

FRESNO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2025

FRESNO UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the year ended June 30, 2025

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
CHIEF FINANCIAL OFFICER'S REPORT	4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION.....	24
STATEMENT OF ACTIVITIES.....	25
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	26
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	27
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS.....	28
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES.....	29
STATEMENT OF NET POSITION - PROPRIETARY FUND - SELF-INSURANCE FUND - GOVERNMENTAL ACTIVITIES.....	31
STATEMENT OF CHANGE IN NET POSITION - PROPRIETARY FUND - SELF-INSURANCE FUND - GOVERNMENTAL ACTIVITIES	32
STATEMENT OF CASH FLOWS - PROPRIETARY FUND – SELF-INSURANCE FUND - GOVERNMENTAL ACTIVITIES	33
NOTES TO FINANCIAL STATEMENTS	34

FRESNO UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the year ended June 30, 2025

CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION:

GENERAL FUND BUDGETARY COMPARISON SCHEDULE	73
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY	74
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN OF OPEB PLAN INVESTMENTS.....	75
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY.....	76
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS	78
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	80

SUPPLEMENTARY INFORMATION:

COMBINING BALANCE SHEET – ALL NON-MAJOR FUNDS	82
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – ALL NON-MAJOR FUNDS	83
SCHEDULE OF AVERAGE DAILY ATTENDANCE.....	84
SCHEDULE OF INSTRUCTIONAL TIME	85
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	86
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS.....	89
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS – UNAUDITED	90
SCHEDULE OF CHARTER SCHOOLS.....	91
NOTES TO SUPPLEMENTARY INFORMATION	92

FRESNO UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the year ended June 30, 2025

CONTENTS

OTHER INFORMATION:

ORGANIZATION - UNAUDITED	94
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS	96
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 <i>GOVERNMENT AUDITING STANDARDS</i>	100
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE	102
FINDINGS AND RECOMMENDATIONS:	
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS	105
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS	109

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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 to 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 73 to 79 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 Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025 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

Sacramento, California
December 3, 2025



BOARD OF EDUCATION

Valerie F. Davis, President
Genoveva Islas, Clerk
Claudia Cazares
Andy Levine
Elizabeth Jonasson Rosas
Keshia Thomas
Susan Wittrup

SUPERINTENDENT

Mao Misty Her

December 10, 2025

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, 2025, 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 \$482,101,778.

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.

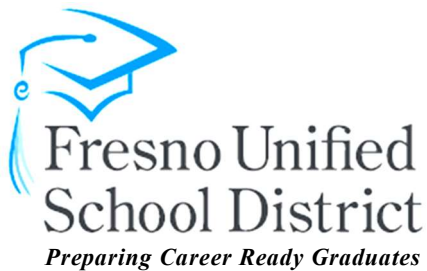
The financial statements for the year ended June 30, 2025 present the District's sound financial condition and, along with the MD&A as well as the included note disclosures, provide the reader with an understanding of the District's financial affairs.

Respectfully Submitted,

Patrick Jensen
Chief Financial Officer

Management's Discussion and Analysis

June 30, 2025



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, 2025. Readers are encouraged to consider the information presented in conjunction with the District's financial statements. This discussion and analysis provide a comparison between fiscal year 2024/25 and 2023/24.

ABOUT FRESNO UNIFIED SCHOOL DISTRICT

Located in the heart of the Central Valley, Fresno Unified School District serves more than 67,810 students K to 12th grade and 2,761 preschool students, with an additional 6,592 adult learners served through Fresno Adult School. Through high quality instruction, district programs, and services and resources, the District is focused on building college and career ready graduates among its 67 elementary schools, 14 middle schools, 10 high schools, 6 alternative schools, 3 special education schools, and one adult school. In addition, the district provides oversight and evaluation to 10 neighborhood charter schools.

FINANCIAL HIGHLIGHTS

- The primary governmental fund has a deficit net position in governmental activities totaling \$324.5 million at June 30, 2025.
- The total net position of the District increased by \$20.9 million during fiscal year 2024/25. This is mainly due to an increase in investments in capital assets offset by increases in the Net Pension Liability and utilization of one-time grants.
- Fund balance of the District's governmental funds decreased by \$168.0 million resulting in an ending fund balance of \$691.1 million. This was mainly due to utilization of the fund balance as the District plans for decreased enrollment in the unrestricted general fund.
- At the end of the 2024/25 fiscal year, the balance in the District's Unrestricted General Fund decreased by \$89.7 million resulting in an ending unrestricted fund balance of \$265.4 million. The changes were mainly due to increased utilization of the fund balance as the District plans for decreased enrollment.
- 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, 2025. The District recognized a net increase of \$33.4 million in the net position as a result of the changes in the net pension liability and related deferred outflows and deferred inflow of resources.

(Continued)

Management's Discussion and Analysis

June 30, 2025

- The District's long-term obligations increased by \$18.2 million to \$2.6 billion mainly due to the following: general obligation bonds increased \$9.8 million, net OPEB liability increased \$11.0 million, net pension liabilities decreased \$21.1 million, and compensated absences increased \$18.5 million.
- Compensated absences increased by \$18.5 million in 2024/25 due in part to the implementation of GASB Statement No. 101, *Compensated Absences*. While the District previously only reported vacation leave, the new standard also requires the recognition of sick leave, resulting in the increase.
- 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 (0.42%) as of June 30, 2025. As a result, the District recognized a decrease in the fair value adjustments to cash in county treasury which resulted in a lower ending fund balance to the impacted funds by \$4.3 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 Benefits (OPEB) liability. The total OPEB liability of \$822.8 million, as of June 30, 2025, is offset with the 2024/25 net assets in the District's Irrevocable Trust for OPEB liabilities of \$91.1 million. The net OPEB liability at the end of 2024/25 is \$731.6 million. The liability increased by \$10.9 million mainly due to increased lifetime benefits for qualified employees. 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 2024/25 as reflected by Moody's credit rating of Aa3 issued in June 2025. In its report to potential investors, Moody's Investor Services noted "Strong financial planning and conservative budgeting practices." The rating report highlights that "District officials expect long-term enrollment declines of around 1% annually, requiring ongoing spending reductions. Nevertheless, the District's finances will continue to benefit from prudent management, conservative budgeting 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 *Statement 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.

(Continued)

Management's Discussion and Analysis

June 30, 2025

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

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

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

Fund Financial Statements

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

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

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

The District maintains 12 different governmental funds. As of June 30, 2025, the major funds are the General Fund and the Building 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 Net Position, Statement of Revenues, Expenses, and Changes in 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.

(Continued)

Management's Discussion and Analysis

June 30, 2025

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 Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

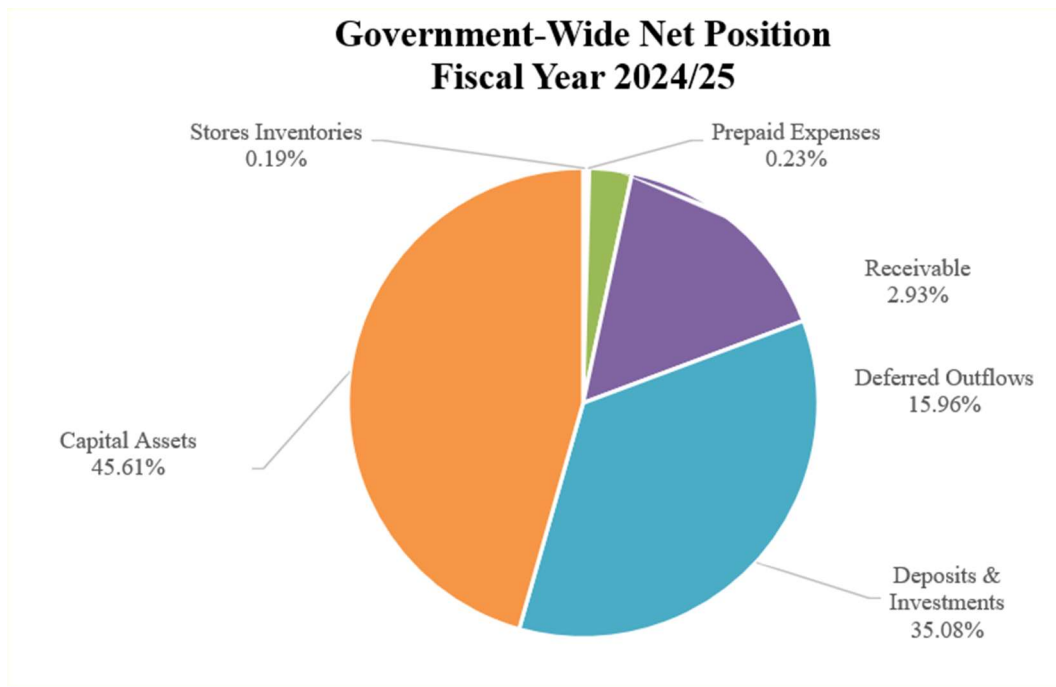
Statement of Net Position

	Governmental Activities		Change	Change
	2025	2024		
Current and other assets	\$ 1,134,469,778	\$ 1,252,568,326	\$ (118,098,548)	(9.43%)
Capital assets	1,346,247,557	1,209,639,185	\$ 136,608,372	11.29%
Total Assets	2,480,717,335	2,462,207,511	18,509,824	0.75%
Deferred Outflows	471,283,057	467,563,271	3,719,786	0.80%
Current liabilities	329,483,936	270,285,067	59,198,869	21.90%
Long-term liabilities	2,567,077,163	2,548,903,271	18,173,892	0.71%
Total Liabilities	2,896,561,099	2,819,188,338	77,372,761	2.74%
Deferred Inflows	379,933,837	455,943,653	(76,009,816)	(16.67%)
Net invested in capital assets	571,978,148	496,887,312	75,090,836	15.11%
Restricted	493,309,419	524,967,001	(31,657,582)	(6.03%)
Unrestricted	(1,389,782,111)	(1,367,215,522)	(22,566,589)	1.65%
Total Net Position	\$ (324,494,544)	\$ (345,361,209)	\$ 20,866,665	(6.04%)

(Continued)

Management's Discussion and Analysis

June 30, 2025



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 2024/25 fiscal year. Long-term liabilities such as general obligation bonds and compensated absences will be liquidated from resources that will become available after the 2024/25 fiscal year.

The liabilities and deferred inflows of the primary governmental activities exceed the assets and deferred outflows by \$326.8 million. The 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 \$1.34 billion in land, land improvements, buildings, equipment, and work-in-process, represents 54% of the District’s total assets.

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

(Continued)

Management's Discussion and Analysis

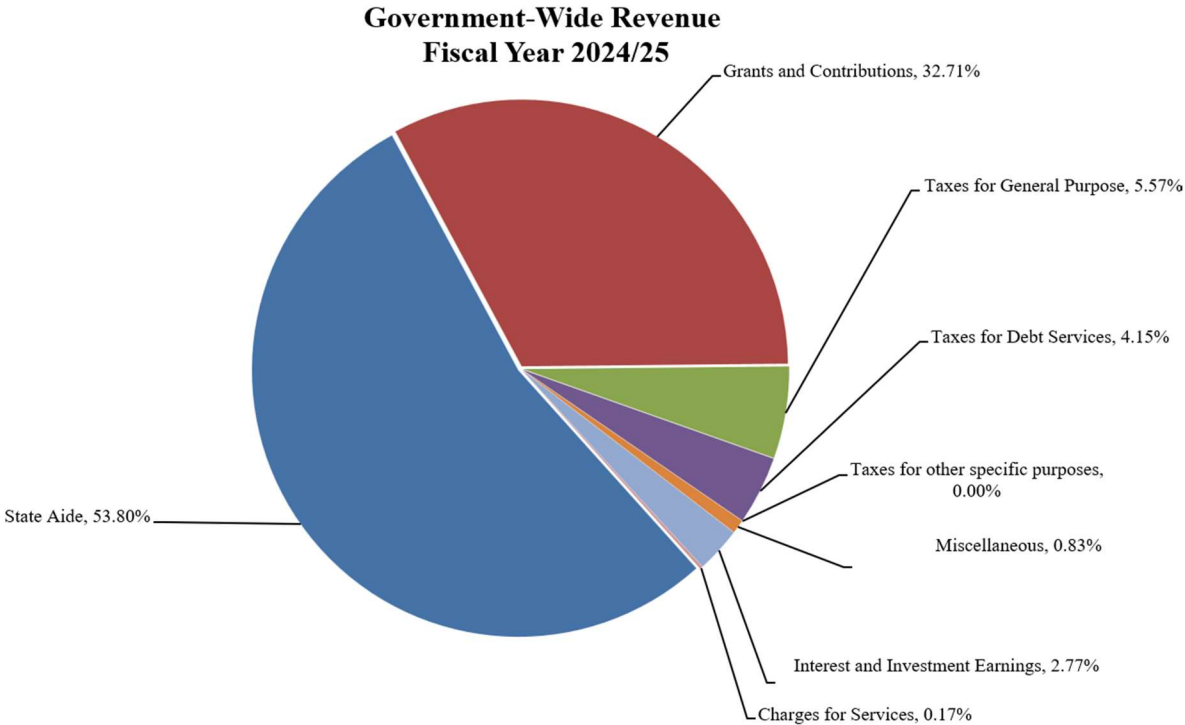
June 30, 2025

Statement of Activities

	Governmental Activities		Change
	2025	2024	
Program Revenues			
Charges for Services	\$ 2,853,593	\$ 3,114,200	(8.37%)
Operating Grants & Contributions	560,748,339	716,362,443	(21.72%)
Capital Grants & Contributions	4,802,619	799,150	
General Revenues			
Taxes and Subventions	168,060,892	160,938,948	4.43%
Federal and State Aid, Unrestricted	930,258,305	947,263,302	(1.80%)
Interest and Investment Earnings	47,903,801	36,338,447	31.83%
Other General Revenues	14,412,986	11,951,596	20.59%
Total Revenues	<u>1,729,040,535</u>	<u>1,876,768,086</u>	<u>(7.87%)</u>
Expenses			
Instruction	\$825,672,223	\$838,472,690	(1.53%)
Instructional Related	191,042,088	184,801,211	3.38%
Student Support Services	235,198,761	223,802,854	5.09%
General Administrative	79,457,478	74,502,378	6.65%
Maintenance and Operations	171,212,486	165,226,009	3.62%
Depreciation	44,314,267	41,242,676	7.45%
Other	161,276,567	141,715,240	13.80%
Total Expenses	<u>\$1,708,173,870</u>	<u>\$1,669,763,058</u>	<u>2.30%</u>
Change in Net Position	<u>\$20,866,665</u>	<u>\$ 207,005,028</u>	<u>89.92%</u>

(Continued)

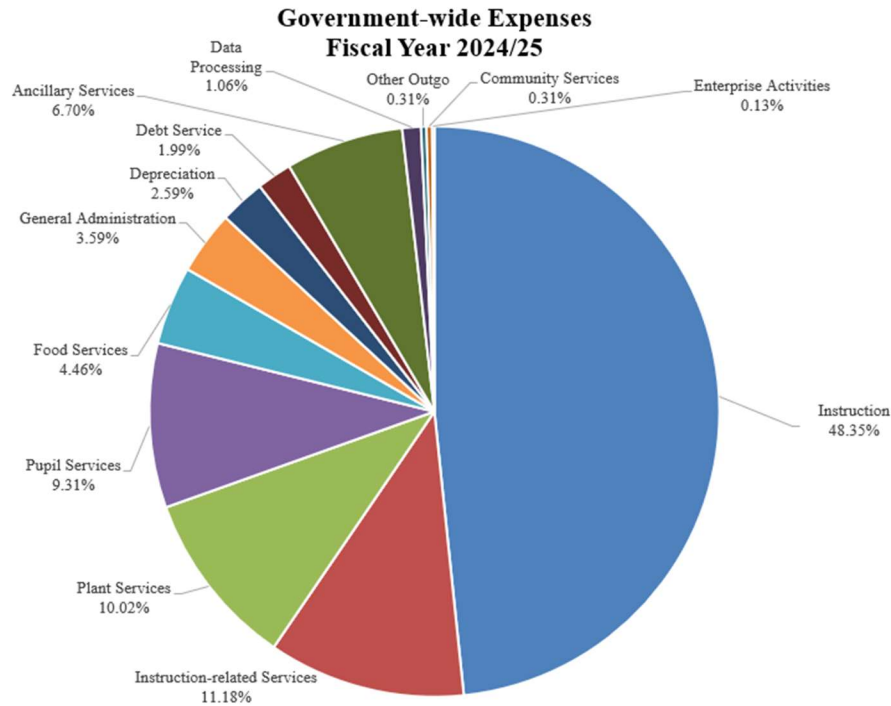
Management's Discussion and Analysis
June 30, 2025



(Continued)

Management’s Discussion and Analysis

June 30, 2025



Financial Analysis of the District’s Governmental Funds

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

Governmental activities – Capital Project Funds for the District provide the same type of information presented in the government-wide financial statements but in greater detail. The following highlights significant activity in the District’s Capital Project Funds for fiscal year 2024/25:

- The County School Facilities Fund spent \$105.5 million on projects Measure M – \$99.6 million and savings from state facility projects totaling \$5.9 million.
- The County School Facilities Fund’s major projects and activities included the following:
 - Construction and Maintenance major projects and activities totaling \$50.4 million:
 - Del Mar Elementary \$ 13.6 million
 - Fresno High \$ 11.1 million
 - Edison High \$ 10.4 million
 - McLane High \$ 9.1 million
 - Sunnyside High \$ 2.7 million
 - 30 other sites totaling \$ 3.5 million

(Continued)

Management's Discussion and Analysis

June 30, 2025

- Modernization Projects included the following sites totaling \$55.2 million:
 - Roosevelt High \$ 13.8 million
 - Farber Educational Facility \$ 4.5 million
 - Ericson Elementary \$ 4.2 million
 - Tehipite Middle School \$ 4.0 million
 - Edison High School \$ 1.5 million
 - Dailey Elementary \$ 1.4 million
 - Roeding Elementary \$ 1.3 million
 - Sunset Elementary \$ 1.3 million
 - Sunnyside High School \$ 1.3 million
 - Addicott-M&O \$ 1.1 million
 - Starr Elementary \$ 1.1 million
 - 98 other sites totaling \$ 19.7 million

The General Fund is the chief operating fund of the District. Student enrollment decreased by 403 students during the fiscal year. The average daily attendance (ADA) for fiscal year 2024/25 decreased by 372 ADA from 2023/24, however, the district is funded on a 3-year prior year average, which is approximately 1,383ADA higher than 2024/25 ADA. The 3-year prior year average provides an additional \$21.8million of relief due to declining ADA.

The Cafeteria Fund's key elements that highlight the activities in the 2024/25 fiscal year are as follows:

- Approximately 16,800 breakfasts, 57,300 lunches, and 3,100 snacks per day were served, equating to 13.8 million meals annually which is an increase of 68,500 meals overall from the prior year due to students continuing to return to campus.
- The District received a grant for 63 elementary school sites to participate in the Fresh Fruit and Vegetable Program, making the District the largest grant recipient from the California Department of Education.
- The District continues to participate in the National School Lunch and School Breakfast Programs under the Community Eligibility Provision (CEP), which allows all students at every site to receive a healthy breakfast, lunch, and snack every day.
- Meals are served at 106 locations, utilizing 508 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 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 2024/25, Fresno Unified spent 55.11% 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).

(Continued)

Management's Discussion and Analysis

June 30, 2025

The District, as a general rule, requires restricted budgets to stay within their State and/or Federal allocation. The major exceptions include Special Education and Ongoing & Major Maintenance Account. 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 2024/25 was projected to be \$215.7 million. The actual 2024/25 ending balance is \$265.4 million, a gain of \$49.7 million, mainly due to the following:

2023/24 Ending Fund Balance Impacts

- Actual general fund balance in 2022/23 was higher than the adopted budget of \$36.8 million mainly due to:
 - Increase in one-time lottery funding
 - Utilities savings Additional one-time transportation revenue, lottery, interest income, and Medi-Cal Administrative Activity (MAA) revenue
 - Record the fair value investments held in Fresno County investment pool which reported unrealized losses of (3.03%)

2024/25 Impacts

- A decrease in Local Control Funding Formula (LCFF) revenue of \$1.4 million due to prior year calendar actual Average Daily Attendance (ADA)
- An increase in State revenues of \$2.6 million due transportation and lottery revenue
- An increase of local revenue of \$22.7 million mainly due to one-time Medi-Cal Administrative Activity (MAA), interest income, and adjusted unrealized loss of investments held with the Fresno County Treasury.
- Total expenditures and contributions increased by \$11.0 million was recognized due to the following changes:
 - Specials Education teacher and paraeducator substitutes increase for Fall Classroom leveling and contribution increase for Education Private Placements – \$7.0 million
 - SEIU longevity increase of \$2.2 million
 - Textbook adoption increase of \$3.8 million
 - School Site and department expenditures less than anticipated – \$1.0 million
 - Utility Savings – \$1 million

The Board designated funds for the 2025/26 budget in the amount of \$120.0 million for future projects as follows:

Committed Fund Balance:

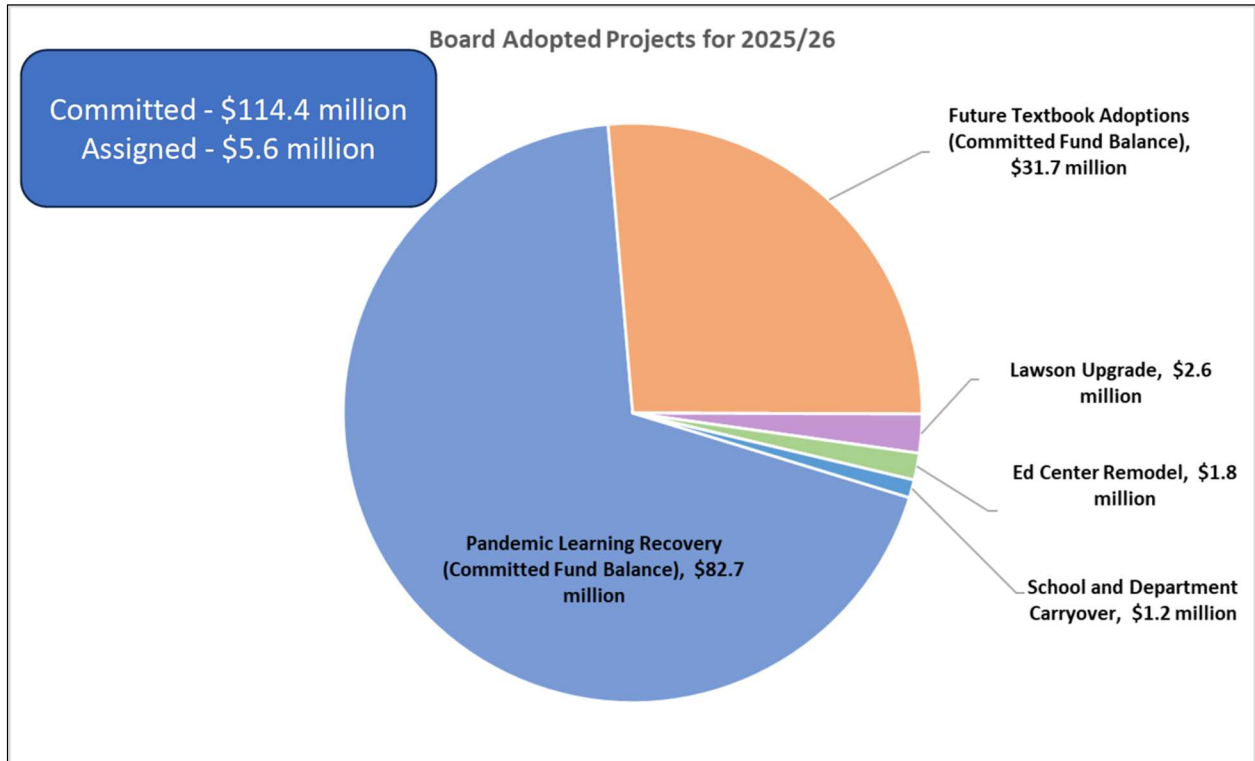
Future Textbook Adoptions	\$ 31.7 million
Pandemic Learning	\$ 82.7 million

Assigned Fund Balance:

Ed Center	\$ 1.8 million
Site and Department Carryover	\$ 0.7 million
Transportation Bus Wash Equipment	\$ 0.5 million
Lawson Software Upgrade	\$ 2.6 million

(Continued)

Management’s Discussion and Analysis
June 30, 2025



Total expenditures for 2024/25 were \$2.2 billion, representing an increase from 2023/24 of \$87.7 million as listed below (in millions):

Expenses	2024/25 Unaudited Actuals Expenses	2023/24 Unaudited Actuals Expenses	Difference	Change
General Fund – Unrestricted	\$990.3	\$913.6	\$76.7	8.4%
General Fund – Restricted	668.4	715.5	(47.1)	(6.6)%
Bond Interest and Redemption Fund	80.9	121.2	(40.3)	(33.3)%
Internal Service Fund	275.0	231.6	43.4	18.7%
County School Facility Fund	105.5	63.2	42.3	66.9%
Building Fund	0.5	0.2	0.3	152.0%
Cafeteria Fund	74.3	67.5	6.8	10.1%
Child Development Fund	35.6	32.8	2.8	8.6%
Adult Education Fund	9.3	9.3	0.0	0.01%
Deferred Maintenance Fund	5.6	3.4	2.2	64.4%

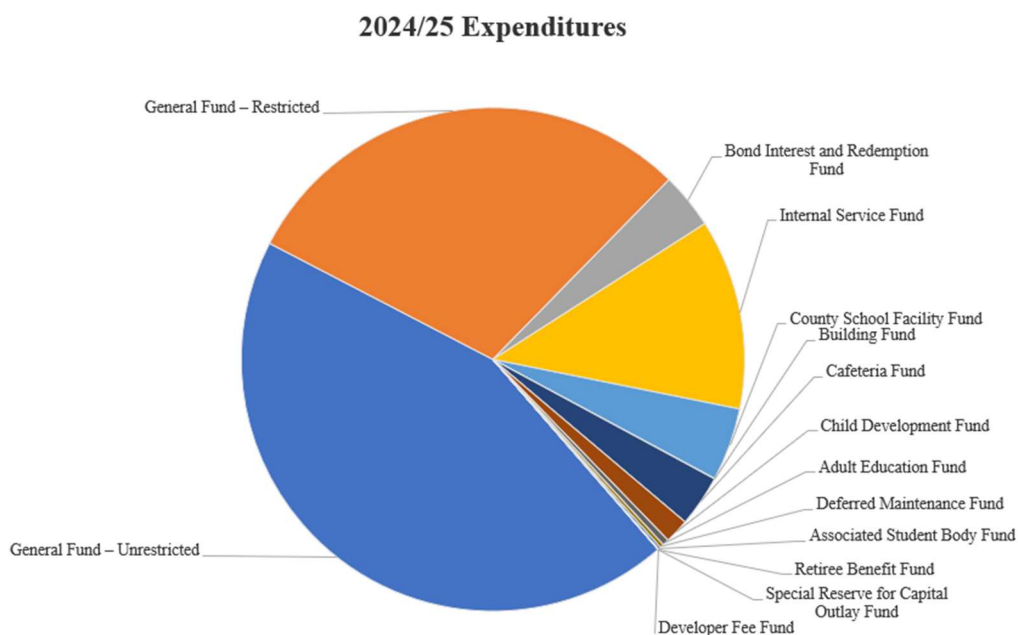
(Continued)

Management’s Discussion and Analysis

June 30, 2025

Student Body Activity Fund	3.6	3.1	0.5	15.9%
Developer Fee Fund	1.0	0.0	0.0	0%
Special Reserve for Capital Outlay Fund	0.8	0.7	0.1	7.5%
Retiree Benefit Fund ^(A)	0.1	0.1	(0.0)	(37.7)%
Total	\$2,249.9	\$2,162.2	\$87.7	4.1%

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



Total revenue for 2024/25 was \$2.0 billion, representing a decrease from 2023/24 of \$117.4million as listed below (in millions):

Revenue	2024/25 Unaudited Actuals Revenue	2023/24 Unaudited Actuals Revenue	Difference	Change
General Fund - Unrestricted	\$ 1,074.4	\$ 1,077.0	\$ (2.6)	(0.2)%
General Fund - Restricted	459.9	599.0	(139.1)	(23.2)%
Internal Service Fund	268.5	253.8	14.7	5.8%
County School Facility Fund	5.7	0.9	4.8	538.6%
Bond Interest and Redemption Fund	76.7	71.4	5.3	7.4%
Cafeteria Fund	70.4	77.7	(7.3)	(9.4)%
Child Development Fund	35.5	32.2	3.3	10.3%
Adult Education Fund	10.0	9.1	0.9	10.3%

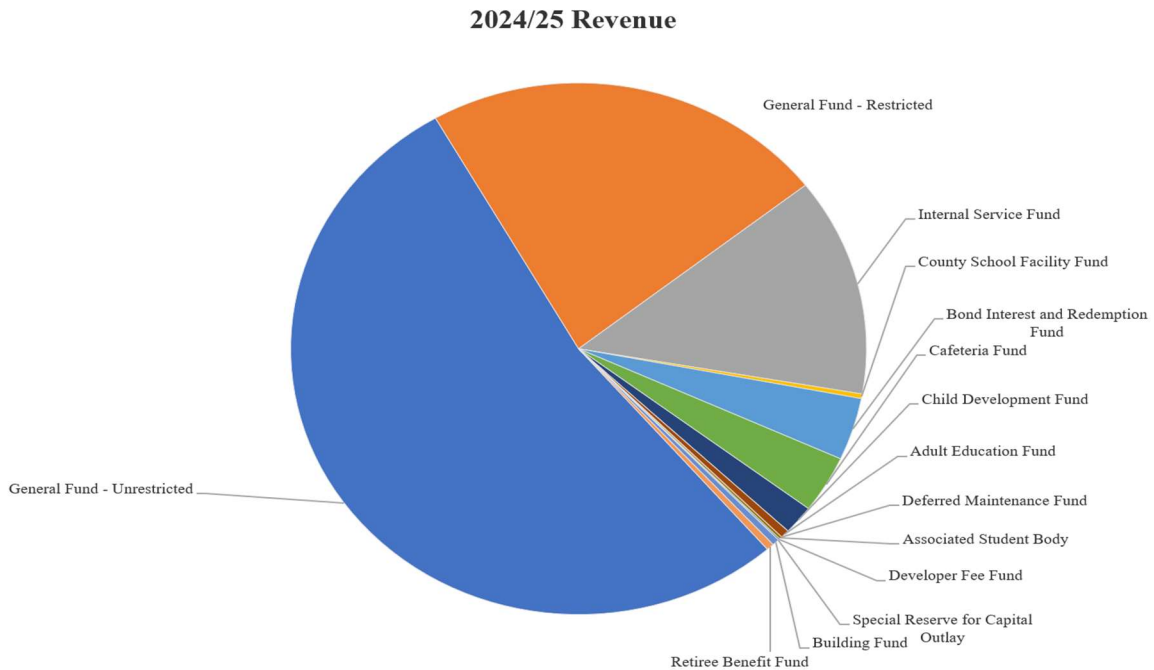
(Continued)

Management's Discussion and Analysis

June 30, 2025

Revenue	2024/25 Unaudited Actuals Revenue	2023/24 Unaudited Actuals Revenue	Difference	Change
Deferred Maintenance Fund	0.0	0	0.0	0%
Student Body Activity Fund	3.4	3.4	(0.0)	(1.1)%
Developer Fee Fund	1.7	1.6	0.1	6.8%
Special Reserve for Capital Outlay	0.1	0	0.1	0%
Building Fund	8.2	8.5	(0.3)	(3.0)%
Retiree Benefit Fund ^(A)	8.6	5.9	2.7	44.9%
Total	\$ 2,023.1	\$ 2,140.5	\$ (117.4)	(5.5)%

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



(Continued)

Management's Discussion and Analysis

June 30, 2025

Summary of Capital Assets

	Governmental Activities			
	2025	2024	\$ Change	% Change
Land	\$ 66,411,797	\$ 66,411,797	\$ -	0.00%
Work-in-process	443,566,270	315,270,525	128,295,745	40.69%
Land improvements	195,814,833	189,650,945	6,163,888	3.25%
Buildings	1,231,259,661	1,193,834,648	37,425,013	3.13%
Equipment	71,680,568	63,338,229	8,342,339	13.17%
Capital Assets, cost	2,008,733,129	1,828,506,144	180,226,985	9.86%
Accumulated Depreciation	(662,485,572)	(618,866,959)	(43,618,613)	7.05%
Governmental Activities Capital Assets, net	\$ 1,346,247,557	\$ 1,209,639,185	\$ 136,608,372	11.29%

The District's investment in Capital Assets for its governmental activities as of June 30, 2025, was \$1.3 billion (net of accumulated depreciation).

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

Summary of Long-Term Liabilities

	Governmental Activities			
	2025	2024	\$ Change	% Change
General Obligation Bonds	\$ 807,022,338	\$ 801,692,063	\$ 5,330,275	0.66%
Accreted Interest	30,387,012	25,107,520	5,279,492	21.03%
Unamortized Premium	35,066,070	35,828,037	(761,967)	-2.13%
Other Postemployment Benefits	731,643,324	720,662,249	10,981,075	1.52%
Compensated Absences	23,845,419	5,354,402	18,491,017	345.34%
Net Pension Liability	939,113,000	960,259,000	(21,146,000)	-2.20%
Governmental Activities Long-Term Liabilities	\$ 2,567,077,163	\$ 2,548,903,271	\$ 18,173,892	0.71%

As of June 30, 2025, the District had a total outstanding bonded debt of \$807.0 million backed by the full faith and credit of the District.

Total long-term debt for the District increased by \$18.2 million. The change in the long-term debt was due mainly to the following: General Obligation Bonds increased \$9.8 million, net OPEB liability increased \$11.0 million, pension liabilities decreased \$21.1 million, and compensated absences increased \$18.5 million.

(Continued)

Management's Discussion and Analysis

June 30, 2025

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 2.85%.

Economic Factors and Budgets and Rates for 2025/26

The annual process to develop the District's budget begins in the fall with an update to the Board of Education and stakeholders regarding the District's Local Control and Accountability Plan (LCAP) actions and investment areas. The following January the Governor proposes the State budget. Since most of the District's revenue comes from the State, the District carefully derives assumptions from the Governor's proposal, guidance from the Fresno County Superintendent of Schools, and enrollment projections. The 2025/26 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 18, 2025, the Board of Education approved an Adopted Budget for fiscal year 2025/26. The Adopted Budget included a 5.09% unrestricted reserve.

- **The major State assumptions are:**
 - Statutory cost-of-living adjustment of 2.46%
 - The cash flow projected a positive balance of \$425.2million on June 30, 2026
 - Educational Protection Account continues, as required by Proposition 30 (November 2012), which represents 28% (\$126.9million) of the Local Control Funding Formula (LCFF)
 - The District is projected to be funded on the three-year prior rolling average ADA
 - LCFF Supplemental and Concentration funding of \$283.3 million

- **The local assumptions are as follows:**
 - The Elementary School Aligned Instructional System: Instructional aides including kindergarten aides, home school liaisons, police chaplains and campus safety assistants, custodial, clerical supports, administrative support, and health care professionals including a registered nurse, licensed vocational nurse or health assistant and school psychologist
 - Elementary school site investments include Classroom Teachers provided per the collective bargaining agreement:
 - Transitional Kindergarten – 1 teacher to 24 students
 - Kindergarten through 3rd grade – 1 teacher to 23 students
 - 4th grade through 6th grade – 1 teacher to 28 students
 - Teacher choice of augmentation aide or up to \$5,000 annual stipend if exceeding classroom guidelines of 1-3 students or 4 or more students
 - The Middle School Aligned Instructional System: Transition teachers and campus culture support, safety investments include campus assistants, custodial support, clerical support, home school liaison, administrative support, and health care professionals including a registered nurse and licensed vocational nurse or health assistant, and school psychologist
 - Middle school site investments include Classroom Teachers provided per the collective bargaining agreement and middle school redesign.
 - 7th grade through 8th grade – 1 teacher to 27 students
 - Teacher choice of augmentation aide or up to \$5,000 annual stipend if exceeding Classroom Guidelines of 1-3 students or 4 or more students

(Continued)

Management's Discussion and Analysis

June 30, 2025

- The High School Aligned Instructional System: Professional learning, librarian, student engagement, campus culture assistant and athletic director support, safety investments include school resource officer, probation officer and campus assistants, custodial support including PE custodians, pool custodians and auditorium custodians, clerical supports including a library technician, administrative support, and health care professionals including a registered nurse and licensed vocational nurse on a daily basis and school psychologist
 - Classroom Teachers per the Collective Bargaining Agreement reduce class size guidelines by 1 student per teacher
 - 9th grade – 12th grade – 1 teacher to 28 students (was 29 students)
 - Teacher choice of augmentation aide or up to \$5,000 annual stipend if exceeding Classroom Guidelines of 1-3 students or 4 or more students
- Teacher Supply Allocations: For 2025/26 increase teacher supply allocation from \$500 to \$1,000 per Collective Bargaining Agreement
- African American Student Academic Acceleration – Reduction of 1.6 FTE Paraeducator, a 1.0 FTE Teacher on Special Assignment, convert 1.0 FTE Project Manager to Program Manager, reduce suspension supports and independent study support due to low utilization, and reduce supplies and contracts totaling a decrease of (\$486,000). Additionally, the Proposed Budget includes one-time funds to support peer facilitators and summer camps of \$895,000
- Alternative Education –Reduction of 1.0 FTE Executive Director, 1.0 FTE Office Assistant, and travel and supplies totaling a decrease of (\$390,000)
- Analysis, Measurement & Accountability – Reduction of 2.0 FTE Executive Directors, 1.0 FTE Tech Specialist III, and add a 1.0 FTE Director totaling a net decrease of (\$419,000)
- Business Financial Services – Reduction of 1.0 FTE Employee Service Center Specialist and 1.0 FTE Analyst I, totaling a decrease of (\$273,000)
- Career Technical Education – Reclassification of 0.6 FTE to Coordinator II for an increase of \$22,000
- College & Career Readiness –Shift of 10.0 FTE Counselors (funded by A-G Grant through 2024/25) to FTA Student Support Allocation
- Community Schools – Reduction of contracts of (\$85,000)
- Curriculum & Instruction – Reduction of 1.0 FTE Secretary II, a 1.0 FTE Literacy Coach, and supplies totaling a decrease of (\$281,000). In addition, the Proposed Budget includes one-time funds to support 2.2 FTE Teachers to match Learning Communities for School Success Program Grant of \$325,000
- Department of Prevention and Intervention –Reduction of 1.0 FTE Mentor Program Facilitator, a 1.0 FTE Secretary, a 1.0 FTE Manager II, a 1.0 FTE Intervention Specialist, conversion of 3.0 FTE Manager II to Manager III, conversion of 1.0 FTE Climate Specialist to 1.2 FTE Teacher and reduce supplies and contracts totaling a decrease of (\$923,000). In addition, the Proposed Budget includes one-time allocations for 2025/26 and 2026/27 for the following supports: 3.0 FTE Counselors, 1.0 FTE Office Assistant, 9.0 FTE Social Workers, 2.0 FTE Behavioral Intervention Specialist, 1.0 FTE Behavior Support Advisor, secondary restorative justice, support intensive cases, mental health services, and build capacity for alternative strategies totaling a one-time allocation of \$4.0 million
- Diversity, Equity, & Inclusion – Reduction of 1.0 FTE Program Technician and reduction in supplies and contracts totaling a decrease of (\$260,000)
- Early Learning – Reduction of 2.0 FTE Child Development Teachers, a 2.25 FTE Child Development Paraeducators, and add 1.0 FTE Program Technician for a net decrease of (\$375,000)
- Engagement & External Partnership – Shift 1.0 FTE Chief Engagement and External Officer to the Foundation, 1.0 FTE Project Manager to grant, and supplies and contracts to the Foundation totaling a decrease of (\$700,000)

(Continued)

Management's Discussion and Analysis

June 30, 2025

- English Learners – Reduction of 3.0 FTE Teachers on Special Assignment, supplemental salaries, and supplies totaling a decrease of (\$736,000)
 - Expanded Learning – Reduction of 5.25 FTE Lead After School/Extended Day, supplemental contracts offset by shift of elementary extra-curricular and co-curricular allocations and utility cost for elementary after school and summer school
 - Facilities Management & Planning – Reduction for the end of the Parent University Lease totaling a decrease of (\$66,000)
 - Health Benefits & Defined Benefits – Employee contribution of \$22,000 per active employee. The Budget is provided by the Joint Health Management Board (JHMB)
 - Health Services – Additional 1.0 FTE Nurse funded by Medi-Cal for an increase of \$170,000
 - Human Resources – Reduction of 1.0 FTE Manager I, 1.0 FTE Data Specialist II, a 1.0 FTE Executive Officer, a 1.0 FTE Administrative Secretary II, and supplies and contracts and services totaling a decrease of (\$863,000). Additionally, the Proposed Budget includes a one-time allocation for professional learning of \$10,000
 - Information Technology –Includes an increase in contract licenses totaling an increase of \$250,000
 - Information Technology – Learner Support Services – Reduction of 1.0 FTE Customer Service Representative, 1.0 FTE Help Desk Technician, and 1.0 FTE Tech Support Specialist II totaling a decrease of (\$326,000)
 - Nutrition Services – Increase of 1.0 FTE Tech Support Specialist, 1.0 FTE District Supervisor, food costs, and scratch cooking contract totaling an increase of \$1,845,000
 - Plant Operations – Increase for utilities totaling \$2.0 million
 - Purchasing and Warehouse – Increase to the teacher supply allocation from \$500 to \$1,000 per teacher totaling an increase of \$2,400,000
 - Risk Management and Workers' Compensation –The proposed rate for the Liability and Workers' Compensation rates remain the same at 1.50% and 0.50%, respectively
 - School Leadership – Reduction of 1.0 FTE Administrative Analyst, substitute salaries and supplies totaling a decrease of (\$230,000)
 - School Safety & Security – Reduction of 1.4 FTE Telecommunication Operators for a decrease of (\$123,000). In addition, the Proposed Budget includes one-time allocation for cameras for cafeterias and vape sensors of \$840,000 and professional learning of \$10,000
 - Student Engagement – Increase to Save Mart Center Graduation and officiating contracts totaling an increase of \$455,000
 - Special Education – Includes an increase in support to staffing parameters of five classrooms which provides 5.0 FTE Teachers and 4.4 FTE classified support which is based on the parameters listed above. In addition, a reduction of 1.0 FTE, 0.9 FTE Paraeducator for Fresno State Program, a conversion of 3.0 FTE Resource Specialist to Individual Small Group Teachers and reduction of 3.5 FTE Paraeducators totaling a decrease of (\$383,000)
 - Teacher Development – Reduction of 2.0 FTE Teachers on Special Assignment totaling a decrease of (\$338,000)
 - Transportation –Increase to Special Education Transportation contract totaling an increase of \$550,000. In addition, the Proposed Budget includes one-time allocation for bus camera replacements of \$137,000
- Multi-Year Items:
 - Salary and Benefits – In accordance with the current employee bargaining agreements, the 2025/26 includes an ongoing raise of 5.0% and one-time of 3.0% equating to \$39.5 million and \$19.8 million one-time

(Continued)

Management’s Discussion and Analysis

June 30, 2025

- District Contribution to Health Fund – In accordance with the current employee bargaining agreements, the 2025/26 district’s health contribution level remains at \$22,000 per employee participant. In addition, the district’s health contribution is estimated to increase by \$3,025 in 2026/27 equating to \$23.1 million, and an additional \$644 in 2027/28 equating to \$4.9 million
- District Workers’ Compensation – The benefit rate for Workers’ Compensation remains the same as in 2024/25 and results in a reserve level estimated at 97% in 2025/26. Per Board Policy 3100 “during stable times, the district will maintain Workers’ Compensation liability at 90 percent.”
- STRS and PERS increased employer rates:

Year	STRS Employer Rate	PERS Employer Rate	Annual Increase/Decrease to District Contribution	Annual District Contribution
2025/26	19.10%	26.81%	\$3.0 million	\$224.5 million
2026/27	19.10%	26.90%	(\$0.9) million	\$223.6 million
2027/28	19.10%	27.80%	\$1.7 million	\$225.3 million

- An Unrestricted General Fund contribution of \$0.5 million and a \$3.0 million contribution from the Health Fund to the OPEB irrevocable trust for 25/26, \$1.5 million from the Unrestricted General Fund and \$2.0 million from the Health Fund to OPEB in future years
- Benefit Rates:
 - Maintain the Health rate in accordance with the current employee bargaining agreements of \$22,000 for 2025/26. For 2026/27, the district’s health contribution is estimated to increase by \$3,025 per employee participant equating to \$23.1 million, and an additional \$644 in 2027/28 equating to \$4.9 million
 - Workers’ Compensation Rate – Compensation Remains the same as in 2024/25 and results in a reserve level estimated at 97% in 2025/26

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, effective July 1, 2023, retirees who enroll in Medicare Parts A and B will be covered under the Aetna Medicare Advantage Plan. Retirees over age 65 who are not enrolled in Medicare remain on the self-insured plan. 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 \$822.8 million in September 2025 which is an increase of \$23.0 million since September 2024. The District established an irrevocable trust in 2013/14. The Trust Fund increased by \$12.0 million and at the end of 2024/25 had an ending fund balance of \$91.1 million. In 2025/26, the District plans to transfer \$3.5 million to the OPEB irrevocable trust. At June 30, 2025, the total net OPEB liability was \$731.6 million.

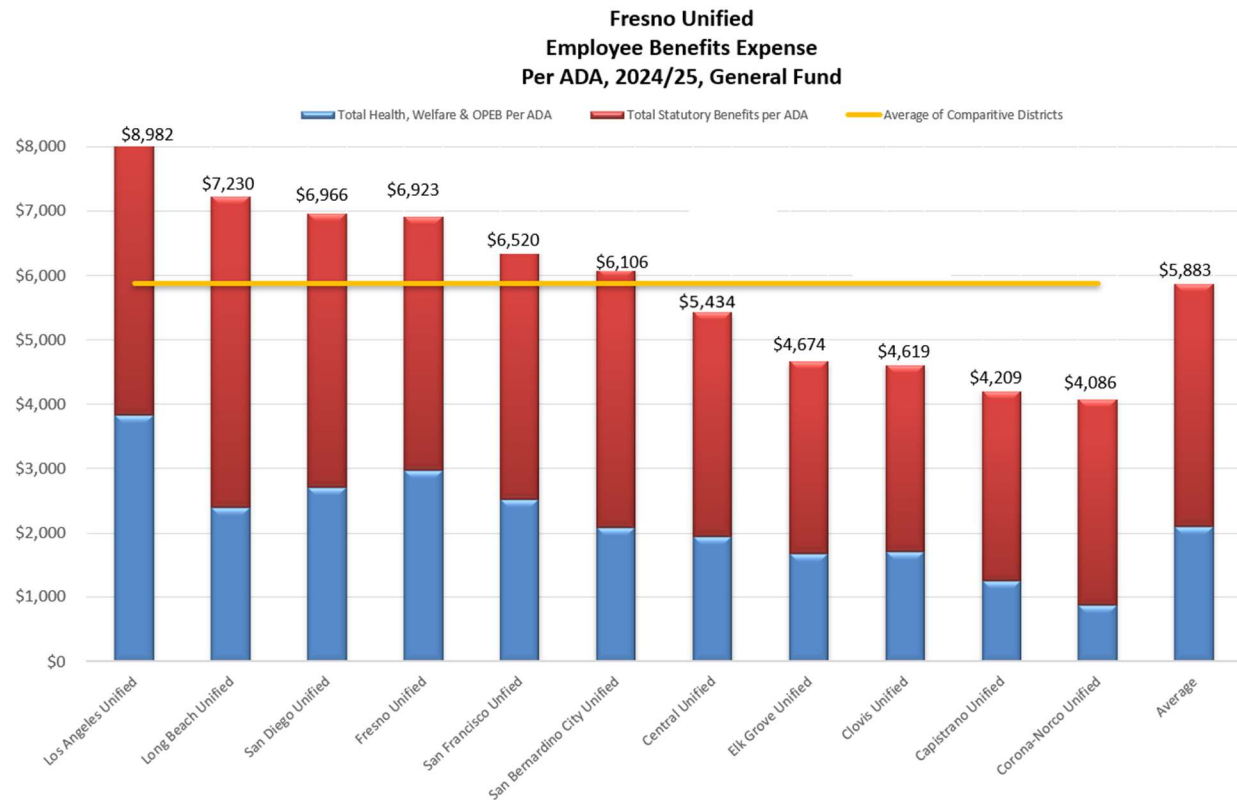
Included in total employee statutory benefits are the District’s contributions to CalPERS and CalSTRS on behalf of employees’ pensions. The employer contribution rates for CalSTRS and CalPERS began to increase in 2014/15 from rates of 8.25% and 11.44% respectively. CalSTRS rates are currently legislated to remain at 19.1% through 2028/29 and CalPERS projects rate adjustments through 2028/29 to 27.4%.

(Continued)

Management's Discussion and Analysis

June 30, 2025

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 \$1,040/ADA. If the District spent at the average of those other districts of \$5,883/ADA, annual savings generated equates to \$65.6 million. Furthermore, the District's total benefits per ADA expense for 2024/25 increased by \$579 over 2023/24.



Source: 2024/25 Unaudited Actual Standardized Account Code Structure; Health and Welfare: Unaudited Actual Expenditure by Object, Health and Welfare Benefits (3401/3402); OPEB (3701,3702,3751,3752); Divided by: 2024/25

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 a 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, Business and Financial Services at (559) 457-6226.

BASIC FINANCIAL STATEMENTS

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents (Note 2)	\$ 1,035,379,723
Receivables	86,606,547
Prepaid expenses	6,839,746
Stores inventory	5,643,762
Non-depreciable capital assets (Note 4)	509,978,067
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>836,269,490</u>
Total assets	<u>2,480,717,335</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 8 and 9)	416,198,739
Deferred outflows of resources - loss from refunding of debt	10,866,888
Deferred outflows of resources - OPEB (Note 10)	<u>44,217,430</u>
Total deferred outflows of resources	<u>471,283,057</u>
LIABILITIES	
Accounts payable and other current liabilities	181,116,673
Unearned revenue	82,662,628
Self-insurance claims liability (Note 5)	65,704,635
Long-term liabilities (Note 6):	
Due within one year	36,823,092
Due after one year	<u>2,530,254,071</u>
Total liabilities	<u>2,896,561,099</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 8 and 9)	103,273,000
Deferred inflows of resources - OPEB (Note 10)	<u>276,660,837</u>
Total deferred inflows of resources	<u>379,933,837</u>
NET POSITION	
Net investment in capital assets	571,978,148
Restricted:	
Legally restricted programs	248,255,970
Capital projects	53,313,951
Debt service	67,173,120
Self insurance	124,566,378
Unrestricted	<u>(1,389,782,111)</u>
Total net position	<u>\$ (324,494,544)</u>

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the year ended June 30, 2025

		Program Revenues			Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Governmental activities:					
Instruction	\$ 825,672,223	\$ 341,572	\$ 209,550,864	\$ 4,802,619	\$ (610,977,168)
Instruction-related services:					
Supervision of instruction	86,849,306	341,411	42,665,919	-	(43,841,976)
Instructional library and technology	16,971,119	-	11,264,416	-	(5,706,703)
School site administration	87,221,663	26,335	10,142,952	-	(77,052,376)
Pupil services:					
Home-to-school transportation	23,662,410	27,604	5,453,847	-	(18,180,959)
Food services	76,153,068	84,284	69,145,116	-	(6,923,668)
All other pupil services	135,383,283	1,539,387	46,876,485	-	(86,967,411)
General administration:					
Data processing	18,164,264	-	12,171	-	(18,152,093)
All other general administration	61,293,214	60,393	12,172,897	-	(49,059,924)
Plant services	171,212,486	346,158	59,916,763	-	(110,949,565)
Ancillary services	114,469,471	-	86,262,070	-	(28,207,401)
Community services	5,376,115	335	5,365,445	-	(10,335)
Enterprise activities	2,224,799	9,747	331,908	-	(1,883,144)
Interest on long-term liabilities	33,946,496	-	-	-	(33,946,496)
Other outgo	5,259,686	76,367	1,587,486	-	(3,595,833)
Depreciation (unallocated) (Note 4)	44,314,267	-	-	-	(44,314,267)
Total governmental activities	<u>\$1,708,173,870</u>	<u>\$ 2,853,593</u>	<u>\$ 560,748,339</u>	<u>\$ 4,802,619</u>	<u>(1,139,769,319)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					96,291,302
Taxes levied for debt service					71,721,171
Taxes levied for other specific purposes					48,419
Federal and state aid not restricted to specific purposes					930,258,305
Interest and investment earnings					47,903,801
Miscellaneous					14,412,986
Total general revenues					<u>1,160,635,984</u>
Change in net position					<u>20,866,665</u>
Net position, July 1, 2024					<u>(345,361,209)</u>
Net position, June 30, 2025					<u>\$ (324,494,544)</u>

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Building Fund	All Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents:				
Cash in County Treasury	\$ 591,648,625	\$ 117,881,968	\$ 109,908,993	\$ 819,439,586
Cash in revolving fund	65,223	-	550	65,773
Cash on hand and in banks	19,625,397	-	4,114,905	23,740,302
Receivables	69,422,326	942,528	14,910,835	85,275,689
Prepaid expenditures	2,364,031	-	-	2,364,031
Due from other funds	69,577,555	-	63,494,150	133,071,705
Stores inventory	3,832,693	-	1,811,069	5,643,762
	<u>\$ 756,535,850</u>	<u>\$ 118,824,496</u>	<u>\$ 194,240,502</u>	<u>\$ 1,069,600,848</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 142,014,426	\$ -	\$ 20,643,743	\$ 162,658,169
Unearned revenue	68,505,655	-	14,156,973	82,662,628
Due to other funds	63,913,991	61,872,385	7,440,583	133,226,959
	<u>274,434,072</u>	<u>61,872,385</u>	<u>42,241,299</u>	<u>378,547,756</u>
Fund balances:				
Nonspendable	6,261,947	-	1,811,619	8,073,566
Restricted	216,743,838	56,952,111	150,187,584	423,883,533
Committed	114,400,000	-	-	114,400,000
Assigned	5,590,180	-	-	5,590,180
Unassigned	139,105,813	-	-	139,105,813
	<u>482,101,778</u>	<u>56,952,111</u>	<u>151,999,203</u>	<u>691,053,092</u>
Total liabilities and fund balances	<u>\$ 756,535,850</u>	<u>\$ 118,824,496</u>	<u>\$ 194,240,502</u>	<u>\$ 1,069,600,848</u>

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2025

Total fund balances - Governmental Funds \$ 691,053,092

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 \$2,008,733,129 and the accumulated depreciation is \$662,485,572 (Note 4). 1,346,247,557

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, 2025 consisted of (Note 6):

General Obligation Bonds	\$ (807,022,338)	
Unamortized premiums	(35,066,070)	
Accreted interest	(30,387,012)	
Net OPEB liability (Note 10)	(731,643,324)	
Net pension liability (Notes 8 and 9)	(939,113,000)	
Compensated absences	<u>(23,845,419)</u>	
		(2,567,077,163)

Internal service funds are included in the government-wide financial statements. 124,566,378

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. 10,866,888

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)	\$ 416,198,739	
Deferred outflows of resources - OPEB (Note 10)	44,217,430	
Deferred inflows of resources - pensions (Notes 8 and 9)	(103,273,000)	
Deferred inflows of resources - OPEB (Note 10)	<u>(276,660,837)</u>	
		80,482,332

Unmatured interest on long-term liabilities is recognized in the period incurred. (10,633,628)

Total net position - governmental activities \$ (324,494,544)

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, 2025

	General Fund	Building Fund	(Formerly major) County School Facilities Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	\$ 907,048,540	\$ -		\$ -	\$ 907,048,540
Local sources	91,083,248	-		-	91,083,248
Total LCFF	998,131,788	-		-	998,131,788
Federal sources	164,340,756	-		61,084,966	225,425,722
Other state sources	299,036,703	-		55,550,537	354,587,240
Other local sources	72,792,933	8,246,497		86,851,479	167,890,909
Total revenues	1,534,302,180	8,246,497		203,486,982	1,746,035,659
Expenditures:					
Current:					
Certificated salaries	600,860,992	-		13,606,455	614,467,447
Classified salaries	249,890,290	-		30,616,550	280,506,840
Employee benefits	438,366,245	-		28,950,940	467,317,185
Books and supplies	85,383,313	-		42,220,231	127,603,544
Contract services and operating expenditures	215,895,950	677,651		21,275,656	237,849,257
Other outgo	5,259,686	-		-	5,259,686
Capital outlay	66,186,663	-		95,395,612	161,582,275
Debt service:					
Principal retirement	-	-		54,784,725	54,784,725
Interest	-	-		26,070,370	26,070,370
Total expenditures	1,661,843,139	677,651		312,920,539	1,975,441,329
(Deficiency) excess of revenues					
(under) over expenditures	(127,540,959)	7,568,846		(109,433,557)	(229,405,670)
Other financing sources (uses):					
Transfers in	8,218,281	-		124,261,446	132,479,727
Transfers out	(5,586,503)	(124,261,446)		(2,631,778)	(132,479,727)
Proceeds from the sale of bonds	-	78,610,000		-	78,610,000
Debt issuance premiums	-	325,600		884,864	1,210,464
Deposit to refunding escrow	-	(18,431,004)		-	(18,431,004)
Total other financing sources (uses)	2,631,778	(63,756,850)		122,514,532	61,389,460
Net change in fund balances	(124,909,181)	(56,188,004)		13,080,975	(168,016,210)
Fund balances, July 1, 2024	607,010,959	113,140,115	\$ 26,322,128	112,596,100	859,069,302
Change within the reporting entity	-	-	(26,322,128)	26,322,128	-
Fund balances, July 1, 2024, adjusted	607,010,959	113,140,115	-	138,918,228	859,069,302
Fund balances, June 30, 2025	\$ 482,101,778	\$ 56,952,111		\$ 151,999,203	\$ 691,053,092

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2025

Net change in fund balances - Total Governmental Funds	\$ (168,016,210)
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).	\$ 180,922,448
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(44,314,267)
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).	761,967
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).	73,279,725
In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, debt proceeds are reported as increases to liabilities (Note 6).	(78,610,000)
Accreted interest is an expense that is not recorded in the governmental funds (Note 6).	(5,279,492)
Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is due.	231,410
Activities of the internal service fund are reported with governmental activities.	(9,512,617)
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.	(761,224)
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).	57,262,939

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2025

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).	\$	33,393,003	
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).		<u>(18,491,017)</u>	<u>188,882,875</u>
Change in net position of governmental activities			<u>\$ 20,866,665</u>

See accompanying notes to financial statements.

FRESNO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
June 30, 2025

ASSETS

Current assets:

Cash and investments (Note 2):	
Cash in County Treasury	\$ 192,133,782
Cash on hand and in banks	280
Receivables	1,330,858
Due from other funds (Note 3)	419,841
Prepaid expenditures	<u>4,475,715</u>
 Total current assets	 <u>198,360,476</u>

LIABILITIES

Current liabilities:

Accounts payable	7,824,876
Due to other funds (Note 3)	264,587
Self-insurance claims liability (Note 5)	<u>65,704,635</u>
 Total current liabilities	 <u>73,794,098</u>

NET POSITION

Net position - restricted	<u><u>\$ 124,566,378</u></u>
---------------------------	------------------------------

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, 2025

Operating revenues:	
Self insurance premiums	<u>\$ 257,412,357</u>
Operating expenses:	
Classified salaries	2,029,935
Employee benefits	1,158,874
Contract services	<u>271,817,964</u>
Total operating expenses	<u>275,006,773</u>
Operating loss	<u>(17,594,416)</u>
Non-operating revenues (expense):	
Interest income	5,506,433
Net increase in fair value of Cash in County Treasury	5,575,366
Contribution to California Employers' Retiree Benefit Trust (CERBT)	<u>(3,000,000)</u>
Total non-operating revenues	8,081,799
Change in net position	(9,512,617)
Net position, July 1, 2024	<u>134,078,995</u>
Net position, June 30, 2025	<u><u>\$ 124,566,378</u></u>

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, 2025

Cash flows from operating activities:	
Cash received from self-insurance premiums	\$ 251,498,137
Cash received from user charges	9,925,916
Cash paid for employee benefits	(278,620,769)
Cash paid for salaries	<u>(3,188,809)</u>
Net cash used in operating activities	<u>(20,385,525)</u>
Cash flows from noncapital financing activities:	
Contribution to CERBT	<u>(3,000,000)</u>
Cash flows from investing activities:	
Change in Cash in County Treasury value	5,575,366
Interest income received	<u>5,579,437</u>
Net cash provided by investing activities	<u>11,154,803</u>
Increase in cash and investments	(12,230,722)
Cash and investments, July 1, 2024	<u>204,364,784</u>
Cash and investments, June 30, 2025	<u><u>\$ 192,134,062</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ <u>(17,594,416)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in:	
Amount due from other funds	4,011,696
Prepaid expenditures	(603,751)
Increase (decrease) in:	
Accounts payable	4,682,877
Amount due to other funds	(7,586,566)
Unpaid claims and claim adjustment expenses	<u>(3,295,365)</u>
Total adjustments	<u>(2,791,109)</u>
Net cash used in operating activities	<u><u>\$ (20,385,525)</u></u>

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

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.

Building Fund - The Building Fund is a capital projects fund used to account for resources used for the acquisition of capital facilities by the District.

B - Other Funds

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.

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

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.

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.

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.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2025.

Stores Inventory: Stores inventory in the General, Student Activity and Cafeteria Funds consist 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.

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.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 281,597,264	\$ 134,601,475	\$ 416,198,739
Deferred inflows of resources	\$ 97,427,000	\$ 5,846,000	\$ 103,273,000
Net pension liability	\$ 566,748,000	\$ 372,365,000	\$ 939,113,000
Pension expense	\$ 106,968,245	\$ 70,688,451	\$ 177,656,696

Compensated Absences: Compensated absence benefits in the amount of \$23,845,419 are recorded as a long-term liability of the District. The liability represents earned but unused vacation and other leave balances which are more likely than not to be paid or used. In accordance with the provisions of both STRP and PERF B, when an employee retires, all unused sick leave is added to the creditable service period for the calculation of the employee’s retirement benefits.

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.

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 appropriate 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”.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

A - Nonspendable Fund Balance:

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

B - Restricted Fund Balance:

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

C - Committed Fund Balance:

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

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel within the District to assign fund balances. At June 30, 2025, 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.

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

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

New Accounting Pronouncements: In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. GASB Statement No. 101 requires recognition of a liability for leave when earned if it is attributable to services already rendered and is expected to be paid. The liability includes vacation, sick leave, and other forms of paid time off that accumulate and vest or are expected to be used in future periods. Implementation of GASB Statement No. 101 was not material to the District’s governmental activities beginning net position or its beginning long-term liabilities.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

District cash and investments at June 30, 2025 consisted of the following:

	Governmental Activities		
	Governmental Funds	Proprietary Fund	Total
Pooled Funds:			
Cash in County Treasury	\$ 819,439,586	\$ 192,133,782	\$1,011,573,368
Deposits:			
Cash on hand and in banks	23,740,302	280	23,740,582
Cash in revolving fund	65,773	-	65,773
Total cash and investments	\$ 843,245,661	\$ 192,134,062	\$ 1,035,379,723

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, 2025, 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, 2025, the carrying amount of the District’s accounts was \$23,187,866 and the bank balances were \$18,533,015. The total uninsured bank balance at June 30, 2025 was \$17,257,587.

Cash balances held in credit unions are insured by the National Credit Union Association. At June 30, 2025, the carrying amount and the credit union balances of the District’s accounts were \$619,286. The total uninsured credit union balance at June 30, 2025 was \$369,286.

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.

Investment Credit Risk: The District does not have a formal investment policy that limits the cash and investment maturities as a means of managing its exposure to fair value arising from increasing interest rates. As of June 30, 2025, the District had no significant interest rate risk related to investments held.

Concentration of Investment Credit Risk: The District does not place limits on the amount they may invest in any one issuer. At June 30, 2025, the District had no concentration of credit risk.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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, 2025 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Activities</u>		
Major Funds:		
General	\$ 69,577,555	\$ 63,913,991
Building	-	61,872,385
Non-Major Funds:		
Student Activities	76,202	-
Adult Education	195,224	797,980
Child Development	11,560	1,895,392
Cafeteria	-	4,618,648
Deferred Maintenance	-	86,099
Capital Facilities	-	42,464
County School Facilities	62,869,888	-
Special Reserve for Capital Outlay Projects	341,276	-
Proprietary Fund:		
Self-Insurance	419,841	264,587
Total	\$ 133,491,546	\$ 133,491,546

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

Transfers for the 2024-25 fiscal year were as follows:

Transfer from the Building Fund to the County School Facilities Fund to contribute for the local share by project.	\$ 118,674,943
Transfer from the General Fund to the Deferred Maintenance Fund for the State Deferred Allocation, as received in the General Fund.	5,586,503
Transfer from the Building Fund to the General Fund to contribute to Routine Restricted Maintenance.	5,586,503
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	1,342,745
Transfer from the Child Development Fund to the General Fund for indirect costs.	1,019,966
Transfer from the Adult Education Fund to the General Fund for indirect costs.	226,603
Transfer from the Capital Facilities Fund to the General Fund for indirect costs.	42,464
	\$ 132,479,727

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2025 is shown below:

	Balance July 1, <u>2024</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance June 30, <u>2025</u>
<u>Governmental Activities</u>				
Non-depreciable:				
Land	\$ 66,411,797	\$ -	\$ -	\$ 66,411,797
Work-in-process	315,270,525	172,580,109	44,284,364	443,566,270
Depreciable:				
Land improvements	189,650,945	6,163,888	-	195,814,833
Buildings	1,193,834,648	38,120,667	695,654	1,231,259,661
Equipment	<u>63,338,229</u>	<u>8,342,339</u>	<u>-</u>	<u>71,680,568</u>
Totals, at cost	<u>1,828,506,144</u>	<u>225,207,003</u>	<u>44,980,018</u>	<u>2,008,733,129</u>
Less accumulated depreciation:				
Land improvements	(75,647,263)	(8,121,953)	-	(83,769,216)
Buildings	(503,468,848)	(31,324,906)	(695,654)	(534,098,100)
Equipment	<u>(39,750,848)</u>	<u>(4,867,408)</u>	<u>-</u>	<u>(44,618,256)</u>
Total accumulated depreciation	<u>(618,866,959)</u>	<u>(44,314,267)</u>	<u>(695,654)</u>	<u>(662,485,572)</u>
Governmental activities capital assets, net	<u>\$ 1,209,639,185</u>	<u>\$ 180,892,736</u>	<u>\$ 44,284,364</u>	<u>\$ 1,346,247,557</u>

Depreciation expense was charged to governmental activities for the year end June 30, 2025 as follows:

Governmental activities:	
Unallocated	<u>\$ 44,314,267</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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, 2025, 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 \$3,522,177 is based on an actuarial projected estimate at June 30, 2025, discounted at 3.5%. The workers' compensation claims liability of \$32,563,895 is based on an actuarial projected estimate at June 30, 2025, discounted at 3.5%. The health claims liability of \$29,618,563 is based on an actuarial projected estimate at June 30, 2025, 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, 2025 and 2024 were as follows:

	<u>Property and Liability</u>	<u>Workers' Compen- sation</u>	<u>Health</u>	<u>Total</u>
Claims liability at June 30, 2023	\$ 5,167,664	\$ 32,097,871	\$ 25,051,521	\$ 62,317,056
Incurred claims	10,511,453	9,024,087	206,138,697	225,674,237
Paid claims	<u>(10,253,070)</u>	<u>(7,374,108)</u>	<u>(202,777,903)</u>	<u>(220,405,081)</u>
Claims liability at June 30, 2024	<u>5,426,047</u>	<u>33,747,850</u>	<u>28,412,315</u>	<u>67,586,212</u>
Incurred claims	6,747,875	5,674,158	253,529,597	265,951,630
Paid claims	<u>(8,651,745)</u>	<u>(6,858,113)</u>	<u>(252,323,349)</u>	<u>(267,833,207)</u>
Claims liability at June 30, 2025	<u>\$ 3,522,177</u>	<u>\$ 32,563,895</u>	<u>\$ 29,618,563</u>	<u>\$ 65,704,635</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES

General Obligation Bonds

<u>Series</u>	<u>Interest Rate %</u>	<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Original Issuance</u>	<u>Outstanding July 1, 2024</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2025</u>
2002 Series A	2.25 - 6.0%	2002	2027	\$ 65,485,000	\$ 8,270,000	\$ -	\$ 5,500,000	\$ 2,770,000
2004 GO Refunding 1995 Series B	1.70 - 5.25%	2004	2028	58,040,000	9,885,000	-	3,815,000	6,070,000
2001 Series F	5.48%	2009	2026	29,429,022	5,499,050	-	2,667,218	2,831,832
2015 GO Refunding	2.0% - 5.0%	2015	2026	14,555,000	8,950,000	-	8,185,000	765,000
2010 Series E Current Interest	2.0% - 5.0%	2015	2034	49,565,000	14,825,000	-	12,680,000	2,145,000
2010 Series E Capital Appreciation	2.0% - 5.0%	2015	2028	5,433,095	2,799,706	-	675,062	2,124,644
2016 GO Refunding Series A	3.13% - 3.6%	2016	2042	60,480,000	60,480,000	-	-	60,480,000
2010 Measure Q Series F	2.0% - 4.0%	2016	2042	30,010,000	25,890,000	-	-	25,890,000
2016 GO Refunding Series B	4.0% - 5.0%	2016	2047	59,590,988	59,590,988	-	-	59,590,988
2016 Series A Current Interest	2.0% - 5.0%	2018	2044	38,500,000	12,820,000	-	-	12,820,000
2016 Series A Capital Appreciation	2.0% - 5.0%	2018	2032	21,496,623	9,899,294	-	-	9,899,294
2019 GO Refunding	2.317 - 3.756%	2019	2042	103,738,005	103,138,025	-	802,445	102,335,580
2016 Measure X Series B	3.0 - 4.0%	2019	2044	75,000,000	53,840,000	-	-	53,840,000
2016 Measure X Series C	2.5 - 4.0%	2021	2044	45,000,000	36,295,000	-	-	36,295,000
2016 Measure X Series D	2.0 - 3.0%	2021	2037	45,000,000	36,490,000	-	3,435,000	33,055,000
2020 Measure M Series A	3.0 - 4.0%	2021	2056	80,000,000	63,940,000	-	-	63,940,000
2020 GO Refunding	0.237 - 3.013%	2021	2048	92,615,000	87,435,000	-	2,215,000	85,220,000
2022 GO Refunding Series A	4.0%	2022	2030	30,290,000	23,060,000	-	2,870,000	20,190,000
2022 GO Refunding Series B	0.538 - 3.197%	2022	2046	70,360,000	69,705,000	-	-	69,705,000
2020 Measure M Series B	3.48 - 5.00%	2023	2056	125,000,000	108,880,000	-	8,520,000	100,360,000
2020 Measure M Series C	4.00 - 5.00%	2025	2056	60,000,000	-	60,000,000	3,925,000	56,075,000
2024 GO Refunding	4.618 - 5.478%	2025	2026	18,610,000	-	18,610,000	17,990,000	620,000
				<u>\$ 1,178,197,733</u>	<u>\$ 801,692,063</u>	<u>\$ 78,610,000</u>	<u>\$ 73,279,725</u>	<u>\$ 807,022,338</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2002, Series A, General Obligation Bonds outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,550,000	\$ 152,400	\$ 2,702,400
2027	<u>220,000</u>	<u>6,600</u>	<u>226,600</u>
	<u>\$ 2,770,000</u>	<u>\$ 159,000</u>	<u>\$ 2,929,000</u>

The annual payments required to amortize the 2004 Refunding, Series 95B, General Obligation Bonds outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,985,000	\$ 309,487	\$ 4,294,487
2027	1,925,000	99,224	2,024,224
2028	<u>160,000</u>	<u>4,200</u>	<u>164,200</u>
	<u>\$ 6,070,000</u>	<u>\$ 412,911</u>	<u>\$ 6,482,911</u>

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 <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	<u>\$ 2,831,832</u>	<u>\$ 77,621</u>	<u>\$ 2,909,453</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2015 Refunding General Obligation Bonds, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 765,000	\$ 210,388	\$ 975,388

The annual payments required to amortize the 2010 Series E, Current Interest General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 578,306	\$ 578,306
2027	-	578,306	578,306
2028	-	578,306	578,306
2029	-	578,306	578,306
2030	-	578,307	578,307
2031-2034	<u>2,145,000</u>	<u>1,987,459</u>	<u>4,132,459</u>
	<u>\$ 2,145,000</u>	<u>\$ 4,878,990</u>	<u>\$ 7,023,990</u>

The annual payments required to amortize the 2010 Series E, Capital Appreciation General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 662,569	\$ 267,431	\$ 930,000
2027	732,894	357,106	1,090,000
2028	<u>729,181</u>	<u>420,819</u>	<u>1,150,000</u>
	<u>\$ 2,124,644</u>	<u>\$ 1,045,356</u>	<u>\$ 3,170,000</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2016 Refunding General Obligation Bonds, Series A, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 2,475,850	\$ 2,475,850
2027	-	2,475,850	2,475,850
2028	-	2,475,850	2,475,850
2029	-	2,475,850	2,475,850
2030	-	2,475,850	2,475,850
2031-2035	17,080,000	10,602,975	27,682,975
2036-2040	28,200,000	6,064,800	34,264,800
2041-2042	15,200,000	620,600	15,820,600
	<u>\$ 60,480,000</u>	<u>\$ 29,667,625</u>	<u>\$ 90,147,625</u>

The annual payments required to amortize the 2010 Election of 2010, Series F, outstanding as of June 30, 2025 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 840,050	\$ 840,050
2027	-	840,050	840,050
2028	-	840,050	840,050
2029	-	840,050	840,050
2030	245,000	835,150	1,080,150
2031-2035	8,340,000	3,457,700	11,797,700
2036-2040	11,235,000	1,789,275	13,024,275
2041-2042	6,070,000	184,800	6,254,800
	<u>\$ 25,890,000</u>	<u>\$ 9,627,125</u>	<u>\$ 35,517,125</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2016 Refunding General Obligation Bonds, Series B, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 1,649,600	\$ 1,649,600
2027	-	1,649,600	1,649,600
2028	-	1,649,600	1,649,600
2029	-	1,649,600	1,649,600
2030	-	1,649,600	1,649,600
2031-2035	2,968,679	10,294,320	13,262,999
2036-2040	4,345,709	12,947,291	17,293,000
2041-2045	23,666,600	24,768,801	48,435,401
2046-2047	28,610,000	1,166,800	29,776,800
	<u>\$ 59,590,988</u>	<u>\$ 57,425,212</u>	<u>\$ 117,016,200</u>

The annual payments required to amortize the 2016 Series A, Current Interest General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 512,800	\$ 512,800
2027	-	512,800	512,800
2028	-	512,800	512,800
2029	-	512,800	512,800
2030	-	512,800	512,800
2031-2035	-	2,564,000	2,564,000
2036-2040	-	2,564,000	2,564,000
2041-2044	12,820,000	1,548,000	14,368,000
	<u>\$ 12,820,000</u>	<u>\$ 9,240,000</u>	<u>\$ 22,060,000</u>

The annual payments required to amortize the 2016 Series A, Capital Appreciation General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2028	\$ 1,973,747	\$ 676,254	\$ 2,650,001
2029	1,981,907	813,093	2,795,000
2030	1,985,872	959,128	2,945,000
2031-2032	3,957,768	2,402,231	6,359,999
	<u>\$ 9,899,294</u>	<u>\$ 4,850,706</u>	<u>\$ 14,750,000</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2019 General Obligation Refunding Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,034,613	\$ 170,387	\$ 1,205,000
2027	3,260,694	664,307	3,925,001
2028	4,364,113	1,080,887	5,445,000
2029	5,228,353	1,511,647	6,740,000
2030	5,321,533	1,773,466	7,094,999
2031-2035	34,273,136	19,375,206	53,648,342
2036-2040	34,979,176	32,961,539	67,940,715
2041-2042	13,873,962	16,789,891	30,663,853
	<u>\$ 102,335,580</u>	<u>\$ 74,327,330</u>	<u>\$ 176,662,910</u>

The annual payments required to amortize the 2016 Series B General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 1,959,350	\$ 1,959,350
2027	-	1,959,350	1,959,350
2028	1,475,000	1,929,850	3,404,850
2029	1,630,000	1,867,750	3,497,750
2030	1,795,000	1,799,250	3,594,250
2031-2035	11,775,000	7,719,250	19,494,250
2036-2040	17,740,000	4,805,950	22,545,950
2041-2044	19,425,000	1,204,875	20,629,875
	<u>\$ 53,840,000</u>	<u>\$ 23,245,625</u>	<u>\$ 77,085,625</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2016 Series C General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 1,172,000	\$ 1,172,000
2027	1,775,000	1,136,500	2,911,500
2028	1,005,000	1,080,900	2,085,900
2029	1,100,000	1,038,800	2,138,800
2030	1,205,000	992,700	2,197,700
2031-2035	7,830,000	4,111,000	11,941,000
2036-2040	11,400,000	2,471,650	13,871,650
2041-2044	11,980,000	622,325	12,602,325
	<u>\$ 36,295,000</u>	<u>\$ 12,625,875</u>	<u>\$ 48,920,875</u>

The annual payments required to amortize the 2016 Series D General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,810,000	\$ 785,550	\$ 3,595,550
2027	3,530,000	729,350	4,259,350
2028	2,075,000	658,750	2,733,750
2029	2,185,000	617,250	2,802,250
2030	2,305,000	573,550	2,878,550
2031-2035	13,565,000	2,095,000	15,660,000
2036-2037	6,585,000	299,100	6,884,100
	<u>\$ 33,055,000</u>	<u>\$ 5,758,550</u>	<u>\$ 38,813,550</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2020 Series A General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 2,094,175	\$ 2,094,175
2027	-	2,094,175	2,094,175
2028	-	2,094,175	2,094,175
2029	-	2,094,175	2,094,175
2030	-	2,094,175	2,094,175
2031-2035	3,480,000	10,165,475	13,645,475
2036-2040	6,590,000	9,173,275	15,763,275
2041-2045	10,755,000	7,457,775	18,212,775
2046-2050	15,945,000	5,195,688	21,140,688
2051-2055	21,920,000	2,513,550	24,433,550
2056	5,250,000	78,750	5,328,750
	<u>\$ 63,940,000</u>	<u>\$ 45,055,388</u>	<u>\$ 108,995,388</u>

The annual payments required to amortize the 2020 Refunding General Obligation Bonds payable, outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,875,000	\$ 2,106,311	\$ 5,981,311
2027	3,890,000	2,066,873	5,956,873
2028	3,925,000	2,017,739	5,942,739
2029	2,110,000	1,974,674	4,084,674
2030	2,135,000	1,940,134	4,075,134
2031-2035	11,025,000	9,041,634	20,066,634
2036-2040	13,975,000	7,668,838	21,643,838
2041-2045	14,565,000	5,680,440	20,245,440
2046-2048	29,720,000	1,887,193	31,607,193
	<u>\$ 85,220,000</u>	<u>\$ 34,383,836</u>	<u>\$ 119,603,836</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2021 Refunding General Obligation Bonds, Series A, outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,370,000	\$ 740,200	\$ 4,110,200
2027	3,645,000	599,900	4,244,900
2028	4,165,000	443,700	4,608,700
2029	4,430,000	271,800	4,701,800
2030	4,580,000	91,600	4,671,600
	<u>\$ 20,190,000</u>	<u>\$ 2,147,200</u>	<u>\$ 22,337,200</u>

The annual payments required to amortize the 2021 Refunding General Obligation Bonds, Series B, outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 2,124,845	\$ 2,124,845
2027	-	2,124,845	2,124,845
2028	-	2,124,845	2,124,845
2029	1,020,000	2,113,992	3,133,992
2030	1,295,000	2,088,914	3,383,914
2031-2035	11,420,000	9,860,468	21,280,468
2036-2040	22,020,000	7,240,337	29,260,337
2041-2045	28,610,000	2,997,987	31,607,987
2046	5,340,000	85,359	5,425,359
	<u>\$ 69,705,000</u>	<u>\$ 30,761,592</u>	<u>\$ 100,466,592</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2020 Series B Bonds outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 4,373,650	\$ 4,373,650
2027	-	4,373,650	4,373,650
2028	-	4,373,650	4,373,650
2029	-	4,373,650	4,373,650
2030	-	4,373,650	4,373,650
2031-2035	2,850,000	21,628,250	24,478,250
2036-2040	8,370,000	20,233,250	28,603,250
2041-2045	15,735,000	17,268,875	33,003,875
2046-2050	25,785,000	12,373,350	38,158,350
2051-2055	38,195,000	5,928,100	44,123,100
2056	9,425,000	188,500	9,613,500
	<u>\$ 100,360,000</u>	<u>\$ 99,488,575</u>	<u>\$ 199,848,575</u>

In August 2024, the District issued General Obligation Bonds of Election 2020, Series C in the amount \$60,000,000. The bonds mature through August 1, 2055 with interest rates which range from 4.0% to 5.0%.

The annual payments required to amortize the 2020 Series C Bonds Outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 11,890,000	\$ 2,182,150	\$ 14,072,150
2027	-	1,884,900	1,884,900
2028	-	1,884,900	1,884,900
2029	-	1,884,900	1,884,900
2030	-	1,884,900	1,884,900
2031-2035	830,000	9,385,250	10,215,250
2036-2040	3,820,000	8,795,000	12,615,000
2041-2045	7,100,000	7,452,000	14,552,000
2046-2050	11,435,000	5,418,900	16,853,900
2051-2055	16,845,000	2,614,100	19,459,100
2056	4,155,000	83,100	4,238,100
	<u>\$ 56,075,000</u>	<u>\$ 43,470,100</u>	<u>\$ 99,545,100</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

In August 2024, the District issued 2024 Refunding General Obligation Bonds totaling \$18,610,000. The 2024 Refunding General Obligation bonds mature through August 1, 2025 with interest rates ranging from 4.618% and 5.478%. The 2024 Refunding General Obligation bonds were used to refund specific issuances of 2015 Refunding Bonds and 2010 Series E Current Interest Bonds. As a result of the refunding the District reduced aggregate debt service payments, and obtained an economic gain.

The annual payments required to amortize the 2024 Refunding Bonds Outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 620,000	\$ 26,484	\$ 646,484

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2025 is shown below:

<u>Governmental Activities</u>	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2025</u>	<u>Amounts Due Within One Year</u>
<u>Debt:</u>					
General Obligation Bonds	\$ 801,692,063	\$ 78,610,000	\$ 73,279,725	\$ 807,022,338	\$ 34,394,014
Unamortized premiums	35,828,037	1,210,464	1,972,431	35,066,070	1,991,260
Accreted interest	25,107,520	5,601,984	322,492	30,387,012	437,818
<u>Other long-term liabilities:</u>					
Net OPEB liability (Note 10)	720,662,249	10,981,075	-	731,643,324	-
Net pension liability (Notes 8 and 9)	960,259,000	-	21,146,000	939,113,000	-
Compensated absences	5,354,402	18,491,017	-	23,845,419	-
Totals	<u>\$2,548,903,271</u>	<u>\$ 114,894,540</u>	<u>\$ 96,720,648</u>	<u>\$ 2,567,077,163</u>	<u>\$ 36,823,092</u>

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

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 – FUND BALANCES

Fund balances, by category, at June 30, 2025 consisted of the following:

	General Fund	Building Fund	All Non-Major Funds	Total
Nonspendable:				
Revolving cash fund	\$ 65,223	\$ -	\$ 550	\$ 65,773
Prepaid expenditures	2,364,031	-	-	2,364,031
Stores inventory	<u>3,832,693</u>	-	<u>1,811,069</u>	<u>5,643,762</u>
Subtotal				
nonspendable	<u>6,261,947</u>	<u>-</u>	<u>1,811,619</u>	<u>8,073,566</u>
Restricted:				
Legally restricted:				
Grants	216,743,838	-	-	216,743,838
Student activities	-	-	2,639,540	2,639,540
Adult ed programs	-	-	1,954,466	1,954,466
Child development	-	-	-	-
Cafeteria operations	-	-	25,106,507	25,106,507
Capital projects	-	56,952,111	53,313,951	110,266,062
Debt service	-	-	67,173,120	67,173,120
Subtotal restricted	<u>216,743,838</u>	<u>56,952,111</u>	<u>150,187,584</u>	<u>423,883,533</u>
Committed:				
Pandemic				
learning recovery	82,700,000	-	-	82,700,000
Textbook Adoption	<u>31,700,000</u>	-	-	<u>31,700,000</u>
Subtotal committed	<u>114,400,000</u>	<u>-</u>	<u>-</u>	<u>114,400,000</u>
Assigned:				
Ed Center remodel	1,756,227	-	-	1,756,227
Department and site carryover	701,000	-	-	701,000
Financial software upgrade	2,650,000	-	-	2,650,000
Transportation Equipment	<u>482,953</u>	-	-	<u>482,953</u>
Subtotal assigned	<u>5,590,180</u>	<u>-</u>	<u>-</u>	<u>5,590,180</u>
Unassigned:				
Designated for economic uncertainty	<u>139,105,813</u>	<u>-</u>	<u>-</u>	<u>139,105,813</u>
Total fund balances	<u>\$ 482,101,778</u>	<u>\$ 56,952,111</u>	<u>\$ 151,999,203</u>	<u>\$ 691,053,092</u>

(Continued)

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

General Information about the State Teachers’ Retirement Plan

Plan Description: Employees of the District performing creditable services 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). Teachers’ Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan with CalSTRS as the administrator. The benefit terms of the plan may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at CalSTRS’ website.

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 a factor of 2.0% of final compensation multiplied by the number of years 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 a maximum of 2.4% at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of 0.2% to the age factor, up to the 2.4% maximum.

CalSTRS calculates retirement benefits based on one-year final compensation for members with 25 or more years of credited service, or for classroom teachers with fewer than 25 years of credited service if the employer entered into, extended, renewed or amended an agreement prior to January 1, 2014, to elect to pay the additional benefit cost for all of its classroom teachers. One-year final compensation is the member’s highest average annual compensation earnable for 12 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis. For most members with fewer than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis.

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% of final compensation multiplied by the number of years 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% at age 65 or older.

All CalSTRS 2% at 62 members’ final compensation is based on their highest average annual compensation earnable for 36 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

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 the 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 established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by 2046.

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

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250% of applicable member earnings for fiscal year 2023-24.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205% as per the CalSTRS Funding Plan for a total member contribution rate of 10.205%. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% annually. Based on the June 30, 2023, actuarial valuation adopted by the CalSTRS Board in May 2024, the increase in normal cost was less than 1%. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2024.

Employers – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046. The CalSTRS Funding Plan authorizes the CalSTRS Board to adjust the employer supplemental contribution rate up or down by a maximum of 1% annually for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2024, the CalSTRS Board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year June 30, 2025 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2024-25 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2024	8.250%	10.850%	19.100%
July 1, 2025 to			
June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	AB1469 rate increase ends for 2046-47 and beyond	

(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 \$112,615,264 to the STRP during the fiscal year ended June 30, 2025.

State – The State is required to contribute 10.828% of the members' creditable compensation from the two fiscal years prior.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

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 no more than 0.5% each fiscal year to help eliminate the State’s share of the CalSTRS unfunded actuarial obligation by 2046. In May 2024, the CalSTRS Board voted to keep the State supplemental contribution rate at 6.311% for fiscal year 2024–25.

The total State contribution rate also includes a portion to fund the Supplemental Benefit Maintenance Account (SBMA), which provides inflation protection to CalSTRS members whose current purchasing power has fallen below 85% of the purchasing power of their initial benefit. The SBMA is funded through a continuous appropriation from the State’s General Fund in an amount equal to 2.5% of the total creditable compensation of the fiscal year ended in the immediately preceding calendar year, reduced by \$72.0 million, pursuant to Education Code section 22954.

The CalSTRS State contribution rates effective for fiscal year 2024-25 and beyond are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2024	2.017%	6.311%	2.50%	10.828%
July 01, 2025 to June 30, 2046	2.017%	(1)	2.50%	(1)
July 01, 2046	2.017%	(2)	2.50%	(2)

- (1) The CalSTRS Board has limited authority to adjust the State contribution rate annually through June 2046 to eliminate the remaining unfunded actuarial obligation. The CalSTRS 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%.
- (2) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

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

District’s proportionate share of the net pension liability	\$	566,748,000
State’s proportionate share of the net pension liability associated with the District		260,029,000
Total	\$	826,777,000

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024, updated and rolled forward to June 30, 2025. The District’s proportion of the net pension liability was based on the District’s share of contributions to the STRP relative to the contributions of all participating contributing employers and the State. At June 30, 2025, the District’s proportion was 0.844%, which was an increase of 0.044% from its proportion at June 30, 2024.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

For the year ended June 30, 2025, the District recognized pension expense of \$106,968,245 and revenue of \$35,334,769 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 64,107,000	\$ 24,784,000
Changes of assumptions	2,481,000	38,707,000
Net differences between projected and actual earnings on investments	-	2,287,000
Changes in proportion and differences between District contributions and proportionate share of contributions	102,394,000	31,649,000
Contributions made subsequent to measurement date	<u>112,615,264</u>	<u>-</u>
Total	<u>\$ 281,597,264</u>	<u>\$ 97,427,000</u>

\$112,615,264 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, 2026. 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 <u>June 30,</u>	
2026	\$ (28,512,500)
2027	55,562,500
2028	8,290,000
2029	18,778,000
2030	15,568,000
2031	1,869,000

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2024 measurement date. Deferred outflows and deferred inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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 the actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The actuarial valuation as of June 30, 2023 used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method
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

Discount Rate: The discount rate used to measure the total pension liability was 7.10%, 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 increases per the CalSTRS Funding Plan. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense 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.

The long-term expected rate of return on pension plan investments was calculated using a building-block approach. This method involves developing best-estimate ranges of 20- to 30-year geometrically linked expected future real rates of return for each major asset class. These expected returns are net of pension plan investment expenses and inflation. The best estimate ranges were created using capital market assumptions provided by CalSTRS investment staff and investment consultants.

The actuarial investment rate of return assumption was adopted by the CalSTRS Board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS independent consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	38.0%	5.25%
Real Estate	15.0	4.05
Private Equity	14.0	6.75
Fixed Income	14.0	2.45
Risk Mitigating Strategies	10.0	2.25
Inflation Sensitive	7.0	3.65
Cash / Liquidity	2.0	0.05

* 20- to 30-year geometric average

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

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

Mortality: CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale issued by the Society of Actuaries.

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%, 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%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
District’s proportionate share of the net pension liability	<u>\$ 1,008,059,000</u>	<u>\$ 566,748,000</u>	<u>\$ 198,235,000</u>

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

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

General Information about the Public Employer’s Retirement Fund B

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

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at CalPERS’ website.

Benefits Provided: The benefits for the defined benefit plan 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. All non-state Second Tier members are eligible to receive cost-of-living adjustments (COLA) up to a maximum of 2% compounded annually (up to 5% maximum as a contract option for retired members of local agencies). State Second Tier members are eligible for a COLA of 3 percent fixed compounded annually.

(Continued)

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

Contributions: The benefits for the defined benefit pension plan are funded by contributions from members, employers, non-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. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and 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. Non-employer contributions are not expected each year, but when provided they are accrued for.

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.

The Public Employees’ Pension Reform Act of 2013 (PEPRA) became effective in January 2013, and changed how benefits are applied as well as placed compensation limits on certain members as listed below. Members which do not fall into the definitions below, are generally be considered “classic” members in PERF B:

- Members joining on or after January 1, 2013, with no prior membership in another California public retirement system.
- Members joining before January 1, 2013, who are hired by a different CalPERS employer after January 1, 2013, and have a break in service greater than six months.
- Members joining on or after January 1, 2013, who are ineligible for reciprocity with another California public retirement system.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2025 were as follows:

Members - The classic member contribution rate was 7.0% of applicable member earnings for fiscal year 2024-25. The PEPRA member contribution rate was 8.0% of applicable member earnings for fiscal year 2024-25.

Employers - The employer contribution rate was 27.05% of applicable member earnings for fiscal year 2024-25.

The District contributed \$63,099,475 to the plan for the fiscal year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$372,365,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, updated and rolled forward to June 30, 2024. The District’s proportion of the net pension liability was based on the District’s share of contributions to the PERF B plan relative to the contributions of all participating school districts. At June 30, 2025 the District’s proportion was 1.042%, which was an increase of 0.071% from its proportion at June 30, 2024.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

For the year ended June 30, 2025, the District recognized pension expense of \$70,688,451. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 31,217,000	\$ 2,665,000
Changes of assumptions	8,231,000	-
Net differences between projected and actual earnings on investments	14,464,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	17,590,000	3,181,000
Contributions made subsequent to measurement date	<u>63,099,475</u>	<u>-</u>
Total	<u>\$ 134,601,475</u>	<u>\$ 5,846,000</u>

\$63,099,475 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, 2026. 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 <u>June 30,</u>	
2026	\$ 22,674,250
2027	38,140,250
2028	9,418,250
2029	(4,576,750)

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 expected average remaining service life of plan members, which was 3.9 years in the June 30, 2024 measurement. 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)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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 the actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The actuarial valuation as of June 30, 2023 used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

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

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

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.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Expected Real Rates of Return Years 1-10</u> ^(1, 2)
Global Equity – cap-weighted	30.00%	4.54%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

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

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

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

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

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

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District’s proportionate share of the net pension liability	<u>\$ 553,151,000</u>	<u>\$ 372,365,000</u>	<u>\$ 223,021,000</u>

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

(Continued)

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

General Information about the Other Postemployment Benefits (OPEB) Plan

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

The District established an irrevocable trust under the California Employer’s Retiree Benefit Trust Program (CERBT) to prefund the costs of other postemployment benefits. The funds in the CERBT are held in trust and are 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 Annual Comprehensive Financial Report (ACFR). CalPERS’ ACFR is a publicly available financial report which can be obtained at CalPERS’ website.

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

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

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

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

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

The schedule for determining a retiree’s monthly contributions is shown in the following table:

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

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2025:

	<u>Number of Participants</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	5,441
Active employees	<u>8,794</u>
	<u><u>14,235</u></u>

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 \$42,441,763 for the year ended June 30, 2025. District contributions to the Trust are voluntary. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The plan discount rate of 5.75% was determined using the following asset allocation and assumed rate of return:

<u>Asset Class</u>	<u>Long-Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return</u>
Global ex-U.S. Equity	34.0%	4.8%
U.S. Fixed Income	41.0%	1.8%
Real Estate	17.0%	3.7%
Treasury Inflation-Protected Securities	5.0%	1.6%
Commodities	3.0%	1.9%

*Geometric average

Rolling periods of time for all asset classes were 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	10.62%
--	--------

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

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions: The District's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Pre-Retirement Mortality Rate	RP 2019 Employee Mortality Table, without projection
Post-Retirement Mortality Rate	RP 2019 Health Annuitant Mortality Table, without projection
Discount Rate	5.75%. Based on the long-term expected rate of return
Investment Rate of Return	5.75%
Retirement Rate	CalPERS (2019) and CalSTRS (2018) experience studies.
Healthcare cost trend rate	7.00% for 2025, 6.20% for 2026 5.60% for 2027, 5.50% for 2028, 5.40% for 2029, 5.25% for 2030-2034, 4.60% for 2035- 2049, 4.50% for 2050-2064, 4.25% for 2065-2074, and 4.00% for 2075 and later Medicare advantage: 4.50% for all 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, Level Percent of Pay

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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, 2024	\$ 799,817,355	\$ 79,155,106	\$ 720,662,249
Changes for the year:			
Service cost	16,099,314	-	16,099,314
Interest	45,811,280	-	45,811,280
Employer contributions	-	42,441,763	(42,441,763)
Net investment income	-	8,550,087	(8,550,087)
Administrative expense	-	(62,331)	62,331
Benefit payments	(38,941,763)	(38,941,763)	-
Net change	<u>22,968,831</u>	<u>11,987,756</u>	<u>10,981,075</u>
Balance at June 30, 2025	<u>\$ 822,786,186</u>	<u>\$ 91,142,862</u>	<u>\$ 731,643,324</u>

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2025: 11.08%

Sensitivity of the Net OPEB Liability to Assumptions: The following presents the net OPEB liability calculated using the discount rate of 5.75 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (4.75 percent) and 1 percent higher (6.75 percent):

	Discount Rate 1% Lower (4.75%)	Valuation Discount Rate (5.75%)	Discount Rate 1% Higher (6.75%)
Net OPEB liability	<u>\$ 823,188,278</u>	<u>\$ 731,643,324</u>	<u>\$ 653,335,064</u>

The following table presents the net OPEB liability calculated using the health care cost trend rate of 7.0-4.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (6.0-3.0 percent) and 1 percent higher (8.0-5.0 percent):

	Health Care Trend Rate 1% Lower (6.0 - 3.0%)	Valuation Health Care Trend Rate (7.0 - 4.0%)	Health Care Trend Rate 1% Higher (8.0 - 5.0%)
Net OPEB liability	<u>\$ 636,327,957</u>	<u>\$ 731,643,324</u>	<u>\$ 845,852,538</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2025, the District recognized an OPEB benefit of \$14,821,176. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 33,276,707	\$ 22,586,665
Change in assumptions	7,724,940	249,744,465
Net differences between projected and actual earnings on investments	<u>3,215,783</u>	<u>4,329,707</u>
 Total	 <u>\$ 44,217,430</u>	 <u>\$ 276,660,837</u>

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 <u>June 30,</u>	
2026	\$ (67,066,240)
2027	(67,365,825)
2028	(57,045,724)
2029	(44,076,543)
2030	3,110,925

Deferred outflows and deferred inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period. Deferred outflows and deferred inflows related to changes in assumptions and differences between expected and actual experience which originated in fiscal years ended June 30, 2019 through June 30, 2022 are amortized over a closed 6.4-year period. Deferred outflows and deferred inflows related to changes in assumptions and differences between expected and actual experience which originated in the fiscal year ending June 30, 2023 are amortized over a closed 6.9-year period. Deferred outflows and deferred inflows related to changes in assumptions and differences between expected and actual experience which originated in the fiscal year ending June 30, 2024 and 2025 are amortized over a closed 6.5-year period.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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, 2024 (the most recent information available):

Total assets	\$ 30,280,368
Deferred outflows of resources	\$ 163,061,886
Total liabilities	\$ 177,844,519
Deferred inflows of resources	\$ 3,984,800
Net position	\$ 11,512,935
Total revenues	\$ 59,049,279
Total expenses	\$ 61,964,305
Change in net position	\$ (2,915,026)

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, 2025, the District had approximately \$23.7 million in outstanding commitments on construction contracts.

NOTE 13 – FINANCIAL RESPONSIBILITY

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

The District continues to maintain a positive reserve in the current and future years as shown in the 2025/26 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.

(Continued)

NOTE 14 – SUBSEQUENT EVENTS

In August 2025, the District issued General Obligation Bonds of Election 2024, Series A in the amount \$30,000,000. The bonds mature through August 1, 2027 and bear interest at 5.0%.

In August 2025, the District issued 2025 Refunding General Obligation Bonds, Series A (Series A 2025 Refunding Bonds), totaling \$4,255,000. The Series A 2025 Refunding Bonds mature on August 1, 2026 and bear interest at 5.0%.

In August 2025, the District issued 2025 Refunding General Obligation Bonds, Series B (Series B 2025 Refunding Bonds), totaling \$10,735,000. The Series B 2025 Refunding Bonds mature through August 1, 2026 and bear interest at rates ranging from 4.45% - 4.05%.

The combined proceeds from the 2025 Refunding General Obligation Bonds Series A and Series B will be used to refund certain outstanding maturities of the 2010 Series E Current Interest, 2010 Series E Capital Appreciation, and 2010 Measure Q Series F Bonds

REQUIRED SUPPLEMENTARY INFORMATION

FRESNO UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the year ended June 30, 2025

	Budget			Over/ (Under) Budget
	Original	Final	Actual	
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	\$ 921,977,748	\$ 906,850,249	\$ 907,048,540	\$ 198,291
Local sources	77,561,959	91,063,336	91,083,248	19,912
Total LCFF	<u>999,539,707</u>	<u>997,913,585</u>	<u>998,131,788</u>	<u>218,203</u>
Federal sources	121,959,969	192,497,641	164,340,756	(28,156,885)
Other state sources	295,070,917	301,210,705	299,036,703	(2,174,002)
Other local sources	56,860,419	59,922,363	72,792,933	12,870,570
Total revenues	<u>1,473,431,012</u>	<u>1,551,544,294</u>	<u>1,534,302,180</u>	<u>(17,242,114)</u>
Expenditures:				
Current:				
Certificated salaries	604,284,738	610,042,565	600,860,992	9,181,573
Classified salaries	242,111,602	249,890,295	249,890,290	5
Employee benefits	444,541,191	441,836,077	438,366,245	3,469,832
Books and supplies	129,673,044	148,024,047	85,383,313	62,640,734
Contract services and operating expenditures	232,738,631	235,896,059	215,895,950	20,000,109
Other outgo	1,322,749	6,597,149	5,259,686	1,337,463
Capital outlay	6,405,789	84,534,308	66,186,663	18,347,645
Total expenditures	<u>1,661,077,744</u>	<u>1,776,820,500</u>	<u>1,661,843,139</u>	<u>114,977,361</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(187,646,732)</u>	<u>(225,276,206)</u>	<u>(127,540,959)</u>	<u>97,735,247</u>
Other financing (uses) sources:				
Transfers in	5,486,409	5,486,409	8,218,281	2,731,872
Transfers out	<u>(6,956,409)</u>	<u>(6,956,409)</u>	<u>(5,586,503)</u>	<u>1,369,906</u>
Total other financing (uses) sources	<u>(1,470,000)</u>	<u>(1,470,000)</u>	<u>2,631,778</u>	<u>4,101,778</u>
Net change in fund balance	(189,116,732)	(226,746,206)	(124,909,181)	101,837,025
Fund balance, July 1, 2024	<u>607,010,959</u>	<u>607,010,959</u>	<u>607,010,959</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 417,894,227</u>	<u>\$ 380,264,753</u>	<u>\$ 482,101,778</u>	<u>\$ 101,837,025</u>

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, 2025

	Last 10 Fiscal Years							
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability								
Service cost	\$ 19,392,480	\$ 19,974,255	\$ 16,341,671	\$ 16,831,921	\$ 16,808,552	\$ 16,833,050	\$ 11,718,227	\$ 16,099,314
Interest	57,806,121	60,369,696	61,778,007	64,400,035	60,440,115	62,970,376	38,701,142	45,811,280
Changes in benefit terms	-	-	-	-	-	-	39,450,572	-
Difference between expected and actual experience	-	-	82,504,316	-	20,924,804	(39,961,024)	29,283,777	-
Changes in assumptions	-	-	(120,311,404)	-	(133,956,614)	(339,676,866)	11,158,248	-
Benefit payments	(32,459,314)	(36,544,893)	(34,234,823)	(35,604,029)	(32,704,642)	(37,570,546)	(44,274,453)	(38,941,763)
Net change in total OPEB liability	44,739,287	43,799,058	6,077,767	45,627,927	(68,487,785)	(337,405,010)	86,037,513	22,968,831
Total OPEB liability, beginning of year	979,428,598	1,024,167,885	1,067,966,943	1,074,044,710	1,119,672,637	1,051,184,852	713,779,842	799,817,355
Total OPEB liability, end of year (a)	<u>\$ 1,024,167,885</u>	<u>\$ 1,067,966,943</u>	<u>\$ 1,074,044,710</u>	<u>\$ 1,119,672,637</u>	<u>\$ 1,051,184,852</u>	<u>\$ 713,779,842</u>	<u>\$ 799,817,355</u>	<u>\$ 822,786,186</u>
Plan fiduciary net position								
Employer contributions	\$ 35,959,314	\$ 40,044,893	\$ 37,734,823	\$ 39,104,029	\$ 36,204,642	\$ 41,070,546	\$ 47,774,453	\$ 42,441,763
Expected investment return (loss)	2,250,968	3,172,151	2,685,784	11,123,667	(8,985,231)	2,448,040	5,943,986	8,550,087
Administrative expense	(33,150)	(37,143)	(43,345)	(52,833)	(59,287)	(55,575)	(61,752)	(62,331)
Benefits payment	(32,459,314)	(36,544,893)	(34,234,823)	(35,604,029)	(32,704,642)	(37,570,546)	(44,274,453)	(38,941,763)
Change in plan fiduciary net position	5,717,818	6,635,008	6,142,439	14,570,834	(5,544,518)	5,892,465	9,382,234	11,987,756
Fiduciary trust net position, beginning of year	36,358,826	42,076,644	48,711,652	54,854,091	69,424,925	63,880,407	69,772,872	79,155,106
Fiduciary trust net position, end of year (b)	<u>\$ 42,076,644</u>	<u>\$ 48,711,652</u>	<u>\$ 54,854,091</u>	<u>\$ 69,424,925</u>	<u>\$ 63,880,407</u>	<u>\$ 69,772,872</u>	<u>\$ 79,155,106</u>	<u>\$ 91,142,862</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 982,091,241</u>	<u>\$ 1,019,255,291</u>	<u>\$ 1,019,190,619</u>	<u>\$ 1,050,247,712</u>	<u>\$ 987,304,445</u>	<u>\$ 644,006,970</u>	<u>\$ 720,662,249</u>	<u>\$ 731,643,324</u>
Covered employee payroll	\$ 550,120,072	\$ 568,497,726	\$ 595,678,953	\$ 620,124,968	\$ 714,683,611	\$ 750,192,157	\$ 838,498,778	\$ 870,489,897
Plan fiduciary net position as a percentage of the total OPEB liability	4.11%	4.56%	5.11%	6.20%	6.08%	9.78%	9.90%	11.08%
Net OPEB liability as a percentage of covered-employee payroll	178.52%	179.29%	171.10%	169.36%	138.15%	85.85%	85.95%	84.05%

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, 2025

	Last 10 Fiscal Years							
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Money-weighted rate of return on OPEB plan investments	6.01%	6.98%	5.37%	19.65%	-12.65%	3.51%	8.30%	10.62%

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, 2025

State Teachers' Retirement Plan
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.696%	0.679%	0.664%	0.723%	0.740%	0.721%	0.649%	0.750%	0.800%	0.844%
District's proportionate share of the net pension liability	\$ 468,883,000	\$ 549,121,000	\$ 613,982,000	\$ 664,860,000	\$ 668,050,000	\$ 698,344,000	\$ 295,209,000	\$ 521,129,000	\$ 608,942,000	\$ 566,748,000
State's proportionate share of the net pension liability associated with the District	<u>247,987,000</u>	<u>312,634,000</u>	<u>363,228,000</u>	<u>380,665,000</u>	<u>364,468,000</u>	<u>381,640,000</u>	<u>175,644,000</u>	<u>294,556,000</u>	<u>291,765,000</u>	<u>260,029,000</u>
Total net pension liability	<u>\$ 716,870,000</u>	<u>\$ 861,755,000</u>	<u>\$ 977,210,000</u>	<u>\$1,045,525,000</u>	<u>\$1,032,518,000</u>	<u>\$1,079,984,000</u>	<u>\$ 470,853,000</u>	<u>\$ 815,685,000</u>	<u>\$ 900,707,000</u>	<u>\$ 826,777,000</u>
District's covered payroll	\$ 323,258,000	\$ 338,357,000	\$ 351,408,000	\$ 380,363,000	\$ 402,574,000	\$ 389,097,000	\$ 365,132,000	\$ 449,079,000	\$ 508,744,000	\$ 560,181,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	145.05%	162.29%	174.72%	174.80%	165.95%	179.48%	80.85%	119.81%	177.05%	147.59%
Plan fiduciary net position as a percentage of the total pension liability	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%	80.62%	83.55%

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

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the year ended June 30, 2025

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.905%	0.919%	0.873%	0.907%	0.941%	0.962%	0.970%	0.993%	0.971%	1.042%
District's proportionate share of the net pension liability	\$ 133,463,000	\$ 181,422,000	\$ 208,394,000	\$ 241,867,000	\$ 274,153,000	\$ 295,181,000	\$ 197,223,000	\$ 341,626,000	\$ 351,317,000	\$ 372,365,000
District's covered payroll	\$ 100,241,000	\$ 110,204,000	\$ 111,303,000	\$ 123,132,000	\$ 130,845,000	\$ 138,577,000	\$ 139,687,000	\$ 151,163,000	\$ 169,934,000	\$ 206,943,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	133.14%	164.62%	187.23%	196.43%	209.53%	213.01%	141.19%	224.50%	206.74%	179.94%
Plan fiduciary net position as a percentage of the total pension liability	74.02%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%	69.96%	72.29%

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

See accompanying notes to required supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the year ended June 30, 2025

State Teachers' Retirement Plan
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 36,305,716	\$ 44,207,146	\$ 54,886,374	\$ 65,539,064	\$ 71,921,290	\$ 69,740,257	\$ 85,774,027	\$ 97,170,042	\$ 106,994,476	\$ 112,615,264
Contributions in relation to the contractually required contribution	<u>(36,305,716)</u>	<u>(44,207,146)</u>	<u>(54,886,374)</u>	<u>(65,539,064)</u>	<u>(71,921,290)</u>	<u>(69,740,257)</u>	<u>(85,774,027)</u>	<u>(97,170,042)</u>	<u>(106,994,476)</u>	<u>(112,615,264)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 338,357,000	\$ 351,408,000	\$ 380,363,000	\$ 402,574,000	\$ 389,097,000	\$ 365,132,000	\$ 449,079,000	\$ 508,744,000	\$ 560,181,000	\$ 589,609,000
Contributions as a percentage of covered payroll	10.73%	12.58%	14.43%	16.28%	17.10% ⁽¹⁾	16.15% ⁽²⁾	16.92% ⁽³⁾	19.10%	19.10%	19.10%

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

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

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

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the year ended June 30, 2025

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 13,055,815	\$ 15,457,728	\$ 19,123,632	\$ 23,633,158	\$ 27,391,892	\$ 28,915,243	\$ 34,631,522	\$ 43,112,322	\$ 55,212,451	\$ 63,099,475
Contributions in relation to the contractually required contribution	<u>(13,055,815)</u>	<u>(15,457,728)</u>	<u>(19,123,632)</u>	<u>(23,633,158)</u>	<u>(27,391,892)</u>	<u>(28,915,243)</u>	<u>(34,631,522)</u>	<u>(43,112,322)</u>	<u>(55,212,451)</u>	<u>(63,099,475)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 110,204,000	\$ 111,303,000	\$ 123,132,000	\$ 130,845,000	\$ 138,577,000	\$ 139,687,000	\$ 151,163,000	\$ 169,934,000	\$ 206,943,000	\$ 233,270,000
Contributions as a percentage of covered payroll	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%	26.68%	27.05%

See accompanying notes to required supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 For the year ended June 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule: The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. 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.

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.

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. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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.

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.

Changes of Benefit Terms: In the June 30, 2024 measurement of the total OPEB liability, benefit provisions were updated to reflect enhanced retirement benefits for eligible employees hired on or after July 1, 2005. No other changes in benefit terms are reported in the Required Supplementary Information.

Changes of Assumptions: The following are the assumptions used for the District's Other Postemployment Benefits Plan:

<u>Assumption</u>	<u>Measurement Periods</u>							
	As of June 30, 2025	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018
Discount rate	5.75%	5.75%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%
Healthcare trend rate range	7.00- 4.00%	7.50- 4.00%	6.50- 4.00%	5.60- 4.00%	5.90- 5.00%	5.90- 5.00%	5.00- 5.00%	5.00- 5.00%

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 For the year ended June 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES (Continued)

In the June 30, 2019, 2020 and 2021 measurements for the total OPEB liability, mortality, retirement, and termination rates were based on the 2010 CalSTRS experience study and 2014 CalPERS experience study, as applicable for the District’s employee groups. In the June 30, 2022, 2023, 2024 and 2025 measurements for the total OPEB liability, mortality, retirement, and termination rates were based on the 2018 CalSTRS experience study and 2019 CalPERS experience study, as applicable for the District’s employee groups.

The following are the assumptions used for the Public Employer’s Retirement Fund B (PERF B) Plan:

Assumption	<u>Measurement Periods</u>									
	As of June 30, <u>2024</u>	As of June 30, <u>2023</u>	As of June 30, <u>2022</u>	As of June 30, <u>2021</u>	As of June 30, <u>2020</u>	As of June 30, <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Inflation rate	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate	6.90%	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

The following are the assumptions used for State Teachers’ Retirement Plan:

Assumption	<u>Measurement Periods</u>									
	As of June 30, <u>2024</u>	As of June 30, <u>2023</u>	As of June 30, <u>2022</u>	As of June 30, <u>2021</u>	As of June 30, <u>2020</u>	As of June 30, <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

FRESNO UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NON-MAJOR FUNDS
 June 30, 2025

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	Total
ASSETS										
Cash and investments:										
Cash in County Treasury	\$ 651,151	\$ 1,973,591	\$ 15,549,093	\$ 17,170,811	\$ 138,426	\$ 6,618,182	\$ (9,591)	\$ 1,111,077	\$ 66,706,253	\$ 109,908,993
Cash on hand and in banks	1,948,141	9,808	2,955	2,107,445	-	-	-	-	46,556	4,114,905
Cash in revolving fund	-	550	-	-	-	-	-	-	-	550
Receivables	5,569	765,309	927,659	12,700,113	-	44,786	38,472	8,616	420,311	14,910,835
Due from other funds	76,202	195,224	11,560	-	-	-	62,869,888	341,276	-	63,494,150
Stores inventory	72,478	-	-	1,738,591	-	-	-	-	-	1,811,069
Total assets	\$ 2,753,541	\$ 2,944,482	\$ 16,491,267	\$ 33,716,960	\$ 138,426	\$ 6,662,968	\$ 62,898,769	\$ 1,460,969	\$ 67,173,120	\$ 194,240,502
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 41,523	\$ 191,486	\$ 438,902	\$ 2,253,214	\$ 52,327	\$ -	\$ 17,657,828	\$ 8,463	\$ -	\$ 20,643,743
Unearned revenue	-	-	14,156,973	-	-	-	-	-	-	14,156,973
Due to other funds	-	797,980	1,895,392	4,618,648	86,099	42,464	-	-	-	7,440,583
Total liabilities	41,523	989,466	16,491,267	6,871,862	138,426	42,464	17,657,828	8,463	-	42,241,299
Fund balances:										
Nonspendable	72,478	550	-	1,738,591	-	-	-	-	-	1,811,619
Restricted	2,639,540	1,954,466	-	25,106,507	-	6,620,504	45,240,941	1,452,506	67,173,120	150,187,584
Total fund balance	2,712,018	1,955,016	-	26,845,098	-	6,620,504	45,240,941	1,452,506	67,173,120	151,999,203
Total liabilities and fund balances	\$ 2,753,541	\$ 2,944,482	\$ 16,491,267	\$ 33,716,960	\$ 138,426	\$ 6,662,968	\$ 62,898,769	\$ 1,460,969	\$ 67,173,120	\$ 194,240,502

FRESNO UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - ALL NON-MAJOR FUNDS
 For the year ended June 30, 2025

	Student Activity <u>Fund</u>	Adult Education <u>Fund</u>	Child Development <u>Fund</u>	Cafeteria <u>Fund</u>	Deferred Maintenance <u>Fund</u>	Capital Facilities <u>Fund</u>	(Formerly major) County School Facilities <u>Fund</u>	Special Reserve for Capital Outlay Projects <u>Fund</u>	Bond Interest and Redemption <u>Fund</u>	<u>Total</u>
Revenues:										
Federal sources	\$ -	\$ 1,474,098	\$ 1,282,964	\$ 58,327,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,084,966
Other state sources	-	7,870,505	32,129,435	9,899,951	-	-	4,802,619	-	848,027	55,550,537
Other local sources	3,362,872	693,259	2,107,019	2,151,666	3,804	1,708,877	944,528	75,043	75,804,411	86,851,479
Total revenues	<u>3,362,872</u>	<u>10,037,862</u>	<u>35,519,418</u>	<u>70,379,521</u>	<u>3,804</u>	<u>1,708,877</u>	<u>5,747,147</u>	<u>75,043</u>	<u>76,652,438</u>	<u>203,486,982</u>
Expenditures:										
Current:										
Certificated salaries	-	3,091,674	10,514,781	-	-	-	-	-	-	13,606,455
Classified salaries	-	1,974,442	6,898,677	20,275,189	-	-	1,124,855	343,387	-	30,616,550
Employee benefits	-	2,588,507	11,468,355	14,093,774	-	-	605,117	195,187	-	28,950,940
Books and supplies	3,500,732	358,608	1,558,024	35,503,425	-	-	1,299,442	-	-	42,220,231
Contract services and operating expenditures	92,175	1,073,722	985,566	2,243,423	2,938,705	-	13,795,417	146,648	-	21,275,656
Capital outlay	-	-	3,169,404	828,560	2,651,602	-	88,678,446	67,600	-	95,395,612
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	54,784,725	54,784,725
Interest	-	-	-	-	-	-	-	-	26,070,370	26,070,370
Total expenditures	<u>3,592,907</u>	<u>9,086,953</u>	<u>34,594,807</u>	<u>72,944,371</u>	<u>5,590,307</u>	<u>-</u>	<u>105,503,277</u>	<u>752,822</u>	<u>80,855,095</u>	<u>312,920,539</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(230,035)</u>	<u>950,909</u>	<u>924,611</u>	<u>(2,564,850)</u>	<u>(5,586,503)</u>	<u>1,708,877</u>	<u>(99,756,130)</u>	<u>(677,779)</u>	<u>(4,202,657)</u>	<u>(109,433,557)</u>
Other financing (uses) sources:										
Transfers in	-	-	-	-	5,586,503	-	118,674,943	-	-	124,261,446
Transfers out	-	(226,603)	(1,019,966)	(1,342,745)	-	(42,464)	-	-	-	(2,631,778)
Debt issuance premiums	-	-	-	-	-	-	-	-	884,864	884,864
Total other financing (uses) sources	<u>-</u>	<u>(226,603)</u>	<u>(1,019,966)</u>	<u>(1,342,745)</u>	<u>5,586,503</u>	<u>(42,464)</u>	<u>118,674,943</u>	<u>-</u>	<u>884,864</u>	<u>122,514,532</u>
Net change in fund balances	(230,035)	724,306	(95,355)	(3,907,595)	-	1,666,413	18,918,813	(677,779)	(3,317,793)	13,080,975
Fund balance, July 1, 2024	<u>2,942,053</u>	<u>1,230,710</u>	<u>95,355</u>	<u>30,752,693</u>	<u>-</u>	<u>4,954,091</u>	<u>-</u>	<u>2,130,285</u>	<u>70,490,913</u>	<u>112,596,100</u>
Change within the reporting entity	-	-	-	-	-	-	26,322,128	-	-	26,322,128
Fund balances, July 1, 2024 adjusted	<u>2,942,053</u>	<u>1,230,710</u>	<u>95,355</u>	<u>30,752,693</u>	<u>-</u>	<u>4,954,091</u>	<u>26,322,128</u>	<u>2,130,285</u>	<u>70,490,913</u>	<u>138,918,228</u>
Fund balance, June 30, 2025	<u>\$ 2,712,018</u>	<u>\$ 1,955,016</u>	<u>\$ -</u>	<u>\$ 26,845,098</u>	<u>\$ -</u>	<u>\$ 6,620,504</u>	<u>\$ 45,240,941</u>	<u>\$ 1,452,506</u>	<u>\$ 67,173,120</u>	<u>\$ 151,999,203</u>

FRESNO UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 June 30, 2025

	Second Period <u>Report</u>	Audited* Second Period <u>Report</u>	Annual <u>Report</u>
Certificate #:	4DAD5D29	CEAB5E49	5067A8E1
Elementary:			
Transitional Kindergarten through Third	20,293	20,307	20,309
Fourth through Sixth	14,733	14,736	14,688
Seventh and Eighth	<u>9,604</u>	<u>9,606</u>	<u>9,521</u>
Subtotal Elementary	<u>44,630</u>	<u>44,649</u>	<u>44,518</u>
Secondary:			
Ninth through Twelfth	<u>16,982</u>	<u>17,008</u>	<u>16,727</u>
Subtotal Secondary	<u>16,982</u>	<u>17,008</u>	<u>16,727</u>
District Total	<u><u>61,612</u></u>	<u><u>61,657</u></u>	<u><u>61,245</u></u>

* 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, 2025

<u>Grade Level</u>	<u>Statutory Minutes Requirement</u>	<u>2024-25 Actual Minutes</u>	<u>Number of Credited Minutes in Form J-13A⁽¹⁾</u>	<u>2024-25 Total Reported Minutes</u>	<u>2024-25 Actual Days Offered</u>	<u>Number of Credited Days in Form J-13A⁽¹⁾</u>	<u>2024-25 Total Reported Days</u>	<u>Status</u>
Kindergarten	36,000	49,437	288	49,725	179	1	180	In Compliance
Grade 1	50,400	54,408	316	54,724	179	1	180	In Compliance
Grade 2	50,400	54,408	316	54,724	179	1	180	In Compliance
Grade 3	50,400	54,408	316	54,724	179	1	180	In Compliance
Grade 4	54,000	54,408	316	54,724	179	1	180	In Compliance
Grade 5	54,000	54,408	316	54,724	179	1	180	In Compliance
Grade 6	54,000	54,408	316	54,724	179	1	180	In Compliance
Grade 7	54,000	54,677	0	54,677	180	0	180	In Compliance
Grade 8	54,000	54,677	0	54,677	180	0	180	In Compliance
Grade 9	64,800	64,570	683	65,253	178	2	180	In Compliance
Grade 10	64,800	64,570	683	65,253	178	2	180	In Compliance
Grade 11	64,800	64,570	683	65,253	178	2	180	In Compliance
Grade 12	64,800	64,570	683	65,253	178	2	180	In Compliance

⁽¹⁾ During the audit year, the District closed Robinson Elementary School for one day (December 16, 2024) due to a power outage caused by a vehicle accident in the area. In addition, the District closed Sunnyside High School for two days (February 11-12, 2025) due to a power outage caused by a transformer failure in the area. A Form J-13A waiver was requested from the California Department of Education to receive credit for the days and instructional minutes lost due to the closures. The District received CDE approval for its Form J-13A waiver request on October 7, 2025. All other District sites remained open for the originally planned instructional minutes and days for the 2024-25 year.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2025

Assistance Listing (AL) Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California Department of Education</u>			
Special Education Cluster:			
84.027	Special Ed: IDEA Basic Local Assistance, Part B, Sec. 611	13379	\$ 14,246,513
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10115	24,359
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	10119	3,248,480
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec 619	13430	384,513
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec 619 Age (3-5)	10131	51,117
84.173	Special Ed: IDEA Preschool Capacity Building, Part B, Sec 619	13839	3,200
84.173A	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	13431	6,303
84.027A	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	15197	963,142
84.027A	Special Ed: Alternate Dispute Resolution, Part B, Sec 611	13007	<u>12,474</u>
Subtotal Special Education Cluster			<u>18,940,101</u>
Migrant Ed Programs:			
84.011	ESEA: Title I, Part C, Migrant Ed (Regular and Summer Program)	14326	577,126
84.011	ESEA: Title I, Migrant Ed Summer Program	10005	118,435
84.011	ESEA: Title I, Part C, Migrant Education (MESRP)	10144	<u>14,110</u>
Subtotal Migrant Ed Programs			<u>709,671</u>
Adult Education Programs:			
84.002	Adult Education: ESL/ESL-Citizenship	14508	527,764
84.002	Adult Education: Adult Secondary Education	13978	411,992
84.002A	Adult Education: English Literacy and Civics Education	14109	202,716
84.002	Citizenship and Integration Direct Services Grant Program	N/A	<u>191,968</u>
Subtotal Adult Education Programs			<u>1,334,440</u>
Title I Programs:			
84.010	ESSA: Title I, Part A Basic Grants, Low Income and Neglected	14329	68,869,288
84.010	ESSA: Comprehensive Support & Improvement (CIS)	15438	<u>2,197,644</u>
Subtotal Title I Programs			<u>71,066,932</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2025

Assistance Listing (AL) Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California Department of Education (Continued)</u>			
Carl D. Perkins Career and Tech Ed Programs:			
84.048	Vocational Programs: Voc and Applied Technology State Leadership, Sec. 124 (Carl Perkins Act)	14894	\$ 1,435,427
84.048	Vocational Programs: Adult Sec. 132 (Carl Perkins Act)	14893	<u>139,658</u>
Subtotal Carl D. Perkins Career and Tech Ed Programs			<u>1,575,085</u>
Title III Programs:			
84.365	ESEA: Title III, Immigrant Student Program	15146	161,468
84.365	ESEA: Title III, Limited English Proficient (LEP) Student Program	14346	<u>2,233,704</u>
Subtotal Title III Programs			<u>2,395,172</u>
COVID-19: Education Stabilization Fund (ESF) Programs			
84.425	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	55,285,367
84.425	COVID-19: American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program	15564	21,623
84.425	COVID-19: ARP-Homeless Children and Youth II (ARP HCY II) Program	15566	<u>314,822</u>
Subtotal COVID-19: ESF Programs			<u>55,621,812</u>
84.060A	Indian Education	10011	46,579
84.181	Special Ed: IDEA Early Intervention Grants, Part C	15657	95,878
84.196	ESSA: Title IX, Part A, McKinney-Vento Homeless Assistance Grant	14332	52,548
84.287	ESEA: Title IV, Part B, 21st Century Community Learning Centers	14349	1,679,320
84.336S	National Teacher Quality Partnership Program	N/A	548,605
84.367	ESEA: Title II, Part A, Supporting Effective Instruction Local Grants	14341	10,089,187
84.424	Bipartisan Safer Communities Act-Stronger Connections Grant	15710	<u>1,659,524</u>
Total U.S Department of Education			<u>165,814,854</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2025

Assistance Listing (AL) Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services - Passed through</u>			
<u>California Department of Health and Human Services</u>			
	CCDF Cluster Programs:		
93.575	Child Development: ARP California State Preschool Program One-time Stipend	15640	\$ 95,355
93.596	Child Development: Federal General and State Preschool	13609	358,724
93.596	Child Development: Child Care and Development Programs	10163	96,719
93.575	Child Development: Federal Quality Improvement	15443	<u>827,521</u>
	Subtotal CCDF Cluster Programs		<u>1,378,319</u>
	Total U.S. Department of Health and Human Services		<u>1,378,319</u>
 <u>U.S. Department of Agriculture - Passed through California Department</u>			
<u>of Education</u>			
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs (NSL Sec. 11)	13396	49,081,920
10.582	Child Nutrition: Fresh Fruit & Vegetable Program	14968	1,887,315
10.555	Child Nutrition: Supply Chain Assistance (SCA) Funds	15655	<u>147,950</u>
	Subtotal Child Nutrition Cluster Programs		<u>51,117,185</u>
10.558	Child Nutrition: Child Care Food Program (CCFP) Claims-Centers and Family Day Care Homes	13529	<u>9,824,474</u>
	Total U.S. Department of Agriculture		<u>60,941,659</u>
	Total Federal Expenditures		<u><u>\$ 228,134,832</u></u>

FRESNO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the year ended June 30, 2025

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

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the year ended June 30, 2025
(UNAUDITED)

	(Adopted Budget) <u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 1,486,997,065	\$ 1,542,520,461	\$ 1,689,283,150	\$ 1,646,033,549
Expenditures	1,687,820,175	1,661,843,139	1,632,784,335	1,450,989,502
Other uses and transfers out	<u>3,861,720</u>	<u>5,586,503</u>	<u>3,361,720</u>	<u>3,353,446</u>
Total outgo	<u>1,691,681,895</u>	<u>1,667,429,642</u>	<u>1,636,146,055</u>	<u>1,454,342,948</u>
Change in fund balance	<u>\$ (204,684,830)</u>	<u>\$ (124,909,181)</u>	<u>\$ 53,137,095</u>	<u>\$ 191,690,601</u>
Ending fund balance	<u>\$ 277,416,948</u>	<u>\$ 482,101,778</u>	<u>\$ 607,010,959</u>	<u>\$ 553,873,864</u>
Available reserves	<u>\$ 96,340,058</u>	<u>\$ 139,105,813</u>	<u>\$ 148,125,869</u>	<u>\$ 132,954,758</u>
Designated for economic uncertainties	<u>\$ 96,340,058</u>	<u>\$ 139,105,813</u>	<u>\$ 148,125,869</u>	<u>\$ 132,954,758</u>
Undesignated fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Available reserves as percentages of total outgo	<u>5.69%</u>	<u>8.34%</u>	<u>9.05%</u>	<u>9.14%</u>
<u>All Funds</u>				
Total long-term liabilities	<u>\$2,560,254,071</u>	<u>\$2,567,077,163</u>	<u>\$2,548,903,271</u>	<u>\$2,463,790,214</u>
Average daily attendance at P-2	<u>61,801</u>	<u>61,657</u>	<u>62,216</u>	<u>62,383</u>

The fund balance of the General Fund has increased by \$119,918,515 over the past three years. The fiscal year 2025-2026 budget projects a deficit of \$204,684,830. 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, 2025, the District has met this requirement.

The District has incurred operating surpluses in each of the past three years, but anticipates an operating deficit in fiscal year 2025-2026.

Total long-term liabilities have increased by \$103,286,949 over the past two years, as shown in Note 6 to the basic financial statements.

Average daily attendance has decreased by 726 over the past two years. An increase of 144 ADA is projected for the 2025-2026 fiscal year.

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the year ended June 30, 2025

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

FRESNO UNIFIED SCHOOL DISTRICT
 NOTES TO SUPPLEMENTARY INFORMATION
 For the year ended June 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

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.

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.

Schedule of Expenditures of Federal Awards: The Schedule of Expenditures of Federal Awards includes the federal award activity of Fresno Unified School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. As a sub-recipient of the State of California the District is using the approved indirect cost rate provided by the California Department of Education rather than the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

<u>Description</u>	<u>AL Number</u>	<u>Amount</u>
Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances		\$ 225,425,722
Add:		
COVID-19: Child Development: ARP Preschool Program expended from prior year awards.	93.575	95,355
Child Nutrition: Supply Chain Assistance (SCA) Funds expended from prior year awards.	10.555	147,950
Child Nutrition: CACFP Current year claims awaiting reimbursement.	10.558	<u>2,465,805</u>
Total Schedule of Expenditure of Federal Awards		<u>\$ 228,134,832</u>

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
For the year ended June 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES (Continued)

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the Annual Financial and Budget Report to the audited financial statements.

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 2025-26 fiscal year, as required by the State Controller's Office. The information in this schedule has been derived from audited information.

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, 2025, the District did not adopt such a program.

OTHER INFORMATION

FRESNO UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2025
(UNAUDITED)

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

The Board of Education at June 30, 2025 was comprised of the following members:

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Valerie Davis	President	2026
Veva Islas	Clerk	2026
Elizabeth Jonasson Rosas	Member	2028
Susan Wittrup	Member	2026
Keisha Thomas	Member	2026
Claudia Cazares	Member	2028
Andy Levine	Member	2028

The Superintendent's Executive Staff at June 30, 2025 was comprised of the following:

Misty Her Superintendent			
Patrick Jensen Chief Financial Officer Business and Financial Services	Carlos Castillo Chief Academic Officer School Leadership	David Chavez Chief of Human Resources / Labor Relations	Tami Lundberg Chief Technology Officer Information Technology
Vacant Assoc. Superintendent Student & Family Services	Paul Idsvoog Chief Operations / Classified Labor Management Officer Operational Services	Ambra O'Connor Chief of Staff	Wendy McCulley Chief Engagement and External Partnerships Officer
Nikki Henry Chief Information Officer Communications Office	Alex Belanger Chief Executive Facilities Management & Planning	Marie Williams Assoc. Superintendent School Leadership	Sandra Toscano Inst. Superintendent School Leadership
Sandra Aguayo Inst. Superintendent School Leadership	Kal Isom-Moore Inst. Superintendent School Leadership	Jennifer Stacy-Alcantara Inst. Superintendent School Leadership	Matt Ward Inst. Superintendent/ School Leadership
Rebecca Wheeler Inst. Superintendent School Leadership	Billy Chan Inst. Superintendent Special Education	Jeremy Ward Assistant Superintendent College Career Readiness	Bryan Wells Assistant Superintendent Student Engagement
Annarita Howell Assistant Superintendent Human Resources	Tangee Pinheiro Inst. Superintendent Special Education	Zerina Hargrove-Brown Assistant Superintendent Analysis, Measurement & Accountability	Giovanna Difilippo Assistant Superintendent Human Resources
Maria Mazzoni Assistant Superintendent Human Resources	Yi Xiong Assistant Superintendent Human Resources	Kimberly Turk-Collins Assistant Superintendent Human Resources	Javan Childs Assistant Superintendent Human Resources
	Edith Navarro Assistant Superintendent Human Resources	Carlos Arredondo Assistant Superintendent Human Resources	

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2025
(UNAUDITED)

The Administrative Services Leadership staff at June 30, 2025 was comprised of the following:

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

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON
INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

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

Report on Compliance

Opinion on State Compliance

We have audited Fresno Unified School District's (the District) compliance with the requirements specified in the State of California *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, Fresno Unified School District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements noted in the table below occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements noted in the table below is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements noted in the table and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

<u>2024-25 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<i>Local Education Agencies Other than Charter Schools:</i>	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive Program	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes

(Continued)

<u>2024-25 K-12 Audit Guide Procedures (continued)</u>	<u>Procedures Performed</u>
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	Yes
O. K-3 Grade Span Adjustment	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes
 <i>School Districts, County Offices of Education, and Charter Schools:</i>	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study – Course-Based	Yes
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	N/A, see below
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes
FZ. Kindergarten Continuance	Yes
 <i>Charter Schools:</i>	
AA. Attendance	N/A, see below
BB. Mode of Instruction	N/A, see below
CC. Nonclassroom-Based Instruction/Independent Study	N/A, see below
DD. Determination of Funding for Nonclassroom-Based Instruction	N/A, see below
EE. Annual Instructional Minutes-Classroom Based	N/A, see below
FF. Charter School Facility Grant Program	N/A, see below

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

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

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

We did not perform any procedures related to Expanded Learning Opportunities Grant (ELO-G) because the District did not report any ELO-G expenditures during the current audit year.

We did not perform any of the testing related to charter schools, including procedures for section AA, BB, CC, DD, EE and FF in the preceding table because the District does not operate any charter schools.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance regarding the After/Before School Education and Safety Program, which is described in the accompanying Schedule of Audit Findings and Questioned Costs as Finding 2025-001.

Government Auditing Standards requires the auditor to perform limited procedures on Fresno Unified School District's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Fresno Unified School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on that response.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 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

Sacramento, California
December 3, 2025

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 and Board of Education
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, 2025, 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 December 3, 2025.

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
December 3, 2025

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

Audit Committee and Board of Education
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, 2025. 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, 2025.

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.

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
December 3, 2025

FINDINGS AND RECOMMENDATIONS

FRESNO UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2025

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	_____ <u>X</u> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> None reported	

Noncompliance material to financial statements noted?

	_____ Yes	_____ <u>X</u> No	
--	-----------	-------------------	--

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> 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	_____ <u>X</u> No	
--	-----------	-------------------	--

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.367	ESEA: Title II, Part A, Supporting Effective Instruction Local Grants
10.558	Child Nutrition: Child Care Food Program (CCFP) Claims-Centers and Family Day Care Homes
10.555, 10.582	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?

	_____ <u>X</u> Yes	_____ No	
--	--------------------	----------	--

STATE AWARDS

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

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were noted.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2025

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were noted.

(Continued)

FRESNO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2025

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2025-001 DEFICIENCY - STATE COMPLIANCE – AFTER/BEFORE SCHOOL EDUCATION AND SAFETY (40000)

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

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

Context: We performed the audit procedures enumerated in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the condition as described above.

Effect: The District did not comply with the After and Before School Safety Program requirements of Education Code Section 8483.9(c).

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

Fiscal Impact: Not determinable.

Identification of Repeat Finding: This is a repeat finding 2024-001, further described in the Schedule of Prior Year Findings and Recommendations.

Recommendation: The District's management team should implement or reinforce internal controls to ensure accurate accounting for attendance for the ASES program.

Views of Responsible Officials and Planned Corrective Actions: The District's Expanded Learning Department provides annual training to after-school staff responsible for attendance accounting on proper attendance procedures and reporting, as outlined in the Fresno Unified Expanded Learning Site Lead Manual and other applicable resources. Throughout the school year, the Expanded Learning Department team conducts random reviews and audits to ensure the accuracy of attendance reporting in the after-school program.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

FRESNO UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year ended June 30, 2025

2024-001 MATERIAL WEAKNESS - STATE COMPLIANCE - AFTER/BEFORE SCHOOL EDUCATION AND SAFETY (40000)

Condition: Each of the sites selected for testing of attendance reporting of the After School component of the After/Before School Education and Safety Program resulted in differences between the supporting documentation of pupil counts when compared to the reported totals. The net impact was an overstatement of 70 days of attendance for the ASES program.

Recommendation: The District's management team should implement or reinforce internal controls to ensure accurate accounting for attendance for the ASES program.

Current Status: Not implemented.

District Explanation if Not Implemented: Refer to current year finding 2025-001.

FRESNO UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year ended June 30, 2025

**2024-002 DEFICIENCY - STATE COMPLIANCE - COMPREHENSIVE SCHOOL SAFETY PLAN
(40000)**

Condition: The comprehensive school safety plans selected for testing at Cambridge Continuation High School and Del Mar Elementary School were reviewed and approved after March 1 of the fiscal year subject to audit.

Recommendation: The District's management team should implement or reinforce internal controls to ensure the District meet the requirements for Comprehensive School Safety Plans, pursuant to Education Code section 32282.

Current Status: Implementation.

District Explanation if Not Implemented: Not applicable, no findings identified in the current audit year.

FRESNO UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year ended June 30, 2025

2024-003 DEFICIENCY - STATE COMPLIANCE - EXPANDED LEARNING OPPORTUNITIES PROGRAM (40000)

Condition: The District was unable to locate and provide registration forms for two students selected for testing in the Expanded Learning Opportunities program pursuant to Education Code 46120(g)(6).

Recommendation: The District's management team should ensure school sites are maintaining appropriate records.

Current Status: Implementation.

District Explanation if Not Implemented: Not applicable, no findings identified in the current audit year.