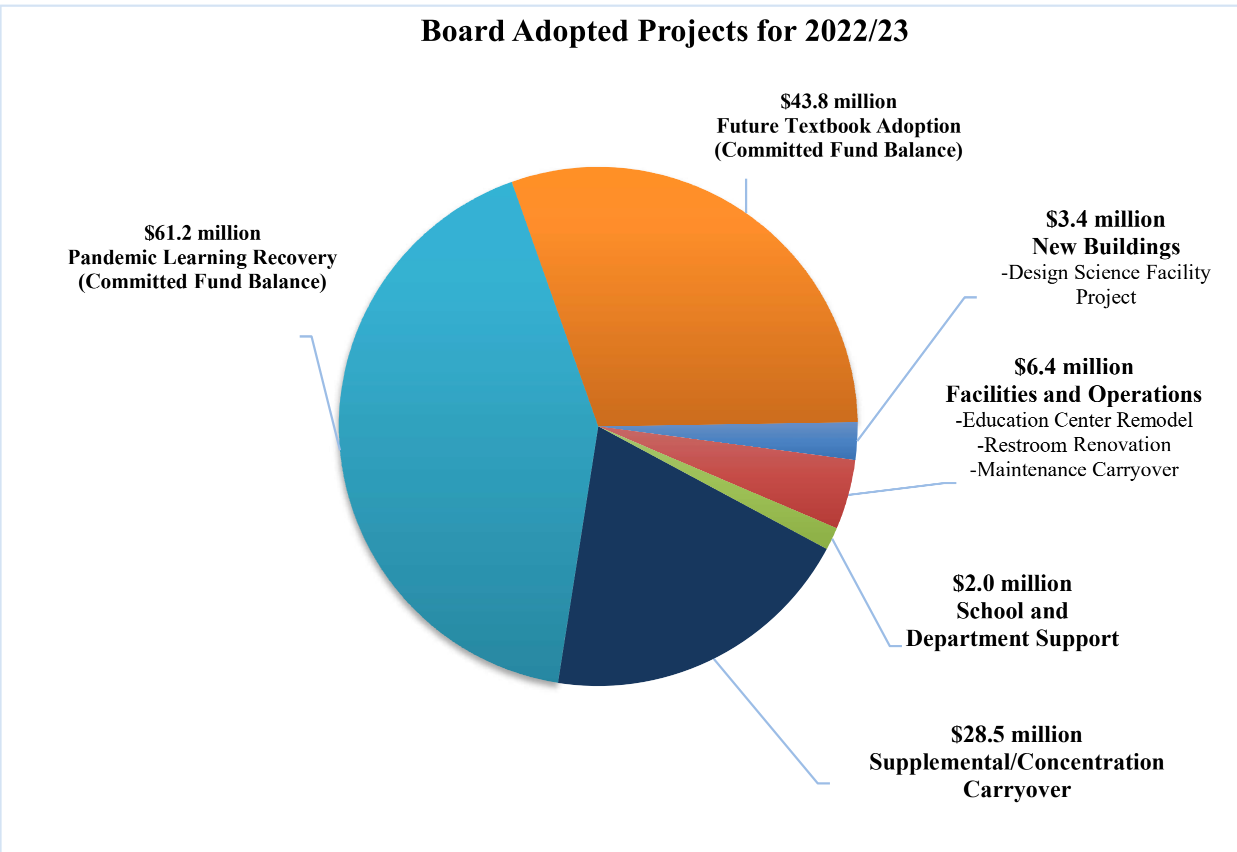
The Board designated funds in the 2022/23 budget in the amount of $145.3 million for future projects as follows:

Committed Fund Balance:

Future Textbook Adoptions	$43.8 million
Pandemic Learning Recovery	$61.2 million

Assigned Fund Balance:

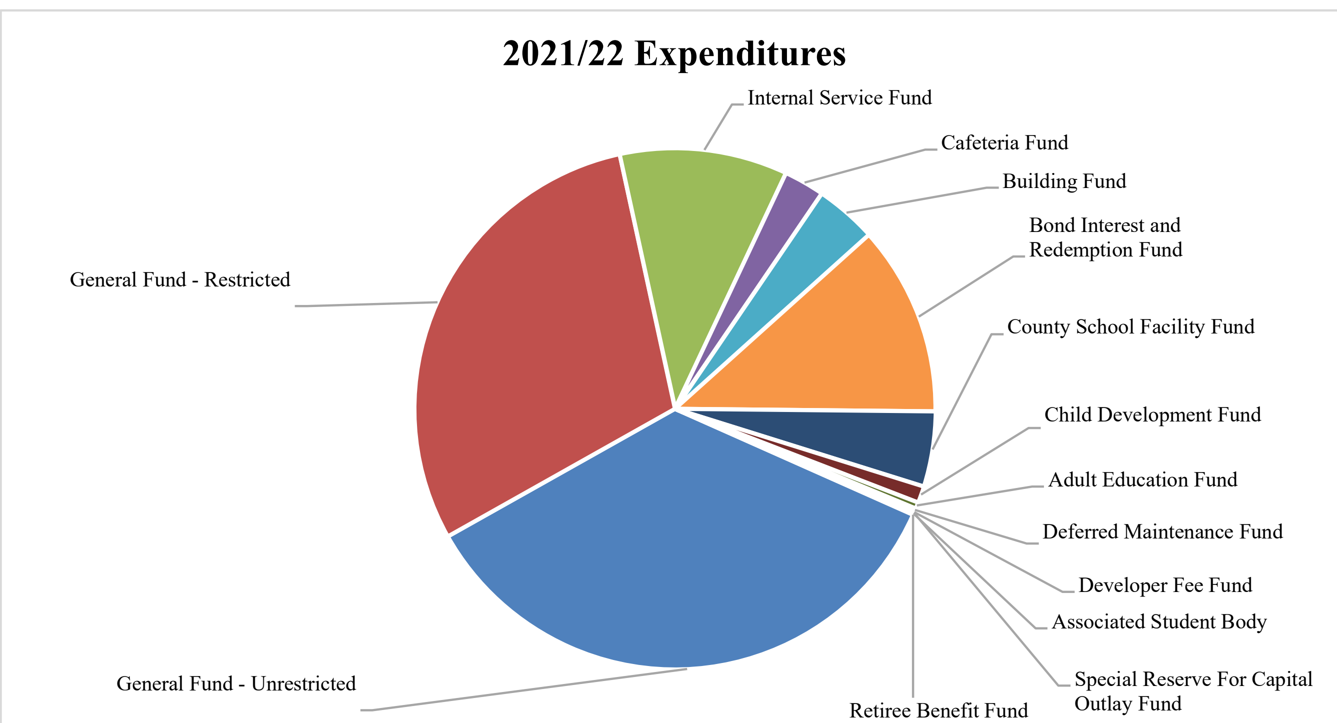
Supplemental/Concentration Carryover	$28.5 million
Facilities and Operations	$6.4 million
New Buildings	$3.4 million
School and Department Support	$2.0 million



Total expenditures for 2021/22 were $2.0 billion, representing an increase from 2020/21 of $419 million as listed below (in millions):

Expenditures	2021/22 Unaudited Actuals Expense	2020/21 Unaudited Actuals Expense	Difference	Change
General Fund – Unrestricted	$687.5	$663.8	$23.7	3.57%
General Fund – Restricted	581.1	406.5	174.6	42.95%
Bond Interest and Redemption Fund	230.6	54.90	175.7	320.04%
Internal Service Fund	203.5	183.8	19.7	10.72%
County School Facility Fund	91.1	81.6	9.5	11.64%
Building Fund	74.9	70.4	4.5	6.39%
Cafeteria Fund	49.3	37.4	11.9	31.82%
Child Development Fund	20.3	18.7	1.6	8.56%
Adult Education Fund	7.7	7.5	0.2	2.67%
Deferred Maintenance Fund	4.1	6.8	(2.7)	(39.71%)
Associated Student Body Fund	2.2	0.9	1.3	144.44%
Developer Fee Fund	1.2	2.6	(1.4)	(53.85%)
Special Reserve for Capital Outlay Fund	0.5	0.2	0.3	150.00%
Retiree Benefit Fund [A]	0.1	-	0.1	- %
Total	$1,954.1	$1,535.1	$419.0	5.7%

[A] The Retiree Benefit Fund is not included in the District's financial statements. The funds in the California Employers' Benefit Retiree Trust (CEBRT) 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 CEBRT, which is included in the CalPERS Comprehensive Annual Financial Report (CAFR).

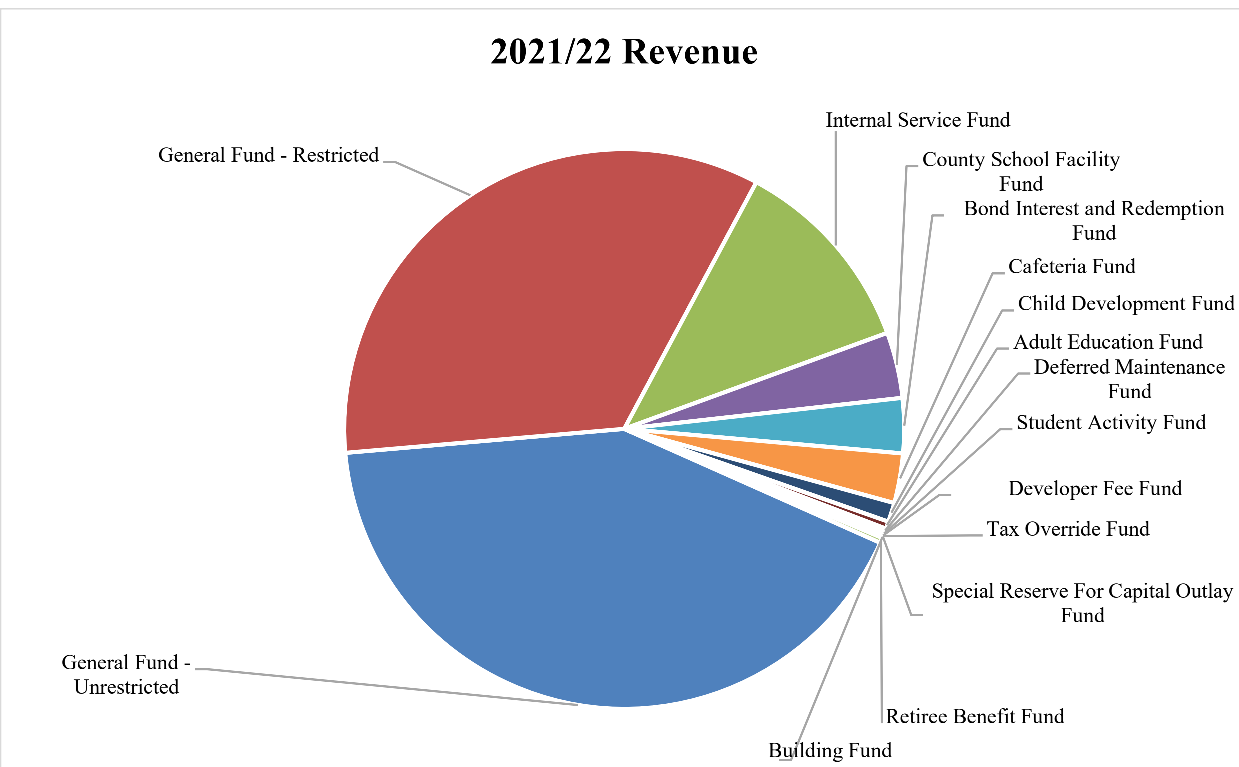


Total revenue for 2021/22 was $1.8 billion, representing an increase from 2020/21 of $69.0 million as listed below (in millions):

Revenue	2021/22 Unaudited Actuals Revenue (B)	2020/21 Unaudited Actuals Revenue	Difference	Change
General Fund – Unrestricted	$772.6	$715.4	$57.2	8.0%
General Fund – Restricted	628.9	431.8	197.1	45.6%
Internal Service Fund	213.6	209.4	4.2	2.0%
County School Facility Fund	70.0	74.9	(4.9)	(6.5%)
Bond Interest and Redemption Fund	58.3	69.2	(10.9)	(15.8%)
Cafeteria Fund	53.1	32.8	20.3	61.9%
Child Development Fund	20.3	19.4	0.9	4.6%
Adult Education Fund	7.9	7.7	0.2	2.6%
Deferred Maintenance Fund	4.1	6.8	(2.7)	(39.7%)
Associated Student Body	2.6	0.5	2.1	420.0%
Developer Fee Fund	1.6	1.0	0.6	60.0%
Special Reserve for Capital Outlay	(0.1)	0.1	0.0	0.0%
Building Fund	(1.9)	172.9	(174.8)	(101.1%)
Retiree Benefit Fund(A)	(5.5)	14.6	(20.1)	(137.7%)
Total	$1,825.5	$1,756.5	$69.0	3.9%

(A) The Retiree Benefit Fund is not included in the District's financial statements. The funds in the CEBRT 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 CEBRT, which is included in the CalPERS Comprehensive Annual Financial Report (CAFR).

(B) Unaudited Actuals have been adjusted to reflect the GASB 31 Fair Value adjustment.



Summary of Capital Assets

Governmental Activities, Capital Assets	**2022**	**2021**	**Change**	**Change**
Land	66,411,797	66,411,797	-	- %
Work-in-process	223,076,943	174,137,609	48,939,334	28.10%
Land improvements	119,617,401	108,837,432	10,779,969	9.90%
Buildings	1,121,888,371	1,086,427,714	35,460,657	3.26%
Equipment	44,598,346	42,044,028	2,554,318	6.08%
Capital Assets, cost	1,575,592,858	1,477,858,580	97,734,278	6.61%
Accumulated Depreciation	(541,147,792)	(506,832,010)	(34,295,155)	6.77%
Governmental Activities Capital Assets, net	$1,034,445,066	$971,026,570	$63,439,123	6.53%

The District's investment in Capital Assets for its governmental activities as of June 30, 2022 was $1.03 billion (net of accumulated depreciation).

Capital Assets include land, land improvements, buildings, equipment, and work-in-progress. 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

	2022	**2021**	**Change**	**Change**
Governmental Activities				
General Obligation Bonds	$797,372,603	$916,667,292	($119,294,689)	(13.01%)
Accreted Interest	25,531,944	90,937,175	(65,405,231)	(71.92%)
Unamortized Premium	35,303,862	32,995,790	2,308,072	7.00%
Other Postemployment Benefits	987,304,445	1,050,247,712	(62,943,267)	(5.99%)
Compensated Absences	5,065,912	5,290,111	(224,199)	(4.24%)
Net Pension Liability	492,432,000	993,525,000	(501,093,000)	(50.44%)
Total	$2,343,010,766	$3,089,663,080	$(746,652,314)	(24.17%)

As of June 30, 2022, the District had a total outstanding bonded debt of $797 million backed by the full faith and credit of the District.

Total long-term debt for the District decreased by $747 million. The change in the long-term debt was due mainly to decreases for General Obligation Bonds of $119 million, net pension liabilities of $501 million, accreted interest of $65 million, and net OPEB liability of $63 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 3.05%.

Economic Factors and Budgets and Rates for 2022/23

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. For 2021/22, the LCAP process was modified due to school closures and a Learning Continuity Plan was required instead. 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 2022/23 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 15, 2022, the Board of Education approved an Adopted Budget for fiscal year 2022/23. The Adopted Budget included an 8.58% unrestricted reserve.

- The major State assumptions are:
  - Statutory cost-of-living adjustment of 5.33%
    - Subsequently, the Adopted State Budget increased the COLA to 13.26%
  - The cash flow projected a positive balance of $121.9 million on June 30, 2023
  - Educational Protection Account continues, as required by Proposition 30 (November 2012), which represents 19% ($174 million) of the Local Control Funding Formula (LCFF)
  - The District is projected to be funded on the prior year ADA
  - LCFF Supplemental and Concentration funding of $249 million
    - Subsequently, the Adopted State Budget increased the funding to $265 million
- The local assumptions are as follows:
  - The Elementary School Aligned Instructional System: Designated sites, instructional aides including kindergarten aides, police chaplains to increase safety, custodial, clerical supports, administrative support, and health care professionals including a registered nurse, licensed vocational nurse or health assistant
  - The Middle School Aligned Instructional System: Transition teachers and campus culture support, safety investments include campus assistants, custodial support, clerical support, administrative support, and health care professionals including a registered nurse and licensed vocational nurse or health assistant
  - 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
  - School Site Allocations: Investments for instructional classroom support, after-school activities/athletics, equipment and coaching contracts, as well as supplies for libraries.
  - Additional supports to school sites with Unduplicated Pupil Percentage (UPP) of 55% or more for social emotional, special education, academic supports and school climate, attendance support and family engagement, safety, and site technology support.
  - Communications: Increase media supervisor offset with reductions to contracts
  - Parent University: Shifted part-time child welfare attendance specialist to College and Career Readiness
  - Board of Education: One-time supports for November board election
  - Human Resources: Increase two human resource specialists
  - Information Technology: Increase investments to better support core infrastructure and cybersecurity and 1:1 devices: in addition, one time savings of district computers purchased with grant funds
  - Transportation: Increase in the First Student annual contract, GPS annual license and additional manager II. One time supports for a bus wash system and GPS bus system
  - Leadership Development: Addition of principal on special assignment

- Instructional Division: Addition of budget technician offset by reductions of contacts and supplies
- Curriculum and Instruction: Addition of customer service representative and one budget technician offset by reductions in contracts and supplies.
- Textbook Adoption: K-6 Science and grades 7-12 World Language textbook adoption
- Translation Services: Add supports for new department including a manager I, three material translators, supplemental supports, supplies and contracts.
- Department of Prevention and Intervention: Addition of one counselor offset by reductions in contracts and supplies, ten additional clinical social workers and peer mentoring expansion offset with restructure within department
- Student Engagement: Increase a teacher on special assignment
- Visual and Performing Arts: Addition of two music teachers to expand program to kindergarten
- Emergency Response: Increase of manager II and increases for travel and supplies
- Health Services: Increase a manager, a nurse for Herrera Health Center and increases for supplies and contracts
- Plant Maintenance: Addition of mobile maintenance crew including one-time support for trailer and equipment
- Plant Operations: Addition of nine grounds maintenance workers, two plant supervisors and ground maintenance contract increases. Additional custodial staff to align with square footage parameters, increases for utilizes and one-time support for equipment and feminine hygiene dispensers
- African American Academic Acceleration: Addition of budget technician II and program manager I
- Engagement and External Partnerships: Addition of one manager I, increase in supplies, contracts and travel
- Early Learning: Addition of a program technician, a behavior intervention specialist, two teachers and 3.5 FTE paraprofessional to support preschool for Herrera Elementary
- Special Education: Addition of six co-teachers, one workability technician, and 18.75 FTE teachers and paraeducators to align with staffing parameters and one-time supplies for new psychologists and regional instructional managers
- Career Technical Education: Addition of four teachers on special assignment and one project manager for internship program. Aviation program planning to be offset with supplies and contracts and shifting staff to Expanded Learning Opportunities Grant (ELOP)
- College and Career Readiness: Additional support for Historical Black College dual enrollment, shift of child welfare and attendance specialist from parent university
- After School Programs: Expansion of after school programs utilizing ELOP. Expansion includes ten coordinators, a budget technician II, two project managers, a program manager, secretary II and collaborative partnership with community-based organizations
- Intersession: Expansion to intersession programs utilizing ELOP. Addition of a budget technician II, two project managers, summer camp contracts, collaborative partnerships with Community Based Organizations and increased supplies
- 3% salary increase based on contingency language
    - Subsequently, the Adopted State Budget adjusted the salary increase to 6% based on the contingency language
- One-time allocations using recovery funds include:
    - eLearn Academy – additional supports programed to address unfinished learning:
    - Allocate additional sections to expand credit recovery at the comprehensive high schools
    - Parent University: support for upgrading technology
    - Human Resources: add fingerprint machine
    - Information Technology: Add interactive panels for all elementary classrooms, phase II of connectivity infrastructure, school wi-fi expansion, data center security and resiliency, network, and student device support
    - Purchasing: Supports for cafeteria and outdoor table replacements

- Leadership Development: Support for five teachers on special assignment for vice principal institute to develop a pipeline into the district, administrative, coaches, a leadership tracking system, principal pipeline supports, supervisor academy resources and an internal credentialing consultant
- Alternative Education: Support for credit attainment
- Curriculum and Instruction: supports for professional learning, digital lessons and licenses, Tier 2 intervention materials, Teaching Fellows contract and one teacher on special assignment for Science Adoption
- Teacher Development: Supports for aspiring teacher pipeline, teacher leadership, two teachers on special assignment and continued support of one manager II and one teacher on special assignment
- Library Services: Supports for student backpacks
- English Learner Services: Supports for Interact Fellow Services, Orchid Translation Services, English language instructional support, peer mentoring services, expansion of Rosetta Stone, Hmong consultant services and Tiger Bytes custom applications
- Department of Prevention and Intervention: Supports include one guidance learning advisor, behavior support manager, two behavioral intervention specialists, targeted professional learning, contracted mental health and behavioral support, two child welfare and attendance specialist II's, four clinical social workers, 2.5 FTE restorative practice counselors, a manager III and office assistant
- Student Engagement: Support for Leadership Academy stipends, writing workshops for African American Student Leadership Academy contracts, 8^{th} grade camps and summer athletic bridge academy
- Visual and Performing Arts: Supports for instrument filters and choir masks, art supplies, Teacher Artist Residency, and instrument replacements
- Health Services: Contracts for nurses to support the wellness hubs
- Facilities Planning and Management: Additional supports for social and emotional confidential space, libraries for Cambridge and DeWolf, science lab for DeWolf and five CNG busses
- Nutrition Services: Replacement and upgrade of meal preparation equipment
- Plant Maintenance: Supports to complete HVAC upgrades for Phase I and begin Phase II
- African American Academic Acceleration: Supports include one program manager, one project manager and teacher supplemental contracts
- Early Learning: Supports include program opportunities for community outreach, professional learning, and summer school expansion
- Special Education: Support for registered behavioral technician contract, Wonderwork's goal book and paraeducator contract
- College and Career Readiness: Supports include employability skills contract
- After School Programs: Supports include expansion of after school to all secondary sites

- 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
2022/23	19.10%	25.37%	$11.6 million	$196.8 million
2023/24	19.10%	25.20%	($0.2 million)	$196.6 million
2024/25	19.10%	24.60%	($0.7 million)	$195.9 million

    - Unemployment Rate – Remains at 0.5% in 2022/23. In 2023/24, the rate is anticipated at 0.20% which equates to a decrease of $2.0 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 $1,430 to $21,684 per employee for 2022/23. For each active eligible employee, the contribution to the Health Fund is estimated to increase by $738 in 2023/24, and an additional $501 in 2024/25, equating to $5.0 million and $3.4 million accordingly
        - Subsequently, the state budget was enacted on June 30, 2022, which increased the health rate in accordance with the current employee bargaining agreements by an additional $1,269 to $22,953 per employee.
    - Workers' Compensation maintains the Liability Insurance rates to fund the reserve level at 90% for 2022/23

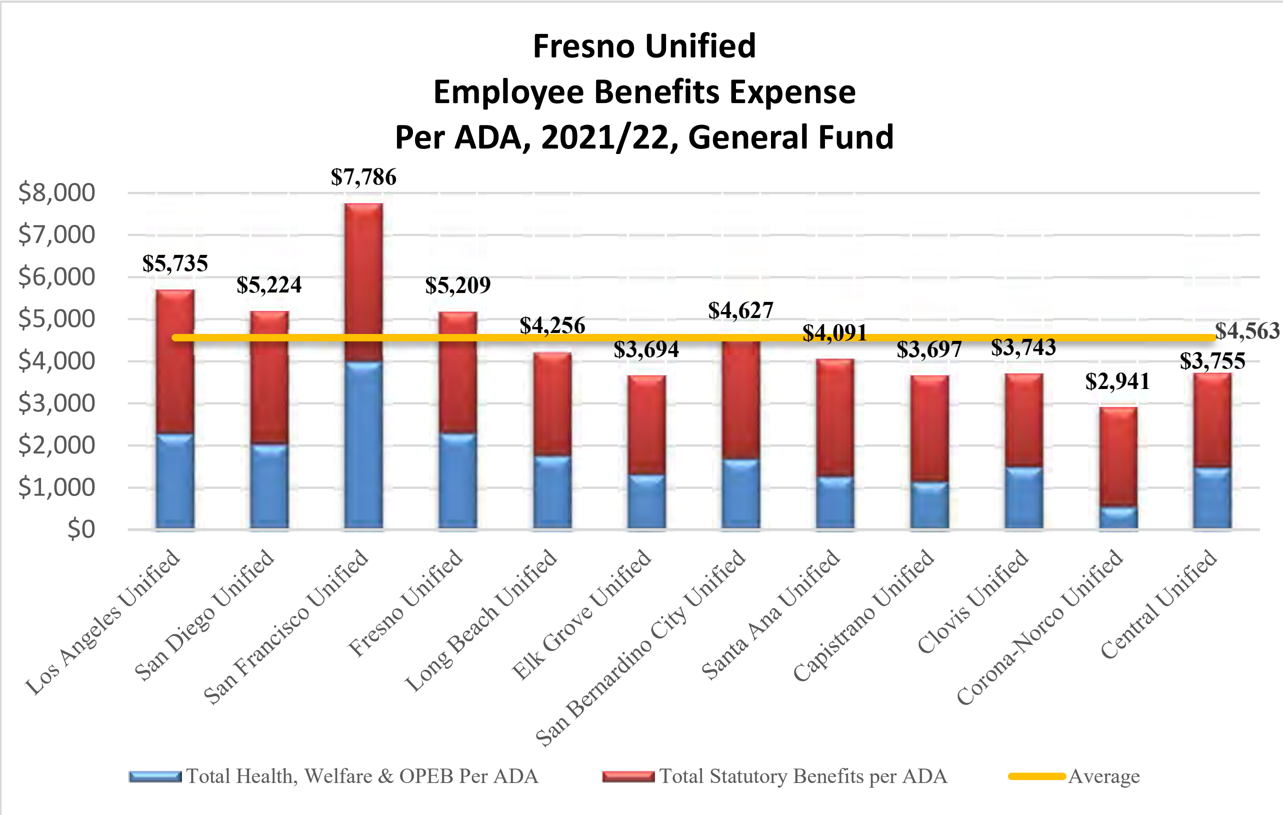
Employee Benefits

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 $1.05 billion in October 2022 which is a decrease of $68.49 million since October 2021. The District established an irrevocable trust in 2013/14. The Trust Fund decreased by $5.54 million and at the end of 2021/22 had an ending fund balance of $63.88 million. In 2022/23, the District plans to transfer $3.5 million to the OPEB irrevocable trust. At June 30, 2022, the total net OPEB liability was $987 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 increase through 2023/24 to 19.1% and CalPERS projects rate increases through 2025/26 to 23.7%.

Fresno Unified ranks fourth 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 $646/ADA. If the District spent at the State average of $4,563/ADA, annual savings generated equates to $43 million. Furthermore, the District's total benefits per ADA expense for 2021/22 increased by $687 over 2020/21.



Source: 2021/22 Unaudited Actual Standardized Account Code Structure
Health and Welfare: Unaudited Acual Expenditure by Object, Health and Welfare Benefits (3401/3402); OPEB (3701, 3702, 3751, 3752); Divided by 2021/22 P-2 Funded ADA

Net 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 of Business and Financial Services at (559) 457-6226.

BASIC FINANCIAL STATEMENTS

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

		Governmental Activities
ASSETS		
Cash and cash equivalents (Note 2)	$	640,237,682
Investments (Note 2)		58,397,281
Receivables		178,450,268
Prepaid expenses		4,748,949
Stores inventory		4,220,773
Non-depreciable capital assets (Note 4)		289,488,740
Depreciable capital assets, net of accumulated depreciation (Note 4)		744,956,326
Total assets		1,920,500,019
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pensions (Notes 8 and 9)		202,958,549
Deferred outflows of resources - loss from refunding of debt		13,078,369
Deferred outflows of resources - OPEB (Note 10)		72,268,574
Total deferred outflows		288,305,492
LIABILITIES		
Accounts payable and other current liabilities		141,898,086
Unearned revenue		14,126,628
Self-insurance claims liability (Note 5)		58,829,598
Long-term liabilities (Note 6):		
Due within one year		35,755,144
Due after one year		2,307,255,622
Total liabilities		2,557,865,078
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pensions (Notes 8 and 9)		415,436,000
Deferred inflows of resources - OPEB (Note 10)		181,659,232
Total deferred inflows		597,095,232
NET POSITION		
Net investment in capital assets		347,143,590
Restricted:		
Legally restricted programs		99,786,789
Capital projects		36,066,689
Debt service		56,581,579
Self insurance		76,430,783
Unrestricted		(1,562,164,229)
Total net position	$	(946,154,799)

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	$ 706,229,125	$ 2,322,172	$ 355,027,445	$ -	$ (348,879,508)
Instruction-related services:					
Supervision of instruction	64,561,238	86,204	40,646,732	-	(23,828,302)
Instructional library and technology	14,383,271	-	9,367,431	-	(5,015,840)
School site administration	64,248,994	22,687	8,299,224	-	(55,927,083)
Pupil services:					
Home-to-school transportation	18,897,174	-	1,606,673	-	(17,290,501)
Food services	54,972,493	72,904	58,297,616	-	3,398,027
All other pupil services	98,060,337	326,731	48,239,559	-	(49,494,047)
General administration:					
Data processing	12,441,178	-	3,423,887	-	(9,017,291)
All other general administration	36,441,669	12,608	20,591,011	-	(15,838,050)
Plant services	124,316,608	55,439	36,310,636	-	(87,950,533)
Ancillary services	35,917,240	-	9,730,604	-	(26,186,636)
Community services	4,236,246	912	2,690,877	-	(1,544,457)
Enterprise activities	2,062,949	2,316	571,312	-	(1,489,321)
Interest on long-term liabilities	48,616,488	-	-	-	(48,616,488)
Other outgo	3,911,738	121,541	1,566,994	-	(2,223,203)
Depreciation (unallocated) (Note 4)	35,341,062	-	-	-	(35,341,062)
Total governmental activities	$ 1,324,637,810	$ 3,023,514	$ 596,370,001	$ -	(725,244,295)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					78,887,151
Taxes levied for debt service					59,046,741
Federal and state aid not restricted to specific purposes					784,758,511
Interest and investment earnings (loss)					(18,778,276)
Miscellaneous					12,464,809
Total general revenues					916,378,936
Change in net position					191,134,641
Net Position, July 1, 2021					(1,137,289,440)
Net position, June 30, 2022					$ (946,154,799)

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Building Fund	County School Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents:						
Cash in County						
Treasury	$ 294,358,133	$ 107,343,187	$ 12,613,474	$ 57,598,143	$ 13,574,799	$ 485,487,736
Cash in revolving fund	70,050	-	-	-	550	70,600
Cash on hand and in banks	14,211,899	-	-	-	5,694,552	19,906,451
Collections awaiting deposit	-	-	-	-	10,118	10,118
Investments	-	-	-	58,397,281	-	58,397,281
Receivables	159,883,302	377,510	74,876	177,143	17,473,238	177,986,069
Prepaid expenditures	1,812,091	-	-	-	-	1,812,091
Due from other funds	16,964,423	111,787	41,299,107	-	8,382,088	66,757,405
Stores inventory	2,670,901	-	-	-	1,549,872	4,220,773
Total assets	$ 489,970,799	$ 107,832,484	$ 53,987,457	$ 116,172,567	$ 46,685,217	$ 814,648,524
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 104,961,514	$ 9,918	$ 18,776,273	$ -	$ 4,502,918	$ 128,250,623
Unearned revenue	10,437,103	-	-	-	3,689,525	14,126,628
Due to other funds	12,388,919	39,528,721	3,596,818	-	11,839,053	67,353,511
Total liabilities	127,787,536	39,538,639	22,373,091	-	20,031,496	209,730,762
Fund balances:						
Nonspendable	4,553,042	-	-	-	1,550,422	6,103,464
Restricted	77,545,930	68,293,845	31,614,366	116,172,567	25,103,299	318,730,007
Committed	105,000,000	-	-	-	-	105,000,000
Assigned	40,342,500	-	-	-	-	40,342,500
Unassigned	134,741,791	-	-	-	-	134,741,791
Total fund balances	362,183,263	68,293,845	31,614,366	116,172,567	26,653,721	604,917,762
Total liabilities and fund balances	$ 489,970,799	$ 107,832,484	$ 53,987,457	$ 116,172,567	$ 46,685,217	$ 814,648,524

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BAL ANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - Governmental Funds		$ 604,917,762
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 $1,575,592,858 and the accumulated depreciation is $541,147,792 (Note 4).		1,034,445,066
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, 2022 consisted of (Note 6):		
General Obligation Bonds	$ (797,372,603)	
Unamortized premiums	(35,303,862)	
Accreted interest	(25,531,944)	
Net OPEB liability (Note 10)	(987,304,445)	
Net pension liability (Notes 8 and 9)	(492,432,000)	
Compensated absences	(5,065,912)	
		(2,343,010,766)
Internal service funds are included in the government-wide financial statements.		76,430,783
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.		13,078,369
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)	$ 202,958,549	
Deferred outflows of resources - OPEB (Note 10)	72,268,574	
Deferred inflows of resources - pensions (Notes 8 and 9)	(415,436,000)	
Deferred inflows of resources - OPEB (Note 10)	(181,659,232)	
		(321,868,109)
Unmatured interest on long-term liabilities is recognized in the period incurred.		(10,147,904)
Total net position - governmental activities		$ (946,154,799)

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, 2022

	General Fund	Building Fund	County School Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:						
Local Control Funding Formula (LCFF):						
State apportionment	$ 772,606,124	$ -	$ -	$ -	$ -	$ 772,606,124
Local sources	74,866,688	-	-	-	-	74,866,688
Total LCFF	847,472,812	-	-	-	-	847,472,812
Federal sources	293,017,805	-	-	-	52,157,118	345,174,923
Other state sources	230,100,895	-	-	446,242	27,575,422	258,122,559
Other local sources	26,841,771	(2,440,138)	(206,789)	57,870,591	5,696,453	87,761,888
Total revenues	1,397,433,283	(2,440,138)	(206,789)	58,316,833	85,428,993	1,538,532,182
Expenditures:						
Current:						
Certificated salaries	521,092,621	-	-	-	9,727,167	530,819,788
Classified salaries	164,336,138	-	1,330,634	-	18,716,394	184,383,166
Employee benefits	350,007,759	-	685,499	-	21,435,396	372,128,654
Books and supplies	96,734,612	-	1,007,622	-	25,529,881	123,272,115
Contract services and operating expenditures	126,917,589	637,653	11,031,797	-	6,382,006	144,969,045
Other outgo	3,911,738	-	-	-	-	3,911,738
Capital outlay	3,694,894	-	77,040,799	-	1,258,678	81,994,371
Debt service:						
Principal retirement	-	-	-	207,812,063	-	207,812,063
Interest	-	-	-	22,805,698	-	22,805,698
Total expenditures	1,266,695,351	637,653	91,096,351	230,617,761	83,049,522	1,672,096,638
Excess (deficiency) of revenues over (under) expenditures	130,737,932	(3,077,791)	(91,303,140)	(172,300,928)	2,379,471	(133,564,456)
Other financing sources (uses):						
Transfers in	6,345,693	-	70,197,058	-	4,093,398	80,636,149
Transfers out	(4,093,398)	(74,290,456)	-	-	(2,252,295)	(80,636,149)
Proceeds from the sale of bonds	-	100,650,000	-	-	-	100,650,000
Debt issuance premiums	-	4,148,662	-	-	-	4,148,662
Deposit to refunding escrow	-	(104,260,812)	-	-	-	(104,260,812)
Total other financing sources (uses)	2,252,295	(73,752,606)	70,197,058	-	1,841,103	537,850
Net change in fund balances	132,990,227	(76,830,397)	(21,106,082)	(172,300,928)	4,220,574	(133,026,606)
Fund balances, July 1, 2021	229,193,036	145,124,242	52,720,448	288,473,495	22,433,147	737,944,368
Fund balances, June 30, 2022	$ 362,183,263	$ 68,293,845	$ 31,614,366	$ 116,172,567	$ 26,653,721	$ 604,917,762

See accompanying notes to financial statements.

Net change in fund balances - Total Governmental Funds		$ (133,026,606)
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).	$ 98,759,558	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(35,341,062)	
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.	(100,650,000)	
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).	(2,308,072)	
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).	219,944,689	
Accreted interest is an expense that is not recorded in the governmental funds (Note 6).	65,405,231	
Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is due.	(725,310)	
Activities of the internal service fund are reported with governmental activities.	10,017,068	
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.	3,878,827	
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).	(14,293,930)	

(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).	$ 79,250,049	
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).	224,199	$ 324,161,247
Change in net position of governmental activities		$ 191,134,641

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
June 30, 2022

ASSETS	
Current assets:	
Cash and investments (Note 2):	
Cash in County Treasury	$ 134,762,677
Cash on hand and in banks	100
Receivables	464,199
Due from other funds (Note 3)	3,823,848
Prepaid expenditures	2,936,858
Total current assets	141,987,682
LIABILITIES	
Current liabilities:	
Accounts payable	3,499,559
Due to other funds (Note 3)	3,227,742
Self-insurance claims liability (Note 5)	58,829,598
Total current liabilities	65,556,899
NET POSITION	
Net position - restricted	$ 76,430,783

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, 2022

Operating revenues:	
Self insurance premiums	$ 217,494,221
Operating expenses:	
Classified salaries	1,759,332
Employee benefits	976,295
Books and supplies	4,909
Contract services	198,797,233
Total operating expenses	201,537,769
Operating income	15,956,452
Non-operating revenues (expense):	
Interest income	1,573,443
Net decrease in fair value of Cash in County Treasury	(5,512,827)
Contribution to California Employers' Retiree Benefit Trust (CERBT)	(2,000,000)
Total non-operating (expense) revenues	(5,939,384)
Change in net position	10,017,068
Net position, July 1, 2021	66,413,715
Net position, June 30, 2022	$ 76,430,783

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, 2022

Cash flows from operating activities:	
Cash received from self-insurance premiums	$ 202,976,721
Cash received from user charges	11,159,080
Cash paid for employee benefits	(196,900,685)
Cash paid for salaries	(2,735,627)
Cash paid for other expenses	(4,909)
Net cash provided by operating activities	14,494,580
Cash flows from noncapital financing activities:	
Contribution to CERBT	(2,000,000)
Cash flows from investing activities:	
Change in Cash in County Treasury value	(5,512,827)
Interest income received	1,817,194
Net cash used in investing activities	(3,695,633)
Increase in cash and investments	8,798,947
Cash and investments, July 1, 2021	125,963,830
Cash and investments, June 30, 2022	$ 134,762,777
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 15,956,452
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in:	
Amount due from other funds	(3,358,420)
Prepaid expenditures	(73,674)
Increase (decrease) in:	
Accounts payable	(3,346,714)
Amount due to other funds	2,521,172
Unpaid claims and claim adjustment expenses	2,795,764
Total adjustments	(1,461,872)
Net cash provided by operating activities	$ 14,494,580

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 - *County School Facilities Fund*:

The County School Facilities Fund is a capital project funds used to account for resources used for the acquisition of construction of major capital facilities and equipment, and primarily includes funds received from fees levied on developers or other agencies as a condition of approving a development project.

4 - *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 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, 2022.

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	$ 156,150,027	$ 46,808,522	$ 202,958,549
Deferred inflows of resources	$ 339,283,000	$ 76,153,000	$ 415,436,000
Net pension liability	$ 295,209,000	$ 197,223,000	$ 492,432,000
Pension expense	$ 46,864,002	$ 26,268,243	$ 73,132,245

Compensated Absences: Compensated absences benefits are recorded as a liability of the District. The liability of $5,065,912 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022, the District had assigned a portion of the fund balance for the General Fund.

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.

<u>Fund Balance Policy</u>: 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.

<u>Property Taxes</u>: 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.

<u>Encumbrances</u>: 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.

<u>Eliminations and Reclassifications</u>: 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.

<u>Estimates</u>: 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.

(Continued)

NOTE 2 - CASH AND INVESTMENTS

District cash and investments at June 30, 2022 consisted of the following:

	Governmental Activities		
	Governmental Funds	Proprietary Fund	Total
Pooled Funds:			
Cash in County Treasury	$ 485,487,736	$ 134,762,677	$ 620,250,413
Deposits:			
Cash on hand and in banks	19,906,451	100	19,906,551
Cash in revolving fund	70,600	-	70,600
Collections awaiting deposit	10,118	-	10,118
Total deposits	19,987,169	100	19,987,269
Investments	58,397,281	-	58,397,281
Total cash and investments	$ 563,872,186	$ 134,762,777	$ 698,634,963

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, 2022, 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, 2022, the carrying amount of the District's accounts was $19,712,625 and the bank balances were $19,689,841. The total uninsured bank balance at June 30, 2022 was $18,422,314.

Cash balances held in credit unions are insured by the National Credit Union Association. At June 30, 2022, the carrying amount of the District's accounts was $274,644 and the credit union balances were $274,644. The total uninsured credit union balance at June 30, 2022 was $24,644.

(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, 2022 are reported at fair value and consisted of the following:

	Rating	2022
Investments:		
U.S. Treasury Notes	Aaa	$ 57,939,088
Money Market account	N/A	458,193
Total investments		$ 58,397,281

Investment security ratings reported as of June 30, 2022 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, 2022, 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:

	2022			
	Fair Value	Level 1	Level 2	Level 3
Description				
U.S. Treasury Notes	$ 57,939,088	$ -	$ 57,939,088	$ -
Money Market account	458,193	-	458,193	-
	$ 58,397,281	$ -	$ 58,397,281	$ -

(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, 2022 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, 2022 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	$ 57,939,088	$ 450,825	$ 57,488,263	$ -
Money Market account	458,193	458,193	-	-
Total	$ 58,397,281	$ 909,018	$ 57,488,263	$ -

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, 2022, 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, 2022, the District had $57,939,088 in U.S. Treasury Notes which represented more than five percent of the District's total investments.

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, 2022 were as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
Major Funds:		
General	$ 16,964,423	$ 12,388,919
Building	111,787	39,528,721
County School Facilities	41,299,107	3,596,818
Non-Major Funds:		
Student Activities	4,002	27,913
Adult Education	286,130	2,242,241
Child Development	1,930,355	3,914,166
Cafeteria	4,591,412	5,252,420
Deferred Maintenance	93,644	400
Capital Facilities	-	75,755
Special Reserve for Capital Outlay Projects	1,476,545	326,158
Proprietary Fund:		
Self-Insurance	3,823,848	3,227,742
Total	$ 70,581,253	$ 70,581,253

(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 2021-22 fiscal year were as follows:

Transfer from the Building Fund to the County School Facilities Fund to contribute the local share by project.	$	70,197,058
Transfer from the General Fund to the Deferred Maintenance Fund for the State Deferred Allocation, as received in the General Fund.		4,093,398
Transfer from the Building Fund to the General Fund to contribute to Routine Restricted Maintenance.		4,093,398
Transfer from the Cafeteria Fund to the General Fund for indirect costs.		1,179,104
Transfer from the Child Development Fund to the General Fund for indirect costs.		801,123
Transfer from the Adult Education Fund to the General Fund for indirect costs.		223,844
Transfer from the Capital Facilities Fund to the General Fund for indirect costs.		48,224
	$	80,636,149

(Continued)

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2022 is shown below:

	Balance July 1, 2021	Transfers and Additions	Transfers and Deletions	Balance June 30, 2022
Governmental Activities				
Non-depreciable:				
Land	$ 66,411,797	$ -	$ -	$ 66,411,797
Work-in-process	174,137,609	96,205,240	47,265,906	223,076,943
Depreciable:				
Land improvements	108,837,432	10,779,969	-	119,617,401
Buildings	1,086,427,714	36,485,937	1,025,280	1,121,888,371
Equipment	42,044,028	2,554,318	-	44,598,346
Totals, at cost	1,477,858,580	146,025,464	48,291,186	1,575,592,858
Less accumulated depreciation:				
Land improvements	(58,005,268)	(5,003,627)	-	(63,008,895)
Buildings	(417,815,719)	(28,024,360)	(1,025,280)	(444,814,799)
Equipment	(31,011,023)	(2,313,075)	-	(33,324,098)
Total accumulated depreciation	(506,832,010)	(35,341,062)	(1,025,280)	(541,147,792)
Governmental activities capital assets, net	$ 971,026,570	$ 110,684,402	$ 47,265,906	$ 1,034,445,066

Depreciation expense was charged to governmental activities for the year end June 30, 2022 as follows:

Governmental activities:	
Unallocated	$ 35,341,062

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, 2022, 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 $3,301,006 is based on an actuarial projected estimate at June 30, 2022, discounted at .25%. The workers' compensation claims liability of $32,301,272 is based on an actuarial projected estimate at June 30, 2022, discounted at 1.0%. The health claims liability of $23,227,320 is based on an actuarial projected estimate at June 30, 2022, 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, 2022 and 2021 were as follows:

	Property and Liability	Workers' Compen-sation	Health	Total
Claims liability at June 30, 2020	$ 1,909,709	$ 37,648,954	$ 20,736,434	$ 60,295,097
Incurred claims	5,525,302	(8,289,097)	173,403,488	170,639,693
Paid claims	(4,291,196)	1,641,841	(172,251,601)	(174,900,956)
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

(Continued)

NOTE 6 - LONG-TERM LIABILITIES

General Obligation Bonds

Series	Interest Rate %	Date of Issuance	Maturity Date	Original Issuance	Outstanding July 1, 2021	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2022
1999 Series C	4.5 - 5.125%	1999	2023	$ 40,640,000	$ 3,895,000	$ -	$ 3,075,000	$ 820,000
2002 Series A	2.25 - 6.0%	2002	2027	65,485,000	22,910,000	-	4,580,000	18,330,000
2004 GO Refunding 1995 Series B	1.70 - 5.25%	2004	2028	58,040,000	20,170,000	-	3,275,000	16,895,000
2001 Series F	5.48%	2009	2026	29,429,022	12,706,059	-	2,276,840	10,429,219
2010 GO Refunding	2.0 - 4.0%	2010	2023	12,040,000	2,485,000	-	1,420,000	1,065,000
2010 Measure Q Series A	4.726 - 5.876%	2011	2022	29,561,373	28,861,373	-	28,861,373	-
2001 Measure K Series G	5.39 - 11.814%	2011	2023	55,570,915	55,570,915	-	55,295,909	275,006
2010 Measure Q Series B	2.0 - 5.25%	2011	2022	50,434,849	38,894,849	-	38,894,849	-
2012 GO Refunding Series A	1.0 - 4.5%	2012	2023	39,895,000	3,465,000	-	1,690,000	1,775,000
2012 GO Refunding Series B	0.805 - 4.5%	2012	2022	32,390,000	2,330,000	-	2,330,000	-
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	11,135,000	-	685,000	10,450,000
2010 Series E Current Interest	2.0% - 5.0%	2015	2041	49,565,000	41,215,000	-	26,390,000	14,825,000
2010 Series E Capital Appreciation	2.0% - 5.0%	2015	2028	5,433,095	5,433,095	-	2,633,389	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	32,050,000	-	19,230,000	12,820,000
2016 Series A Capital Appreciation	2.0% - 5.0%	2018	2032	21,496,623	21,496,623	-	11,597,329	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	56,630,000	-	2,790,000	53,840,000
2016 Measure X Series C	2.5 - 4.0%	2021	2044	45,000,000	45,000,000	-	8,705,000	36,295,000
2016 Measure X Series D	2.0 - 3.0%	2021	2037	45,000,000	45,000,000	-	-	45,000,000
2020 Measure M Series A	3.0 - 4.0%	2021	2056	80,000,000	80,000,000	-	5,225,000	74,775,000
2020 GO Refunding	0.237 - 3.013%	2021	2048	92,615,000	92,615,000	-	990,000	91,625,000
2022 GO Refunding Series A	4.0%	2022	2030	30,290,000	-	30,290,000	-	30,290,000
2022 GO Refunding Series B	0.538 - 3.197%	2022	2046	70,360,000	-	70,360,000	-	70,360,000
				$ 1,290,117,410	$ 916,667,292	$ 100,650,000	$ 219,944,689	$ 797,372,603

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 1999, Series C, General Obligation Bonds outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 820,000	$ 24,190	$ 844,190

The annual payments required to amortize the 2002, Series A, General Obligation Bonds outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 4,880,000	$ 1,087,800	$ 5,967,800
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
	$ 18,330,000	$ 2,524,200	$ 20,854,200

The annual payments required to amortize the 2004 Refunding, Series 95B, General Obligation Bonds outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 3,425,000	$ 871,426	$ 4,296,426
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
	$ 16,895,000	$ 2,493,675	$ 19,388,675

NOTE 6 - LONG-TERM LIABILITIES (Continued)

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
2023	$ 2,400,086	$ 505,943	$ 2,906,029
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
	$ 10,429,219	$ 1,182,721	$ 11,611,940

In October 2010, the District issued 2010 General Obligation Refunding Bonds totaling $12,040,000. The proceeds of the 2010 General Obligation Refunding Bonds were used to refund portions of the 2001, Series D, General Obligation Bonds. The District also received a total premium of $789,371 which will be amortized over 20 years. The annual payments required to amortize the 2010 General Obligation Refunding Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 1,065,000	$ 21,300	$ 1,086,300

The annual payments required to amortize the 2001 Series G, Capital Appreciation General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 275,006	$ 674,994	$ 950,000

The annual payments required to amortize the 2012 Refunding General Obligation Bonds, Series A, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 1,775,000	$ 39,938	$ 1,814,938

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2010 Measure Q, Series C, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 1,707,200	$ 1,707,200
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
2028-2032	1,596,752	11,639,248	13,236,000
2033-2037	3,800,876	19,255,123	23,055,999
2038-2042	3,399,393	23,896,607	27,296,000
2043-2047	36,308,364	41,923,304	78,231,668
	$ 45,105,385	$ 105,250,282	$ 150,355,667

The annual payments required to amortize the 2015 Refunding General Obligation Bonds, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 735,000	$ 320,525	$ 1,055,525
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
2028-2031	5,165,000	409,106	5,574,106
	$ 10,450,000	$ 1,674,214	$ 12,124,214

The annual payments required to amortize the 2010 Series E, Current Interest General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 578,306	$ 578,306
2024	-	578,306	578,306
2025	-	578,306	578,306
2026	-	578,306	578,306
2027	-	578,306	578,306
2028-2032	-	2,891,531	2,891,531
2033-2037	6,260,000	2,356,797	8,616,797
2038-2041	8,565,000	783,700	9,348,700
	$ 14,825,000	$ 8,923,558	$ 23,748,558

(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, 2022, 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

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 A, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 2,475,850	$ 2,475,850
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
2028-2032	5,665,000	12,105,625	17,770,625
2033-2037	21,175,000	9,015,900	30,190,900
2038-2042	33,640,000	3,594,400	37,234,400
	$ 60,480,000	$ 37,095,175	$ 97,575,175

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2010 Election of 2010, Series F, outstanding as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 840,050	$ 840,050
2024	-	840,050	840,050
2025	-	840,050	840,050
2026	-	840,050	840,050
2027	-	840,050	840,050
2028-2032	3,295,000	4,088,500	7,383,500
2033-2037	9,425,000	2,800,275	12,225,275
2038-2042	13,170,000	1,058,250	14,228,250
	$ 25,890,000	$ 12,147,275	$ 38,037,275

The annual payments required to amortize the 2016 Refunding General Obligation Bonds, Series B, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 1,649,600	$ 1,649,600
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
2028-2032	975,143	8,802,857	9,778,000
2033-2037	3,586,816	11,256,184	14,843,000
2038-2042	4,813,857	14,249,143	19,063,000
2043-2047	50,215,172	19,817,827	70,032,999
	$ 59,590,988	$ 62,374,011	$ 121,964,999

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2016 Series A, Current Interest General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 512,800	$ 512,800
2024	-	512,800	512,800
2025	-	512,800	512,800
2026	-	512,800	512,800
2027	-	512,800	512,800
2028-2032	-	2,564,000	2,564,000
2033-2037	-	2,564,000	2,564,000
2038-2042	-	2,564,000	2,564,000
2043-2044	12,820,000	522,400	13,342,400
	$ 12,820,000	$ 10,778,400	$ 23,598,400

The annual payments required to amortize the 2016 Series A, Capital Appreciation General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2028-2032	$ 9,899,294	$ 4,850,706	$ 14,750,000

The annual payments required to amortize the 2019 General Obligation Refunding Bonds payable, outstanding as of June 30, 2022, 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
2028-2032	27,211,796	10,296,719	37,508,515
2033-2037	36,015,870	25,167,240	61,183,110
2038-2042	34,812,607	38,028,678	72,841,285
	$ 103,738,005	$ 74,484,905	$ 178,222,910

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2016 Series B General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 1,959,350	$ 1,959,350
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
2028-2032	9,015,000	8,962,650	17,977,650
2033-2037	13,890,000	6,693,750	20,583,750
2038-2042	20,710,000	3,359,350	24,069,350
2043-2044	10,225,000	311,175	10,536,175
	$ 53,840,000	$ 29,123,675	$ 82,963,675

The annual payments required to amortize the 2016 Series C General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 1,172,000	$ 1,172,000
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
2028-2032	6,065,000	4,941,700	11,006,700
2033-2037	9,150,000	3,472,275	12,622,275
2038-2042	13,055,000	1,745,900	14,800,900
2043-2044	6,250,000	157,500	6,407,500
	$ 36,295,000	$ 16,141,875	$ 52,436,875

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2016 Series D General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 3,380,000	$ 1,024,450	$ 4,404,450
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
2028-2032	11,565,000	2,855,750	14,420,750
2033-2037	15,150,000	1,387,900	16,537,900
	$ 45,000,000	$ 8,594,100	$ 53,594,100

The annual payments required to amortize the 2020 Series A General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 9,035,000	$ 2,527,575	$ 11,562,575
2024	1,800,000	2,166,175	3,966,175
2025	-	2,094,175	2,094,175
2026	-	2,094,175	2,094,175
2027	-	2,094,175	2,094,175
2028-2032	1,075,000	10,451,275	11,526,275
2033-2037	4,615,000	9,934,675	14,549,675
2038-2042	8,115,000	8,748,275	16,863,275
2043-2047	12,775,000	6,773,275	19,548,275
2048-2052	18,145,000	4,521,475	22,666,475
2053-2056	19,215,000	1,485,150	20,700,150
	$ 74,775,000	$ 52,890,400	$ 127,665,400

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2020 Refunding General Obligation Bonds payable, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 415,000	$ 2,157,317	$ 2,572,317
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
2028-2032	13,335,000	9,666,074	23,001,074
2033-2037	10,745,000	8,600,012	19,345,012
2038-2042	13,595,000	6,908,487	20,503,487
2043-2047	17,935,000	4,706,984	22,641,984
2048	21,845,000	329,095	22,174,095
	$ 91,625,000	$ 40,820,058	$ 132,445,058

In December 2021, the District issued the 2021 Refunding General Obligation Bonds, Series A (2021 Refunding - Series A), totaling $30,290,000. The proceeds from the 2021 Refunding - Series A were issued for the purpose of refunding all remaining maturities of the Election of 2010, Series A General Obligation Bonds. As of June 30, 2022, all refunded Election of 2010, Series A GO Bonds have been fully repaid and no amounts remaining outstanding. As a result of the refunding, the District in effect reduced its aggregate debt service payments by $754,866 and obtained an economic gain of $686,354.

The annual payments required to amortize the 2021 Refunding General Obligation Bonds, Series A, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 4,390,000	$ 1,123,800	$ 5,513,800
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
2028-2030	13,175,000	807,100	13,982,100
	$ 30,290,000	$ 5,115,200	$ 35,405,200

In December 2021, the District also issued the 2021 Refunding General Obligation Bonds, Series B (2021 Refunding - Series B), totaling $70,360,000. The proceeds from the 2021 Refunding - Series B were issued for the purpose of refunding certain maturities of the Election of 2016, Series A General Obligation Bonds and certain maturities of the Election of 2010, Series E General Obligation Bonds. As of June 30, 2022, $58,470,718 of the refunded Election of 2016, Series A and Election of 2010, Series E GO Bonds remain outstanding but are considered defeased and no longer reported as liabilities of the District.

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

As a result of the refunding, the District in effect reduced its aggregate debt service payments by $5,275,839 and obtained an economic gain of $3,065,871.

The annual payments required to amortize the 2021 Refunding General Obligation Bonds, Series B, outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 655,000	$ 2,126,607	$ 2,781,607
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
2028-2032	3,610,000	10,446,629	14,056,629
2033-2037	18,225,000	9,049,458	27,274,458
2038-2042	28,035,000	5,712,000	33,747,000
2043-2046	19,835,000	1,303,817	21,138,817
	$ 70,360,000	$ 37,137,891	$ 107,497,891

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2022 is shown below:

Governmental Activities	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Amounts Due Within One Year
Debt:					
General Obligation Bonds	$ 916,667,292	$ 100,650,000	$ 219,944,689	$ 797,372,603	$ 33,250,092
Unamortized premiums	32,995,790	4,148,662	1,840,590	35,303,862	1,881,467
Accreted interest	90,937,175	12,536,843	77,942,074	25,531,944	623,585
Other long-term liabilities:					
Net OPEB liability (Note 10)	1,050,247,712	-	62,943,267	987,304,445	-
Net pension liability (Notes 8 and 9)	993,525,000	-	501,093,000	492,432,000	-
Compensated absences	5,290,111	-	224,199	5,065,912	-
Totals	$ 3,089,663,080	$ 117,335,505	$ 863,987,819	$ 2,343,010,766	$ 35,755,144

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, 2022 consisted of the following:

	General Fund	Building Fund	County School Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:						
Revolving cash fund	$ 70,050	$ -	$ -	$ -	$ 550	$ 70,600
Prepaid expenditures	1,812,091	-	-	-	-	1,812,091
Stores inventory	2,670,901	-	-	-	1,549,872	4,220,773
Subtotal nonspendable	4,553,042	-	-	-	1,550,422	6,103,464
Restricted:						
Legally restricted:						
Grants	77,545,930	-	-	-	-	77,545,930
Student activities	-	-	-	-	2,335,151	2,335,151
Adult ed programs	-	-	-	-	1,973,677	1,973,677
Child development	-	-	-	-	665,144	665,144
Cafeteria operations	-	-	-	-	15,677,004	15,677,004
Capital projects	-	68,293,845	31,614,366	-	4,452,323	104,360,534
Debt service	-	-	-	116,172,567	-	116,172,567
Subtotal restricted	77,545,930	68,293,845	31,614,366	116,172,567	25,103,299	318,730,007
Committed:						
Pandemic learning recovery	61,200,000	-	-	-	-	61,200,000
Textbook Adoption	43,800,000	-	-	-	-	43,800,000
Subtotal assigned	105,000,000	-	-	-	-	105,000,000
Assigned:						
Supplemental and concentration carryover	28,547,900	-	-	-	-	28,547,900
Education center remodel	4,984,425	-	-	-	-	4,984,425
School site carryover	2,062,500	-	-	-	-	2,062,500
Design Science facility	3,406,675	-	-	-	-	3,406,675
Middle school restroom renovation	1,120,000	-	-	-	-	1,120,000
Maintenance carryover	221,000	-	-	-	-	221,000
Subtotal assigned	40,342,500	-	-	-	-	40,342,500
Unassigned:						
Designated for economic uncertainty	134,741,791	-	-	-	-	134,741,791
Total fund balances	$ 362,183,263	$ 68,293,845	$ 31,614,366	$ 116,172,567	$ 26,653,721	$ 604,917,762

(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 2021-2022.

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 2021-2022. According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1 percent since the last time the member contribution rate was set. Based on the June 30, 2020, valuation adopted by the board in June 2021, 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, 2021.

Employers – 16.920 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequently reduced for the 2.18 percent to be paid on behalf of employers pursuant to SB 90 and the Special Legislation.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorizes the 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 June 2021, the CalSTRS board voted to keep the employer supplemental contribution rate the same for fiscal year 2021–22; it remained at 10.85% effective July 1, 2021.

Through the Special Legislation approved in June 2019 and June 2020, the State made supplemental contributions of approximately $2.2 billion to CalSTRS on behalf of employers to supplant the amounts submitted by employers for fiscal years 2019–20 through 2021–22. Specifically, employers will remit 1.03%, 2.95% and 2.18% less than is required by the CalSTRS Funding Plan for fiscal years 2019–20, 2020–21 and 2021–22, respectively.

(Continued)

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

The CalSTRS employer contribution rates effective for fiscal year 2021-2022 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	Rate Adjustment Per Special Legislation	Total
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(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 $85,774,027 to the plan for the fiscal year ended June 30, 2022.

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 June 2021, the board approved an increase of 0.5% for fiscal year 2021–22, which will increase the state supplemental contribution rate to 6.311% effective July 1, 2021.

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 2022-23. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, 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 2020–21, CalSTRS received $297.0 million in supplemental state contributions from Proposition 2 funds. Of this total, approximately $170.0 million is designated to cover forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21. The remaining $127.0 million is designated to reduce the state's share of CalSTRS' unfunded actuarial obligation.

(Continued)

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

The CalSTRS state contribution rates effective for fiscal year 2021-2022 and beyond are summarized in the table below.

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	SBMA Funding[1]	Total
July 01, 2021	2.017%	6.311%	2.50%	10.828%
July 01, 2022 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 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, 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	$	295,209,000
State's proportionate share of the net pension liability associated with the District		175,644,000
Total	$	470,853,000

The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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, 2021, the District's proportion was 0.649 percent, which was a decrease of 0.072 percent from its proportion measured as of June 30, 2020.

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

For the year ended June 30, 2022, the District recognized pension expense of $46,864,002 and revenue of $49,200,745 for support provided by the State. At June 30, 2022, 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	$ 740,000	$ 31,416,000
Changes of assumptions	41,828,000	-
Net differences between projected and actual earnings on investments	-	233,518,000
Changes in proportion and differences between District contributions and proportionate share of contributions	27,808,000	74,349,000
Contributions made subsequent to measurement date	85,774,027	-
Total	$ 156,150,027	$ 339,283,000

$85,774,027 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, 2023. 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,	
2023	$ (54,203,250)
2024	$ (46,491,250)
2025	$ (63,128,250)
2026	$ (78,571,584)
2027	$ (14,378,833)
2028	$ (12,133,833)

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 7 years as of the June 30, 2021 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, 2020, and rolling forward the total pension liability to June 30, 2021 . The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
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.

(Continued)

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 Assets	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	$ 600,941,000	$ 295,209,000	$ 41,458,000

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

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.

(Continued)

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

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- 2021.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, 2022 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2021-2022.

Employers - The employer contribution rate was 22.91 percent of applicable member earnings.

The District contributed $34,631,522 to the plan for the fiscal year ended June 30, 2022.

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

At June 30, 2021, the District reported a liability of $197,223,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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, 2021 the District's proportion was 0.970 percent, which was an increase of 0.008 percent from its proportion measured as of June 30, 2021.

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

For the year ended June 30, 2022, the District recognized pension expense of $26,268,243. At June 30, 2022, 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	$ 5,888,000	$ 465,000
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	75,688,000
Changes in proportion and differences between District contributions and proportionate share of contributions	6,289,000	-
Contributions made subsequent to measurement date	34,631,522	-
Total	$ 46,808,522	$ 76,153,000

$34,631,522 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, 2023. 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,	
2023	$ (10,595,833)
2024	$ (14,534,833)
2025	$ (17,795,334)
2026	$ (21,050,000)

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 4 years as of the June 30, 2021 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 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, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of Scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

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	Long-Term* Assumed Asset Allocation	Expected Real Rate of Return Years 1-10 (1)	Expected Real Rate of Return Years 11+(2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average
(1) An expected inflation rate of 2.00% used for this period
(2) An expected inflation rate of 2.92% used for this period

Discount Rate: The discount rate used to measure the total pension liability was 7.15 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.

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

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

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 7.15 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 (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 332,545,000	$ 197,223,000	$ 84,876,000

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

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.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

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	$170	$60	$60	$60	$15	$70
Ages 65 - 74	$10	$10	$10	$-	$10 each	N/A
Ages 75 +	$-	$10	$10	$-	10	N/A

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2022:

	Number of Participants
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	5,513
Active employees	7,775
	13,288

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 $32,704,642 for the year ended June 30, 2022. District contributions to the Trust are voluntary. Employees are not required to contribute to the OPEB plan.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Plan Investments: The plan discount rate of 6.0% 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	40.0%	5.5%
Fixed Income	43.0	1.5
Treasury Inflation-Protected Securities	5.0	1.2
Real Estate	8.0	3.7
Commodities	4.0	0.6

*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	-12.65%

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, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. Standard actuarial update procedures were used to determine the liability between the valuation and measurement dates.

Valuation Date	July 1, 2021
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	6.0%. Based on the long-term expected rate of return
Investment Rate of Return	6.0%
Retirement Rate	CalPERS (2019) and CalSTRS (2018) experience studies.
Healthcare cost trend rate	5.60% for 2022, 5.40% for 2023, 5.20% for 2024 through 2069, 4.00% for 2070 and later years.
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, 2021	$ 1,119,672,637	$ 69,424,925	$ 1,050,247,712
Changes for the year:			
Service cost	16,808,552	-	16,808,552
Interest	60,440,115	-	60,440,115
Difference between expected and actual experience	20,924,804	-	20,924,804
Changes in assumptions	(133,956,614)	-	(133,956,614)
Employer contributions	-	36,204,642	(36,204,642)
Net investment income	-	(8,985,231)	8,985,231
Administrative expense	-	(59,287)	59,287
Benefit payments	(32,704,642)	(32,704,642)	-
Net change	(68,487,785)	(5,544,518)	(62,943,267)
Balance at June 30, 2022	$ 1,051,184,852	$ 63,880,407	$ 987,304,445

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2022: 6.08%

The changes in assumptions at the June 30, 2022 measurement include an update to the Pre-retirement and Postretirement mortality rates for the most recent available experience studies issued by the CalSTRS and CalPERS retirement plans. In addition, the healthcare cost trend rate was updated from a decreasing range of 5.90% to 5.00% at the June 30, 2021 measurement date, to a decreasing range of 5.60% to 4.00% at the June 30, 2022 measurement date.

Sensitivity of the Net OPEB Liability to Assumptions: The following presents the net OPEB liability calculated using the discount rate of 6.0 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 (5.0 percent) and 1 percent higher (7.0 percent):

	Discount Rate 1% Lower (5.0%)	Valuation Discount Rate (6.0%)	Discount Rate 1% Higher (7.0%)
Net OPEB liability	$ 1,138,969,274	$ 987,304,445	$ 863,581,987

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following table presents the net OPEB liability calculated using the heath care cost trend rate of 5.6-4.0 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 (4.6-3.0 percent) and 1 percent higher (6.6-5.0 percent):

	Health Care Trend Rate 1% Lower (4.6 - 3.0%)	Valuation Health Care Trend Rate (5.6 - 4.0%)	Health Care Trend Rate 1% Higher (6.6 - 5.0%)
Net OPEB liability	$ 846,205,835	$ 987,304,445	$ 1,162,646,465

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

For the year ended June 30, 2022, the District recognized OPEB expense of $50,498,572. At June 30, 2022, 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	$ 61,485,722	$ -
Change in assumptions	-	176,941,326
Net differences between projected and actual earnings on investments	10,782,852	4,717,906
Total	$ 72,268,574	$ 181,659,232

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,	
2023	$ (22,486,791)
2024	$ (22,375,072)
2025	$ (22,441,451)
2026	$ (17,361,634)
2027	$ (17,661,220)
2028	$ (7,064,490)

Deferred outflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period. Deferred outflows related to differences between expected and actual experience are netted and amortized over a closed 6.4-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, 2021 (the most recent information available):

Total assets	$ 72,550,001
Deferred outflows of resources	$ 25,778,396
Total liabilities	$ 85,734,456
Net position	$ 12,593,941
Total revenues	$ 10,404,992
Total expenses	$ 5,850,606

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, 2022, the District had approximately $66.3 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.

In 2005/06, lifetime health benefits were limited to reduce the post-retirement liability and the district formed the Joint Health Management Board (JHMB), consisting of district and labor partners with the primary objective of maintaining a positive reserve in the Health Fund while retaining affordable health care.

The District continues to maintain a positive reserve in the current and future years as shown in the 2021/22 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.

NOTE 14 – SUBSEQUENT EVENT

On August 30, 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 equipping of various District properties. The 2020 Series B Bonds bear interest at rates ranging from 4.0% to 5.0% and are scheduled to mature through August 1, 2055.

REQUIRED SUPPLEMENTARY INFORMATION

FRESNO UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the year ended June 30, 2022

	Budget Original	Budget Final	Actual	Over/ (Under) Budget
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	$ 746,617,810	$ 771,893,429	$ 772,606,124	$ 712,695
Local sources	67,613,886	74,797,627	74,866,688	69,061
Total LCFF	814,231,696	846,691,056	847,472,812	781,756
Federal sources	209,856,651	342,133,840	293,017,805	(49,116,035)
Other state sources	187,187,967	219,545,218	230,100,895	10,555,677
Other local sources	18,328,074	39,946,568	26,841,771	(13,104,797)
Total revenues	1,229,604,388	1,448,316,682	1,397,433,283	(50,883,399)
Expenditures:				
Current:				
Certificated salaries	493,099,101	578,144,578	521,092,621	(57,051,957)
Classified salaries	153,062,064	165,035,800	164,336,138	(699,662)
Employee benefits	344,307,261	351,243,179	350,007,759	(1,235,420)
Books and supplies	67,666,687	118,359,131	96,734,612	(21,624,519)
Contract services and operating expenditures	128,537,800	170,987,348	126,917,589	(44,069,759)
Other outgo	182,727	4,211,619	3,911,738	(299,881)
Capital outlay	8,011,642	11,958,642	3,694,894	(8,263,748)
Total expenditures	1,194,867,282	1,399,940,297	1,266,695,351	(133,244,946)
Excess of revenues over expenditures	34,737,106	48,376,385	130,737,932	82,361,547
Other financing (uses) sources:				
Transfers in	7,385,329	8,938,443	6,345,693	(2,592,750)
Transfers out	(8,856,409)	(8,856,409)	(4,093,398)	4,763,011
Total other financing (uses) sources	(1,471,080)	82,034	2,252,295	2,170,261
Net change in fund balance	33,266,026	48,458,419	132,990,227	84,531,808
Fund balance, July 1, 2021	229,193,036	229,193,036	229,193,036	-
Fund balance, June 30, 2022	$ 262,459,062	$ 277,651,455	$ 362,183,263	$ 84,531,808

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, 2022

Last 10 fiscal years

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

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, 2022

Last 10 Fiscal Years

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

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, 2022

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.666%	0.696%	0.679%	0.664%	0.723%	0.740%	0.721%	0.649%
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
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
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
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
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%
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%

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, 2022

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.845%	0.905%	0.919%	0.873%	0.907%	0.941%	0.962%	0.970%
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
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
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.14%	133.14%	164.62%	187.23%	196.43%	209.53%	213.01%	141.19%
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%

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.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the year ended June 30, 2022

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
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
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)
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
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)

(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, 2022

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
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
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)
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
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%

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, 2019, 2020 and 2021 measurement 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 measurement 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.

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

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

	Measurement Period						
Assumptions	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%	3.00%	3.00%
Investment rate of return	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%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

FRESNO UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2022

	Student Activity Fund	Adult Education Fund	Child Develop-ment Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
ASSETS								
Cash in County Treasury	$ 657,640	$ 964,628	$ 6,051,487	$ 2,329,429	$ 95,838	$ 1,505,586	$ 1,970,191	$ 13,574,799
Cash on hand and in banks	1,751,947	809	-	3,941,796	-	-	-	5,694,552
Cash in revolving fund	-	550	-	-	-	-	-	550
Collections awaiting deposit	-	-	-	-	-	10,118	-	10,118
Receivables	2,348	3,051,888	767,305	13,640,308	458	4,145	6,786	17,473,238
Due from other funds	4,002	286,130	1,930,355	4,591,412	93,644	-	1,476,545	8,382,088
Stores inventory	93,294	-	-	1,456,578	-	-	-	1,549,872
Total assets	$ 2,509,231	$ 4,304,005	$ 8,749,147	$ 25,959,523	$ 189,940	$ 1,519,849	$ 3,453,522	$ 46,685,217
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 52,873	$ 87,537	$ 495,364	$ 3,558,469	$ 189,540	$ 82,878	$ 36,257	$ 4,502,918
Unearned revenue	-	-	3,674,473	15,052	-	-	-	3,689,525
Due to other funds	27,913	2,242,241	3,914,166	5,252,420	400	75,755	326,158	11,839,053
Total liabilities	80,786	2,329,778	8,084,003	8,825,941	189,940	158,633	362,415	20,031,496
Fund balances:								
Nonspendable	93,294	550	-	1,456,578	-	-	-	1,550,422
Restricted	2,335,151	1,973,677	665,144	15,677,004	-	1,361,216	3,091,107	25,103,299
Total fund balance	2,428,445	1,974,227	665,144	17,133,582	-	1,361,216	3,091,107	26,653,721
Total liabilities and fund balances	$ 2,509,231	$ 4,304,005	$ 8,749,147	$ 25,959,523	$ 189,940	$ 1,519,849	$ 3,453,522	$ 46,685,217

FRESNO UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the year ended June 30, 2022

	Student Activity Fund	Adult Education Fund	Child Develop-ment Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
Revenues:								
Federal sources	$ -	$ 1,343,084	$ 1,185,020	$ 49,629,014	$ -	$ -	$ -	$ 52,157,118
Other state sources	-	6,158,210	18,879,129	2,538,083	-	-	-	27,575,422
Other local sources	2,616,912	428,866	244,141	888,906	2,845	1,560,383	(45,600)	5,696,453
Total revenues	2,616,912	7,930,160	20,308,290	53,056,003	2,845	1,560,383	(45,600)	85,428,993
Expenditures:								
Current:								
Certificated salaries	-	2,766,108	6,961,059	-	-	-	-	9,727,167
Classified salaries	-	1,440,931	3,770,386	13,336,502	-	15,668	152,907	18,716,394
Employee benefits	-	2,246,669	7,812,649	11,263,778	-	8,735	103,565	21,435,396
Books and supplies	2,214,151	183,231	733,690	22,269,733	110,279	18,797	-	25,529,881
Contract services and operating expenditures	21,201	840,673	267,634	1,138,158	3,985,964	87,702	40,674	6,382,006
Capital outlay	-	-	-	100,000	-	984,038	174,640	1,258,678
Total expenditures	2,235,352	7,477,612	19,545,418	48,108,171	4,096,243	1,114,940	471,786	83,049,522
Excess (deficiency) of revenues over (under) expenditures	381,560	452,548	762,872	4,947,832	(4,093,398)	445,443	(517,386)	2,379,471
Other financing (uses) sources:								
Transfers in	-	-	-	-	4,093,398	-	-	4,093,398
Transfers out	-	(223,844)	(801,123)	(1,179,104)	-	(48,224)	-	(2,252,295)
Total other financing (uses) sources	-	(223,844)	(801,123)	(1,179,104)	4,093,398	(48,224)	-	1,841,103
Net change in fund balances	381,560	228,704	(38,251)	3,768,728	-	397,219	(517,386)	4,220,574
Fund balance, July 1, 2021	2,046,885	1,745,523	703,395	13,364,854	-	963,997	3,608,493	22,433,147
Fund balance, June 30, 2022	$ 2,428,445	$ 1,974,227	$ 665,144	$ 17,133,582	$ -	$ 1,361,216	$ 3,091,107	$ 26,653,721

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-six elementary, fourteen middle, ten comprehensive high schools, five alternative schools, one independent study school, and two community day 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, 2022 was comprised of the following members:

Name	Office	Term Expires
Elizabeth Jonasson Rosas	President	2024
Veva Islas	Clerk	2022
Valerie F. Davis	Member	2022
Keshia Thomas	Member	2022
Claudia Cazares	Member	2024
Andy Levine	Member	2024
Major Terry Slatic USMC (Retired)	Member	2022

The Superintendent's Executive Staff at June 30, 2022 was comprised of the following:

Robert G. Nelson, Ed.D.
Superintendent

Santino Danisi[1]
Chief Financial Officer
Business and Financial Services

Misty Her
Deputy Superintendent
Office of Superintendent

Kim Mecum[2]
Chief Academic Officer
School Leadership

David Chavez
Chief of Human Resources/
Labor Relations

Tami Lundberg
Chief Technology Officer
Information Technology

Lindsay Sanders[3]
Chief of Equity and Access

Karin Temple[4]
Chief Operations Officer
Operational Services

Ambra O'Connor
Chief of Staff

Wendy McCulley
Chief Engagement and External Officer

Nikki Henry
Chief Information Officer
Communications Office

Paul Idsvoog
Chief Operations Officer
Operational Services

Kali Isom-Moore
Inst. Superintendent
School Leadership

Ed Gomes
Inst. Superintendent
School Leadership

Carlos Castillo
Inst. Superintendent
Curriculum and Instruction

Sandra Toscano
Assistant Superintendent
English Learner Service

Bryan Wells
Assistant Superintendent
Student Engagement

Brian Beck[5]
Assistant Superintendent
Instructional Services

Tangee Pinheiro
Inst. Superintendent
Special Education

Alex Belanger
Assistant Superintendent/
Chief Executive

Paul Idsvoog
Chief Operations Officer
Operational Services

Jeremy Ward
Assistant Superintendent
College Career Readiness

Marie Williams
Inst. Superintendent
School Leadership

Brian Wall
Inst. Superintendent/
School Leadership

The Administrative Services Leadership staff at June 30, 2022 was comprised of the following:

Kim Kelstrom
Executive Officer
Fiscal Services

Tammy Townsend
Executive Officer
State & Federal Programs

Andrew De La Torre
Executive Director
Risk Management

Steven Shubin
Executive Officer
Payroll and Benefits

Kaleb Neufeld
Director, Accounting
Fiscal Services

(1) Mr. Danisi left the District effective November 30, 2022. Mr. Patrick Jensen started as Interim CFO effective December 1, 2022.
(2) Ms. Mecum left the District effective August 30, 2022 and was replaced by Ms. Natasha Baker.
(3) Ms. Sanders left the District effective July 15, 2022. The position is currently vacant while the department undergoes a reorganization.
(4) Ms. Temple left the District effective June 30, 2022 and was replaced by Mr. Paul Idsvoog.
(5) Mr. Beck left the District effective June 30, 2022. The position is currently vacant.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
June 30, 2022

	Second Period Report	Revised* Second Period Report	Annual Report
Certificate #:	FE67FEBF	28720F80	1FF34F9A
Elementary:			
Transitional Kindergarten through Third	18,764	18,899	19,071
Fourth through Sixth	14,338	14,402	14,499
Seventh and Eighth	8,966	8,986	8,932
Subtotal Elementary	42,068	42,287	42,502
Secondary:			
Ninth through Twelfth	16,676	16,716	16,460
Subtotal Secondary	16,676	16,716	16,460
District Total	58,744	59,003	58,961

* 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, 2022

Grade Level	Statutory Minutes Require-ment	2021-2022 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	49,755	180	In Compliance
Grade 1	50,400	57,705	180	In Compliance
Grade 2	50,400	57,705	180	In Compliance
Grade 3	50,400	57,705	180	In Compliance
Grade 4	54,000	57,705	180	In Compliance
Grade 5	54,000	57,705	180	In Compliance
Grade 6	54,000	57,705	180	In Compliance
Grade 7	54,000	64,314	180	In Compliance
Grade 8	54,000	64,314	180	In Compliance
Grade 9	64,800	66,990	180	In Compliance
Grade 10	64,800	66,990	180	In Compliance
Grade 11	64,800	66,990	180	In Compliance
Grade 12	64,800	66,990	180	In Compliance

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
	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	15638	$ 44,938
84.027	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec. 611 (Formerly 94-142)	13379	12,944,399
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10115	5,242
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	10119	1,702,987
84.173	Special Ed: IDEA Part B, Sec 619, Preschool Grants Early Intervening Services	10131	52,781
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec 619 Age (3-5)	13430	299,091
84.027A	Special Ed: IDEA Preschool Capacity Building, Part B, Sec 619	13839	12,889
84.027A	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	15197	792,003
84.027A	Special Ed: Alternate Dispute Resolution, Part B, Sec 611	13007	103,043
84.173A	Special Ed: IDEA Preschool Staff Development, Part B, Sec. 619	13431	2,266
	Subtotal Special Education Cluster		15,959,639
	Migrant Ed Programs:		
84.011	NCLB: Title I, Part C, Migrant Ed (Regular and Summer Program)	14326	498,020
84.011	ESEA: Title I, Migrant Ed Summer Program	10005	163,541
84.011	ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	10144	6,431
	Subtotal Migrant Ed Programs		667,992
	Title III Programs		
84.365	ESEA: Title III, English Learner Student Program	14346	1,364,933
84.365	ESEA: Title III, Immigrant Student Program	15146	26,056
	Subtotal Title III Programs		1,390,989
	Adult Education Programs:		
84.002	Adult Education: ESL/ESL-Citizenship	14508	473,062
84.002	Adult Education: Adult Secondary Education	13978	377,886
84.002A	Adult Education: English Literacy and Civics Education	14109	223,916
84.002	Citizenship and Integration Direct Services Grant Program	N/A	147,456
	Subtotal Adult Education Programs		1,222,320
	Title I Programs:		
84.010	ESEA: Title I, Part A Basic Grants, Low Income and Neglected	14329	55,499,978
84.010	ESSA: Comprehensive Support & Improvement (CSI)	15438	2,755,802
	Subtotal Title I Programs		58,255,780

(Continued)

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
	U.S. Department of Education - Passed through California Department of Education (Continued)		
84.048	Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Sec. 131	14894	$ 1,231,863
84.048	Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Sec. 132	14893	120,764
	Subtotal Carl D. Perkins Career and Tech Education Programs		1,352,627
	Teacher Quality Programs:		
84.336	Teacher Quality Partnership Program	N/A	2,193
84.336S	National Teacher Quality Partnership Program	N/A	1,347,820
84.336S	Fresno Pacific Teacher Quality Partnership Program	N/A	1,170,882
	Subtotal Teacher Quality Programs		2,520,895
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425D	COVID-19: Elementary and Secondary School Emergency Relief (ESSER I) Fund	15536	37,229,028
84.425	COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	87,621,518
84.425	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	6,323,516
84.425U	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	10155	41,344,985
84.425C	COVID-19: Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	15517	3,945,739
84.425	COVID-19: Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	15618	8,034,347
84.425	COVID-19: Expanded Learning Opportunities (ELO) Grant GEER II	15619	1,843,955
84.425	COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	15620	5,237,462
84.425	COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	15621	9,028,483
84.425	COVID-19: American Rescue Plan-Homeless Children and Youth (ARP - Homeless I)	15564	60,647
	Subtotal COVID-19: ESF Programs		200,669,680

(Continued)

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
	U.S. Department of Education - Passed through California Department of Education (Continued)		
84.060A	Indian Education	10011	$ 65,492
84.181	Special Ed: IDEA Early Intervention Grants, Part C	23761	95,874
84.196	ESEA (ESSA): Education for Homeless Children and Youth, Subtitle VII-B McKinney	14332	97,400
84.287	NCLB: Title IV, Part B, 21st Century Community Learning Centers Program	14349	951,745
84.350	Transition to Teaching	N/A	716,825
84.367	ESEA: Title II, Improving Teacher Quality Local Grants	14341	10,382,945
84.423	Supporting Effective Educator Development (SEED) Program	N/A	10,686
	Total U.S Department of Education		294,360,889
	U.S. Department of Health and Human Services - Passed through California Department of Education		
	CCDF Cluster:		
93.596	Child Development: Federal General and State Preschool	13609	414,020
93.575	COVID-19: Child Development: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act	15555	561,699
	Subtotal CCDF Cluster		975,719
	Total U.S. Department of Health and Human Services		975,719
	U,S, Department of Agriculture - Passed through California Department of Education		
10.555	Child Nutrition: School Programs (NSL Sec. 11)	13524	41,252,249
10.582	Child Nutrition: Fresh Fruit & Vegetable Program	14968	1,084,932
	Subtotal Child Nutrition Cluster		42,337,181
10.558	Child Nutrition: Child and Adult Care Food Program (CACFP) Claims	13529	4,351,911
10.649	Pandemic EBT Local Administrative Grant - Food Distribution Cluster	15644	5,814
	Total U.S. Department of Agriculture		46,694,906
	Total Federal Programs		$ 342,031,514

Governmental Funds

	General Fund	Building Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Student Activity Fund
June 30, 2022 Unaudited Actual Financial Reporting Ending Fund Balance	$ 374,224,769	$ 72,685,005	$ 32,130,354	$ 118,528,773	$ 2,455,348
Management proposed entry to record GASB 31 Fair Market Value adjustment to Cash in County Treasury.	(12,041,506)	(4,391,160)	(515,988)	(2,356,206)	(26,903)
June 30, 2022 Audited Financial Statements Ending Fund Balance	$ 362,183,263	$ 68,293,845	$ 31,614,366	$ 116,172,567	$ 2,428,445

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund
June 30, 2022 Unaudited Actual Financial Reporting Ending Fund Balance	$ 2,013,688	$ 912,696	$ 17,228,874	$ 1,422,806	$ 3,171,702
Management proposed entry to record GASB 31 Fair Market Value adjustment to Cash in County Treasury.	(39,461)	(247,552)	(95,292)	(61,590)	(80,595)
June 30, 2022 Audited Financial Statements Ending Fund Balance	$ 1,974,227	$ 665,144	$ 17,133,582	$ 1,361,216	$ 3,091,107

Proprietary Fund

	Self-Insurance Fund
June 30, 2022 Unaudited Actual Financial Reporting Ending Net Position	$ 81,943,610
Management proposed entry to record GASB 31 Fair Market Value adjustment to Cash in County Treasury.	(5,512,827)
June 30, 2022 Audited Financial Statements Ending Net Position	$ 76,430,783

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

	(Adopted Budget) 2023	2022	2021	2020
General Fund				
Revenues and other financing sources	$ 1,531,567,753	$ 1,403,778,976	$ 1,149,565,914	$ 1,021,065,105
Expenditures	1,550,377,011	1,266,695,351	1,057,747,424	1,018,273,499
Other uses and transfers out	7,356,409	4,093,398	14,808,419	6,859,750
Total outgo	1,557,733,420	1,270,788,749	1,072,555,843	1,025,133,249
Change in fund balance	$ (26,165,667)	$ 132,990,227	$ 77,010,071	$ (4,068,144)
Ending fund balance	$ 336,017,596	$ 362,183,263	$ 229,193,036	$ 152,182,965
Available reserves	$ 129,998,729	$ 134,741,791	$ 113,741,043	$ 102,475,777
Designated for economic uncertainties	$ 129,998,729	$ 134,741,791	$ 113,741,043	$ 102,475,777
Undesignated fund balance	$ -	$ -	$ -	$ -
Available reserves as percentages of total outgo	8.35%	10.60%	10.60%	10.00%
All Funds				
Total long-term liabilities	$ 2,432,255,622	$ 2,343,010,766	$ 3,089,663,080	$ 2,830,179,998
Average daily attendance at P-2	63,943	59,003	66,904	66,904

The fund balance of the General Fund has increased by $205,932,154 over the past three years. The fiscal year 2022-2023 budget projects a deficit of $26,165,667. 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, 2022, the District has met this requirement.

The District has incurred operating surpluses in two of the past three years, but anticipates an operating deficit in fiscal year 2022-2023.

Total long-term liabilities have decreased by $487,169,232 over the past two years, as shown in Note 6 to the basic financial statements.

Average daily attendance has decreased 7,901 over the past two years. An increase of 4,940 ADA is projected for the 2022-2023 fiscal year.

SCHEDULE OF CHARTER SCHOOLS
For the year ended June 30, 2022

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

The Schedule of Expenditure 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 Expenditure of Federal Awards:

Description	AL Number	Amount
Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances		$ 345,174,923
Add:		
COVID-19: Child Development: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) act funds expended from prior year awards.	93.575	561,699
Child Nutrition: CACFP Claims not yet reimbursed.	10.558	192,342
Less:		
COVID-19: SNAP Emergency Operational Costs funds received in advance of incurred expenditures.	10.555	(2,509,914)
COVID-19: Child Development: ARP Preschool Program one-time stipend received but not expended.	93.575	(771,000)
COVID-19: CACFP Emergency Operational Costs funds received in advance of incurred expenditures.	10.558	(616,536)
Total Schedule of Expenditure of Federal Awards		$ 342,031,514

(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 2022-2023 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, 2022, the District did not adopt such a program.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Audit Committee
Fresno Unified School District
Fresno, California

Report on Compliance with State Laws and Regulations

Opinion on Compliance with State Laws and Regulations

We have audited Fresno Unified School District's (District) compliance with the types of compliance requirements described in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide) applicable to the state laws and regulations listed below for the year ended June 30, 2022.

Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A, see reasoning
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A, see reasoning
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A, see reasoning
Comprehensive School Safety Plan	Yes
District of Choice	N/A, see reasoning
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course-Based	N/A, see reasoning
Immunizations	N/A, see reasoning
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In Person Instruction Grant	Yes

(Continued)

Attendance - charter schools	N/A, see reasoning
Mode of Instruction - charter schools	N/A, see reasoning
Nonclassroom-Based Instruction/Independent Study - charter schools	N/A, see reasoning
Determination of Funding for Nonclassroom-Based Instruction - charter schools	N/A, see reasoning
Annual Instructional Minutes-Classroom Based – charter schools	N/A, see reasoning
Charter School Facility Grant Program	N/A, see reasoning

We did not perform any procedures related to Early Retirement Incentive program because the District did not offer an Early Retirement Incentive in the current audit year.

We did not perform any procedures related to Juvenile Court Schools because the District is not a County Office of Education and therefore does not operate any Juvenile Court Schools.

We did not perform any procedures related to Apprenticeship: Related and Supplemental Instruction because the District does not operate an applicable program in the current audit year.

We did not perform any procedures related to District of Choice because the District does not operate as a District of Choice per the California Department of Education in the current audit year.

We did not perform any procedures related to Independent Study - Course-Based because the District did not report any Average Daily Attendance for this program in the current audit year.

We did not perform any procedures related to Immunizations program, because all schools within the District submitted timely immunization assessment reports to the California Department of Public Health.

We did not perform any procedures related to Charter Schools because the District did not include any charter schools in this report.

In our opinion, except for the noncompliance described in the Basis of Qualified Opinion paragraph, Fresno Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2022.

Basis for Qualified Opinion on Compliance with State Laws and Regulations

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 the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

As described in Finding 2022-001 in the accompanying Schedule of Audit Findings and Questioned Costs, Fresno Unified School District did not comply with the requirements regarding Attendance. Compliance with such requirements is necessary, in our opinion, for Fresno Unified School District to comply with the requirements applicable to the state laws and regulations referred to above.

Other Matter

Fresno Unified School District's response to the noncompliance finding identified in our audit is included in the accompanying Schedule of Audit Findings and Questioned Costs. Fresno Unified School 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)

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 government programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2021-2022 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 28, 2022

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, 2022, 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 28, 2022.

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 28, 2022

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; 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, 2022. 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, 2022.

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 28, 2022

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
84.010	Title I Programs
84.425, 84.425C, 84.425D, 84,425U	COVID-19: ESF Programs
84.367	ESEA: Title II, Improving Teacher Quality Local Grants
10.558	Child Nutrition: CCFP Claims, Centers and Family Day Care Homes

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: Qualified

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2022-001 STATE COMPLIANCE - ATTENDANCE REPORTING (10000)

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

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 an calculated overstatement 0.01 ADA for each student.

Context

We performed the audit procedures enumerated in the State of California 2021-22 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 0.03 ADA. Cause The errors were the result of clerical errors in accounting for attendance.

Fiscal Impact

The error is below 0.50 ADA, therefore there is no fiscal impact.

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

The District has revised and resubmitted the Period Two Report of Attendance. The District will provide ongoing training on attendance reporting to all clerical staff and administrators.

STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS

No matters were reported.