



Financial Statements
June 30, 2021

Washington Unified School District

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Independent Auditor's Report

To the Governing Board
Washington Unified School District
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Unified School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 Washington Unified School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 16 to the financial statements, Washington Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability, and the schedule of District contributions, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington Unified School District's financial statements. The combining non-major governmental fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 financial statements.

The combining non-major governmental fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected

to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major governmental fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2022 on our consideration of Washington Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Washington 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 Washington Unified School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fresno, California



This section of Washington Unified School District’s (the District) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2021, with comparative information for the year ended June 30, 2020. Please read it in conjunction with the District’s financial statements, which immediately follow this section.

The District was formed on July 1, 2011, from the unification of the American Union Elementary School District, the Washington Union High School District and the West Fresno Elementary School District.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities separately. These statements include all assets of the District (including capital assets), deferred outflows, as well as all liabilities (including long-term liabilities), and deferred inflows. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Governmental Activities* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Governmental Funds* are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Washington Unified School District.

Randy R. Morris - District Superintendent

Board of Trustees

Terry Ruiz, Area 1

Anna Campbell, Area 2

Mark Aguilar, Area 3

Eddie Ruiz, Area 4

Darrel Carter, Area 5

Henry Hendrix, Area 6

Steven Barra, Area 7

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REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows, liabilities, and deferred inflows of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we separate the District activities as follows:

Governmental Activities - All of the District's services are reported in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

FINANCIAL HIGHLIGHTS

The District's financial status continues to display itself as a regular operating school district during the 2020-2021 fiscal year. Prudent budgeting techniques and strategic planning help the District maximize supplemental funds. Staffing patterns continue to be reviewed as the District addresses student program needs, efficiency with the focus on student achievement and the effects of the COVID-19 pandemic.

The District maintained the required three percent reserves and had a surplus of \$2,350,186 (excluding activity related to the consolidation of the Special Reserve Non-Capital Fund as required by GASB Statement No. 54). Maintaining reserves above the required three percent is very important to the District and has allowed the District to continue to meet its cash-flow needs.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$(2,462,525) for the fiscal year ended June 30, 2021. Of this amount, \$5,412,459 was restricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2021	2020 as Restated
Assets		
Current and other assets	\$ 44,154,692	\$ 12,235,393
Capital assets	54,562,201	55,877,683
Total assets	98,716,893	68,113,076
Deferred outflows of resources	9,113,529	8,106,942
Liabilities		
Current liabilities	14,779,054	5,273,512
Long-term liabilities	93,588,776	74,073,017
Total liabilities	108,367,830	79,346,529
Deferred inflows of resources	1,925,117	2,946,558
Net Position		
Net investment in capital assets	22,477,241	23,713,154
Restricted	5,412,459	2,440,704
Unrestricted (deficit)	(30,352,225)	(32,226,927)
Total net position (deficit)	\$ (2,462,525)	\$ (6,073,069)

The \$(2,462,525) in net position of governmental activities represents the accumulated results of all past years' operations. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by \$1,874,702.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities*. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2021	2020*
Revenues		
Program revenues		
Charges for services	\$ 308,536	\$ 25,952
Operating grants and contributions	12,331,427	7,717,977
Capital grants and contributions	804,277	-
General revenues		
Federal and State aid not restricted	26,004,547	26,585,963
Property taxes	6,729,631	6,311,696
Other general revenues	1,594,393	1,807,522
Total revenues	47,772,811	42,449,110
Expenses		
Instruction-related	27,768,072	26,490,361
Pupil services	6,728,791	6,824,354
Administration	3,218,572	3,030,094
Plant services	3,758,668	3,759,490
All other services	2,688,164	2,514,476
Total expenses	44,162,267	42,618,775
Change in net position	\$ 3,610,544	\$ (169,665)

* The revenues and expenses for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities*, the cost of all of our governmental activities this year was \$44,162,267. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$6,729,631 because the cost was paid by those who benefited from the programs of \$308,536 or by other governments and organizations who subsidized certain programs with grants and contributions totaling \$13,135,704. We paid for the remaining "public benefit" portion of our governmental activities with \$26,004,547 in Federal and State funds and with \$1,594,393 in other revenues, like interest and general entitlements.

In Table 3, we have presented the net cost of each of the District's largest functions: instruction related services, pupil services, administration, plant services, and all other services. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Net Cost of Services		
	2021	2020*	Variance
Instruction-related	\$ (19,212,254)	\$ (21,822,730)	\$ 2,610,476
Pupil services	(3,313,481)	(4,197,398)	883,917
Administration	(2,873,570)	(2,921,721)	48,151
Plant services	(3,081,136)	(3,706,252)	625,116
All other services	(2,237,586)	(2,226,745)	(10,841)
Total	\$ (30,718,027)	\$ (34,874,846)	\$ 4,156,819

* The total cost of services and net cost of services for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on September 14, 2021. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report.

The District budgeted an increase in the General Fund balance of \$810,616. While revenues and other sources were \$1,004,492 less than budgeted, expenditures and other uses were \$3,036,301 less than budgeted, leaving the fund with an increase of \$2,842,425.

CAPITAL ASSET AND DEBT ADMINISTRATION**Capital Assets**

At June 30, 2021, the District had \$54,562,201 in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment (Table 4).

Table 4

	Governmental Activities	
	2021	2020
Land and construction in progress	\$ 3,085,870	\$ 4,868,816
Buildings and improvements	49,000,464	48,359,249
Equipment	2,475,867	2,649,618
Total	<u>\$ 54,562,201</u>	<u>\$ 55,877,683</u>

This year's additions to capital assets include additions for buildings, building improvements, land improvements, equipment, and work in progress for construction projects. We present more detailed information about our capital assets in the Notes to Financial Statements.

Long-Term Liabilities

At the end of this year, the District had \$93,588,776 in obligations outstanding. Those obligations consisted of:

Table 5

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
General obligation bonds	\$ 38,960,000	\$ 24,355,000
Certificates of participation	5,870,000	6,225,000
Unamortized premiums/(discounts)	3,296,080	1,617,055
Capital leases	74,371	116,986
Early retirement liabilities	165,933	221,244
Compensated absences	272,930	280,001
Net other postemployment benefits	12,487,977	11,487,659
Net pension liability	32,461,485	29,770,072
Total	<u>\$ 93,588,776</u>	<u>\$ 74,073,017</u>

At year-end, the District has a net pension liability of \$32,461,485 versus \$29,770,072 last year, an increase of \$2,691,413, or 9.00 percent. The District also reported deferred outflows of resources from pension activities of \$6,967,217, and deferred inflows of resources from pension activities of \$1,746,897. We present more detailed information regarding our long-term liabilities in the Notes to Financial Statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2020-2021 ARE NOTED BELOW:

Projects completed include building upgrades and site improvements at the following school sites. American Union Elementary School is completing a feasibility study to supply clean drinking water to the school site. West Fresno Elementary School site is nearing the completion of the kitchen improvement project. The Washington Union High School completed improvements to Agriculture facilities and greenhouse. The District continued to invest in equipment by purchasing landscaping mowers and other equipment.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Across the 2020-2021 and 2021-2022 fiscal years, the Proposition 98 minimum guarantee increased by nearly \$23 billion from the 2020 Budget Act, which had assumed that the COVID-19 health crisis would cause education funding to drop by over \$10 billion from the 2019-2020 levels. This unexpected turnaround allowed Governor Gavin Newsom and lawmakers to restore education payments to their normal apportionment schedules while investing in new initiatives designed to advance educational equity and combat the learning impacts of COVID-19. The K-12 funding levels increased by almost 29.0 percent from June 2020, which when combined with other adjustments results in over \$30 billion for new K-12 spending for the 2021-2022 fiscal year. While over \$11 billion was spent to buy down all K-12 deferrals, still a sizable amount was spent on a combination of one-time and ongoing programs.

Across six programs, the 2021-2022 Budget Act spends nearly \$5.3 billion in one-time funds for various learning recovery programs. The largest investments go to fund two programs established by the passage of Assembly Bill 86—the In-Person Instruction Grant program and the Expanded Learning Opportunities Grant program—earlier in the spring, comprising \$4.6 billion of the COVID-19 spending included in the final Enacted State Budget agreement. An additional \$550 million is related to addressing learning recovery for students with disabilities.

The District expends one-time money on one-time expenditures that support the District's vision and goals. With the infusion of Elementary and Secondary School Emergency Relief Funds (ESSER), Coronavirus Aid, Relief and Economic Security (CARES) Act Funds and Governor's Emergency Education Relief Funds through the 2023-2024 fiscal years it is important for the District to plan the utilization of these funds for pandemic response and learning recovery. As the funding comes to an end the District will focus on balancing the operational budget to meet the needs of all the students of the District.

Continuing to maintain reserves above the three percent required by the state is very important to the operations and cash-flow of the school district. Careful planning and restraint will allow the District to increase reserves and achieve this goal. The District uses the FCMAT LCFF Calculator to estimate the base grant and supplemental/concentration revenues.

Certificated, classified and management staffing costs are projected at the District approved staffing levels including any negotiated salary increases and projected retirement and health and welfare benefit increases. Expenditures for supplies, services and operating costs are based on prior year spending levels.

The following circumstances which could affect the financial health of the District include:

- Increase to employer contributions to CalSTRS and CalPERS
- Increase to minimum wage
- Increasing health care costs
- COVID-19 and the economic impacts in current and subsequent years
- Inflationary cost increases

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Washington Unified School District at 7950 S. Elm Avenue, Fresno, California 93706.

Chris M. Vaz
Chief Business Official
Washington Unified School District
7950 S. Elm Avenue, Fresno, CA. 93706

Washington Unified School District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Deposits and investments	\$ 36,409,671
Receivables	7,739,583
Prepaid expense	5,000
Stores inventories	438
Capital assets not depreciated	3,085,870
Capital assets, net of accumulated depreciation	51,476,331
Total assets	98,716,893
Deferred Outflows of Resources	
Deferred charge on refunding	677,905
Deferred outflows of resources related to OPEB	1,468,407
Deferred outflows of resources related to pensions	6,967,217
Total deferred outflows of resources	9,113,529
Liabilities	
Accounts payable	6,275,497
Unearned revenue	1,503,557
Short-term loans (TRAN)	7,000,000
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	994,866
Long-term liabilities other than OPEB and pensions due in more than one year	47,644,448
Net other postemployment benefits liability (OPEB)	12,487,977
Aggregate net pension liabilities	32,461,485
Total liabilities	108,367,830
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	178,220
Deferred inflows of resources related to pensions	1,746,897
Total deferred inflows of resources	1,925,117
Net Position	
Net investment in capital assets	22,477,241
Restricted for	
Debt service	1,251,663
Capital projects	1,211,944
Educational programs	2,236,957
Child Nutrition	365,216
Student activities	346,679
Unrestricted (deficit)	(30,352,225)
Total net position (deficit)	\$ (2,462,525)

Washington Unified School District
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 24,060,128	\$ 88,992	\$ 6,811,879	\$ 804,277	\$ (16,354,980)
Instruction-related activities					
Supervision of instruction	1,560,263	-	586,349	-	(973,914)
Instructional library, media, and technology	272,449	-	106,000	-	(166,449)
School site administration	1,875,232	-	158,321	-	(1,716,911)
Pupil services					
Home-to-school transportation	2,153,590	-	783,337	-	(1,370,253)
Food services	1,447,720	18,086	830,374	-	(599,260)
All other pupil services	3,127,481	-	1,783,513	-	(1,343,968)
Administration					
Data processing	537,884	15	16,310	-	(521,559)
All other administration	2,680,688	416	328,261	-	(2,352,011)
Plant services	3,758,668	22,874	654,658	-	(3,081,136)
Ancillary services	467,016	-	155,456	-	(311,560)
Interest on long-term liabilities	1,764,653	-	-	-	(1,764,653)
Other outgo	456,495	178,153	116,969	-	(161,373)
Total governmental activities	<u>\$ 44,162,267</u>	<u>\$ 308,536</u>	<u>\$ 12,331,427</u>	<u>\$ 804,277</u>	<u>(30,718,027)</u>
General Revenues and Subventions					
Property taxes, levied for general purposes					5,162,657
Property taxes, levied for debt service					1,396,572
Taxes levied for other specific purposes					170,402
Federal and State aid not restricted to specific purposes					26,004,547
Interest and investment earnings					123,824
Interagency revenues					11,993
Miscellaneous					1,458,576
Subtotal, general revenues					<u>34,328,571</u>
Change in Net Position					3,610,544
Net Position - Beginning, as Restated (Deficit)					<u>(6,073,069)</u>
Net Position - Ending (deficit)					<u>\$ (2,462,525)</u>

Washington Unified School District

Balance Sheet – Governmental Funds

June 30, 2021

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Deposits and investments	\$ 17,569,755	\$ 15,348,420	\$ 3,491,496	\$ 36,409,671
Receivables	7,118,301	89,166	532,116	7,739,583
Due from other funds	187,511	-	3,420,049	3,607,560
Prepaid expenditures	5,000	-	-	5,000
Stores inventories	438	-	-	438
	<u>24,881,005</u>	<u>15,437,586</u>	<u>7,443,661</u>	<u>47,762,252</u>
Total assets	\$ 24,881,005	\$ 15,437,586	\$ 7,443,661	\$ 47,762,252
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 5,979,818	\$ -	\$ 295,679	\$ 6,275,497
Due to other funds	3,420,049	-	187,511	3,607,560
Short-term notes (TRAN)	7,000,000	-	-	7,000,000
Unearned revenue	1,464,979	-	38,578	1,503,557
	<u>17,864,846</u>	<u>-</u>	<u>521,768</u>	<u>18,386,614</u>
Total liabilities	17,864,846	-	521,768	18,386,614
Fund Balances				
Nonspendable	15,438	-	100	15,538
Restricted	2,166,369	15,437,586	3,246,090	20,850,045
Assigned	492,240	-	3,675,703	4,167,943
Unassigned	4,342,112	-	-	4,342,112
	<u>7,016,159</u>	<u>15,437,586</u>	<u>6,921,893</u>	<u>29,375,638</u>
Total fund balances	7,016,159	15,437,586	6,921,893	29,375,638
Total liabilities and fund balances	\$ 24,881,005	\$ 15,437,586	\$ 7,443,661	\$ 47,762,252

Washington Unified School District
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2021

Total Fund Balance - Governmental Funds		\$ 29,375,638
<p>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
The cost of capital assets is	\$ 79,285,831	
Accumulated depreciation is	<u>(24,723,630)</u>	
Net capital assets		54,562,201
<p>Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to</p>		
Debt refundings (deferred charge on refunding)	677,905	
Other postemployment benefits (OPEB)	1,468,407	
Net pension liability	<u>6,967,217</u>	
Total deferred outflows of resources		9,113,529
<p>Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to</p>		
Other postemployment benefits (OPEB)	(178,220)	
Net pension liability	<u>(1,746,897)</u>	
Total deferred inflows of resources		(1,925,117)
<p>Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
		(32,461,485)
<p>The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
		(12,487,977)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.</p>		
<p>Long-term liabilities at year-end consist of</p>		
General obligation bonds and premiums/discounts	(42,256,080)	
Certificates of participation	(5,870,000)	
Capital leases	(74,371)	
Compensated absences (vacations)	(272,930)	
Special termination benefits payable	<u>(165,933)</u>	
Total long-term liabilities		<u>(48,639,314)</u>
Total net position - governmental activities		<u><u>\$ (2,462,525)</u></u>

Washington Unified School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2021

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Local Control Funding Formula	\$ 30,445,803	\$ -	\$ -	\$ 30,445,803
Federal sources	6,883,034	-	929,007	7,812,041
Other State sources	3,711,654	-	1,401,712	5,113,366
Other local sources	1,950,952	92,345	1,971,253	4,014,550
Total revenues	<u>42,991,443</u>	<u>92,345</u>	<u>4,301,972</u>	<u>47,385,760</u>
Expenditures				
Current				
Instruction	20,793,748	-	481,864	21,275,612
Instruction-related activities				
Supervision of instruction	1,405,627	-	28,928	1,434,555
Instructional library, media, and technology	258,297	-	-	258,297
School site administration	1,706,951	-	1,089	1,708,040
Pupil services				
Home-to-school transportation	1,511,363	-	-	1,511,363
Food services	234,824	-	960,521	1,195,345
All other pupil services	2,960,017	-	-	2,960,017
Administration				
Data processing	489,245	-	-	489,245
All other administration	2,424,250	-	74,116	2,498,366
Plant services	3,219,249	-	164,522	3,383,771
Ancillary services	281,399	-	173,884	455,283
Other outgo	-	58,404	-	58,404
Facility acquisition and construction	407,262	-	563,348	970,610
Debt service				
Principal	397,614	-	2,065,000	2,462,614
Interest and other	241,032	248,001	1,222,041	1,711,074
Total expenditures	<u>36,330,878</u>	<u>306,405</u>	<u>5,735,313</u>	<u>42,372,596</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,660,565</u>	<u>(214,060)</u>	<u>(1,433,341)</u>	<u>5,013,164</u>
Other Financing Sources (Uses)				
Transfers in	-	-	3,457,518	3,457,518
Proceeds from bond issuances	-	13,593,828	9,466,172	23,060,000
Premiums on bond issuances	-	2,057,577	-	2,057,577
Payments to escrow for refunded debt	-	-	(7,318,893)	(7,318,893)
Transfers out	(3,420,049)	(37,469)	-	(3,457,518)
Other uses	(398,091)	-	-	(398,091)
Net Financing Sources (Uses)	<u>(3,818,140)</u>	<u>15,613,936</u>	<u>5,604,797</u>	<u>17,400,593</u>
Net Change in Fund Balances	2,842,425	15,399,876	4,171,456	22,413,757
Fund Balance - Beginning, as Restated	<u>4,173,734</u>	<u>37,710</u>	<u>2,750,437</u>	<u>6,961,881</u>
Fund Balance - Ending	<u>\$ 7,016,159</u>	<u>\$ 15,437,586</u>	<u>\$ 6,921,893</u>	<u>\$ 29,375,638</u>

Washington Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds \$ 22,413,757

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$ (2,464,319)	
Capital outlays	<u>1,148,837</u>	
Net expense adjustment		(1,315,482)

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used. 62,382

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. (1,546,490)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. (683,316)

Proceeds received from general obligation bonds or certificates of participation are a revenue in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities. (23,060,000)

Washington Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2021

Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Premium on issuance recognized	(2,057,577)
Deferred charge on refunding recognized	619,683
Premium amortization	380,720
Discount amortization	(2,168)
Deferred charge on refunding amortization	(53,580)

Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds	8,455,000
Certificates of participation	355,000
Capital leases	<u>42,615</u>

Change in net position of governmental activities	<u><u>\$ 3,610,544</u></u>
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Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Washington Unified School District (the District) was formed on July 1, 2011, from the unification of the American Union Elementary School District, the Washington Union High School District, and the West Fresno Elementary School District, under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates two elementary schools, one middle school, one high school, a continuation high school, a community day school, and an independent study site.

A reporting entity is comprised of the primary government and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Washington Unified School District, this includes general operations, food service, and student related activities of the District.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are comprised of governmental funds.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

One fund currently defined as a special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, the Special Reserve Postemployment Benefits Fund, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements. As a result, the General Fund reflects no change in fund balance.

Building Fund The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activities Fund** The Student Activities Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

Capital Project Funds The Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term liabilities.

- **Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a district (*Education Code* Sections 15125-15262).

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting; which differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental function. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the

governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county pools are determined by the county treasurer.

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary funds when consumed rather than when purchased.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the Statement of Net Position.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position as long-term liabilities.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accounts Payable and Long-Term Liabilities

Accounts payable and long-term liabilities are reported in the government-wide financial statements. In general, governmental fund accounts payable that are paid in a timely manner and in full from current financial resources are reported as liabilities of the funds.

Debt Premiums and Discounts

In the government-wide financial statements, long-term liabilities are reported as liabilities in the statement of net position. Debt premiums and discounts are amortized over the life of the debt using the straight-line method.

In governmental fund financial statements, debt premiums and discounts are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance and discounts paid are also reported as other financing sources.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position reports 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 and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension and postemployment benefits related items.

The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Fund Balances - Governmental Funds

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$5,412,459 of restricted net position.

Interfund Activity

Transfers between governmental activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities column of the statement of activities.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Change in Accounting Principles

Implementation of GASB Statement No. 84

As of July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of the District's student body activities from fiduciary to governmental. The effect of the implementation of this standard on beginning fund balance and net position is disclosed in Note 16.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Governmental funds	<u>\$ 36,409,671</u>
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Deposits and investments as of June 30, 2021, consist of the following:

Cash on hand and in banks	\$ 280,674
Cash in revolving	10,100
Investments	<u>36,118,897</u>
Total deposits and investments	<u>\$ 36,409,671</u>

Policies and Practices

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting 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.

General Authorizations

Limitations as they relate to interest rate risk and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and which also times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of \$36,048,892 in the Fresno County Treasury Investment Pool that has an average weighted maturity of 791 days.

Segmented Time Distribution

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the District's investments by maturity:

Investment Type	Reported Amount	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
Certificates of Deposit	\$ 50,293	\$ 50,293	\$ -	\$ -	\$ -
Money Market Mutual Funds	19,712	-	-	-	19,712
Total	<u>\$ 70,005</u>	<u>\$ 50,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,712</u>

Credit Risk - Investments

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment with the Fresno County Investment Pool is currently not rated, nor is it required to be rated.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2021, \$56,211 of the District's cash balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent.

Note 3 - Receivables

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, and local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Federal Government				
Categorical aid	\$ 1,132,856	\$ -	\$ 243,302	\$ 1,376,158
State Government				
LCFF apportionment	4,580,180	-	-	4,580,180
Categorical aid	755,652	89,166	133,999	978,817
Local sources	649,613	-	154,815	804,428
Total	\$ 7,118,301	\$ 89,166	\$ 532,116	\$ 7,739,583

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,432,571	\$ -	\$ -	\$ 2,432,571
Construction in progress	2,436,245	839,588	(2,622,534)	653,299
Total capital assets not being depreciated	4,868,816	839,588	(2,622,534)	3,085,870
Capital assets being depreciated				
Land improvements	16,270,676	2,622,534	-	18,893,210
Buildings and improvements	49,632,335	97,661	-	49,729,996
Furniture and equipment	7,365,167	211,588	-	7,576,755
Total capital assets being depreciated	73,268,178	2,931,783	-	76,199,961
Total capital assets	78,136,994	3,771,371	(2,622,534)	79,285,831
Accumulated depreciation				
Land improvements	(3,471,749)	(799,641)	-	(4,271,390)
Buildings and improvements	(14,072,013)	(1,279,339)	-	(15,351,352)
Furniture and equipment	(4,715,549)	(385,339)	-	(5,100,888)
Total accumulated depreciation	(22,259,311)	(2,464,319)	-	(24,723,630)
Governmental activities capital assets, net	<u>\$ 55,877,683</u>	<u>\$ 1,307,052</u>	<u>\$ (2,622,534)</u>	<u>\$ 54,562,201</u>

Depreciation expense was charged to functional expenses as follows:

Governmental Activities	
Instruction	\$ 1,133,586
School site administration	73,930
Home-to-school transportation	640,723
Food services	197,146
General administrations	49,286
Data processing	24,643
Plant services	345,005
Total depreciation expenses-governmental activities	<u>\$ 2,464,319</u>

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2021, between major and non-major governmental funds are as follows:

Funds	Due from Other Funds	Due to Other Funds
Major Governmental Fund		
General	\$ 187,511	\$ 3,420,049
Non-Major Governmental Funds		
Child Development	-	38,242
Cafeteria	394,472	149,269
Special Reserve Fund for Capital Outlay Projects	3,025,577	-
Total	\$ 3,607,560	\$ 3,607,560

The General Fund owes the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for capital projects.	\$ 2,855,175
The General Fund owes the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for redevelopment agencies local property taxes.	170,402
The General Fund owes the Cafeteria Non-Major Governmental Fund for project contributions.	394,472
The Child Development Non-Major Governmental Fund owes the General Fund for payroll expenditures.	6,014
The Child Development Non-Major Governmental Fund owes the General Fund for indirect costs.	32,228
The Cafeteria Non-Major Governmental Fund owes the General Fund for a temporary cash flow loan.	100,000
The Cafeteria Non-Major Governmental Fund owes the General Fund for payroll expenditures.	7,381
The Cafeteria Non-Major Governmental Fund owes the General Fund for indirect costs.	41,888
Total	\$ 3,607,560

Operating Transfers

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2021, consisted of the following:

The General Fund transferred to the Cafeteria Non-Major Governmental Fund for project contributions.	\$ 394,472
The General Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for capital outlay projects.	2,855,175
The General Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for Redevelopment Agencies local property taxes.	170,402
The Building Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects to close sub Fund 2101.	36,227
The Building Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects to close sub Fund 2103.	<u>1,242</u>
Total	<u><u>\$ 3,457,518</u></u>

Note 6 - Accounts Payable

Accounts payable at June 30, 2021, consist of the following:

	General Fund	Non-Major Governmental Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Vendor payables	\$ 1,258,155	\$ 244,145	\$ 1,502,300
LCFF apportionment	3,631,749	-	3,631,749
Salaries and benefits	302,857	51,534	354,391
Deferred payroll	<u>787,057</u>	<u>-</u>	<u>787,057</u>
Total	<u><u>\$ 5,979,818</u></u>	<u><u>\$ 295,679</u></u>	<u><u>\$ 6,275,497</u></u>

Note 7 - Unearned Revenue

Unearned revenue at June 30, 2021, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 917,410	\$ -	\$ 917,410
State categorical aid	547,569	38,578	586,147
Total	\$ 1,464,979	\$ 38,578	\$ 1,503,557

Note 8 - Tax and Revenue Anticipation Notes (TRANS)

The District issued \$2,000,000 of Tax and Revenue Anticipation Notes dated August 11, 2020. The notes matured on February 1, 2021, and yielded 2.0 percent interest. The notes were sold to supplement cash flow. Repayment requirements were that a percentage of principal and interest be deposited with the Fiscal Agent by January 1, 2021, which equaled 100 percent of principal and interest due on February 1, 2021.

On March 29, 2021, the District issued \$7,000,000 of Tax and Revenue Anticipation Notes bearing interest at 0.25 percent. The notes were issued to supplement cash flows. Interest and principal are due and payable on January 31, 2022.

Changes in the outstanding liabilities for the Tax and Revenue Anticipation Notes are as follows:

Issue Date	Rate	Maturity Date	Outstanding July 1, 2020	Additions	Payments	Outstanding June 30, 2021
8/11/2020	2.00%	2/1/2021	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -
3/29/2021	0.25%	1/31/2022	-	7,000,000	-	7,000,000
Total			\$ -	\$ 9,000,000	\$ 2,000,000	\$ 7,000,000

Note 9 - Long-Term Liabilities Other than OPEB and Pensions**Summary**

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 24,355,000	\$ 23,060,000	\$ (8,455,000)	\$ 38,960,000	\$ 535,000
Certificates of participation	6,225,000	-	(355,000)	5,870,000	370,000
Unamortized debt premiums	1,647,409	2,057,577	(380,720)	3,324,266	-
Unamortized debt discounts	(30,354)	-	2,168	(28,186)	-
Capital leases	116,986	-	(42,615)	74,371	34,555
Early retirement liabilities	221,244	-	(55,311)	165,933	55,311
Compensated absences	280,001	-	(7,071)	272,930	-
Total	<u>\$ 32,815,286</u>	<u>\$ 25,117,577</u>	<u>\$ (9,293,549)</u>	<u>\$ 48,639,314</u>	<u>\$ 994,866</u>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local tax revenues. Payments on the certificates of participation and capital leases are made by the General Fund. The unamortized debt premiums and unamortized debt discounts will be amortized over the life of the related debt. The compensated absences and early retirement incentive are paid by the fund for which the employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2020	Issued	Redeemed	Bonds Outstanding June 30, 2021
5/4/2010	5/1/2023	4.5-5.0%	\$ 2,365,000	\$ 620,000	\$ -	\$ (240,000)	\$ 380,000
2/13/2013	8/1/2043	2.0-5.0%	11,965,000	10,835,000	-	(6,515,000)	4,320,000
10/13/2016	8/1/2043	2.0-5.0%	10,035,000	10,035,000	-	-	10,035,000
10/9/2018	8/1/2034	3.4-4.4%	2,865,000	2,865,000	-	(80,000)	2,785,000
8/27/2020	8/1/2042	0.508-3.153%	7,560,000	-	7,560,000	-	7,560,000
1/12/2021	8/1/2050	0.52-4.00%	15,500,000	-	15,500,000	(1,620,000)	13,880,000
Total				<u>\$ 24,355,000</u>	<u>\$ 23,060,000</u>	<u>\$ (8,455,000)</u>	<u>\$ 38,960,000</u>

2010 General Obligation Refunding Bonds

Prior to the unification and formation of the Washington Unified School District, on May 4, 2010, the West Fresno Elementary School District issued \$2,365,000 of 2010 General Obligation Refunding Bonds. The bonds were issued to refund the remaining outstanding obligation of the 1997 Series A and Series B General Obligation Bonds that were issued previously by the District. The bonds were issued as current interest bonds. Interest on the bonds is payable semiannually on May 1 and November 1 of each year commencing May 1, 2011.

2012 Series A General Obligation Bonds

On February 13, 2013, the District issued \$11,965,000 of Election of 2012, Series A General Obligation Bonds. The bonds were authorized at an election of the registered voters of the District held on November 6, 2012, which authorized the issuance of \$22,000,000 principal amount of general obligation bonds for the purpose of financing the construction, renovation, modernization and equipping of school facilities. The Series A bonds were the first series of bonds to be issued under the authorization. The bonds were issued as current interest bonds. Interest on the bonds is payable semiannually on February 1 and August 1 of each year commencing August 1, 2013.

2012 Series B General Obligation Bonds

On October 13, 2016, the District issued \$10,035,000 of Election of 2012, Series B General Obligation Bonds. The bonds were authorized at an election of the registered voters of the District held on November 6, 2012, which authorized the issuance of \$22,000,000 principal amount of general obligation bonds. The Series B bonds were the second and final series of bonds to be issued under the authorization. The bonds were issued as current interest bonds. Interest on the bonds is payable semiannually on February 1 and August 1 of each year commencing February 1, 2017. The bonds were issued to refinance certain District capital costs through the prepayment, on a current basis, of a portion of the District's 2013 Certificates of Participation and the advance refunding of all of the District's outstanding 2015 Bond Anticipation Notes.

2018 General Obligations Refunding Bonds

On October 9, 2018, the District issued \$2,865,000 of 2018 General Obligation Bonds. The bonds were issued to advance refund the West Fresno Elementary School District's 1997 General Obligation Bonds, Series C, consisting of a term bond maturing in the year 2035.

Election of 2020, General Obligation Refunding Bond Issuance

On August 27, 2020, the District issued \$7,560,000 of general obligation refunding bonds to be funded by the tax payers within the District. The bonds were issued to advance a portion of the callable outstanding maturities of the District's general obligation bonds, Election of 2012, Series A, consisting of current interest serial bonds maturing in the years 2024 through 2028, inclusive, and current interest bonds maturing in the years 2033, 2038, 2043 (as to portion of same to be refunded, the "Refunding Bonds"), and to pay costs of issuance of the Bonds. The interest rates on the bonds range from 1.000 percent to 3.153 percent and mature August 1, 2030 through August 1, 2042 and required mandatory sinking fund payments during the period. Interest payments are required on the outstanding bonds each February 1 and August 1 commencing February 1, 2021.

Election of 2020, Series A, General Obligation Bond Issuance

On January 12, 2021, the District issued \$15,500,000 of general obligation bonds to be funded by the tax payers within the District. The bonds were issued to finance the cost of construction, repair, modernization, acquisition, and equipping of school classrooms, facilities, and school sites within the District. The interest rates on the bonds is 4.00 percent and mature from August 1, 2040 through August 1, 2050 and required mandatory sinking fund payments during the period. Interest payments are required on the outstanding bonds each February 1 and August 1 commencing August 1, 2021.

Debt Service Requirements to Maturity

The current interest bonds mature as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2022	\$ 535,000	\$ 1,493,273	\$ 2,028,273
2023	990,000	1,456,129	2,446,129
2024	1,305,000	1,410,473	2,715,473
2025	835,000	1,375,177	2,210,177
2026	935,000	1,346,082	2,281,082
2027-2031	4,230,000	6,347,681	10,577,681
2032-2036	7,315,000	5,300,737	12,615,737
2037-2041	9,320,000	3,698,010	13,018,010
2042-2046	8,565,000	1,637,002	10,202,002
2047-2051	4,930,000	523,800	5,453,800
Total	<u>\$ 38,960,000</u>	<u>\$ 24,588,364</u>	<u>\$ 63,548,364</u>

Certificates of Participation

On October 27, 2016, the Washington Unified School District issued refunding certificates of participation in the amount of \$7,295,000 with interest rates ranging from 2.0 to 4.0 percent. The certificates were issued to refund a portion of the District's outstanding 2013 Certificates of Participation.

The certificates mature through 2034 as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 370,000	\$ 176,619	\$ 546,619
2023	385,000	161,518	546,518
2024	400,000	147,819	547,819
2025	415,000	135,593	550,593
2026	425,000	122,994	547,994
2027-2031	2,315,000	421,093	2,736,093
2032-2034	1,560,000	75,734	1,635,734
Total	<u>\$ 5,870,000</u>	<u>\$ 1,241,370</u>	<u>\$ 7,111,370</u>

Capital Leases

The District has entered into agreements to lease vehicles and for a security system. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

	Vehicles	Security System	Blue Bird Bus	Total
Balance, July 1, 2020	\$ 31,324	\$ 9,378	\$ 76,284	\$ 116,986
Payments	(15,403)	(9,378)	(17,834)	(42,615)
Balance, July 1, 2021	\$ 15,921	\$ -	\$ 58,450	\$ 74,371

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2022	\$ 37,717
2023	21,259
2024	21,259
Total	80,235
Less amount representing interest	(5,864)
Present value of minimum lease payments	\$ 74,371

PARS Early Retirement Incentive

The District entered into an agreement with four employees where the employees would be given varying amounts per participant for five years. The outstanding liability for this plan was \$165,933 at June 30, 2021.

Year Ending June 30,	Payment
2022	\$ 55,311
2023	55,311
2024	55,311
Total	\$ 165,933

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to \$272,930.

Note 10 - Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2021, the District reported total OPEB liability and OPEB expense for the following plans:

OPEB Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	\$ 12,313,527	\$ 1,468,407	\$ 178,220	\$ 1,220,007
Medicare Premium Payment (MPP) Program	174,450	-	-	22,543
Total	<u>\$ 12,487,977</u>	<u>\$ 1,468,407</u>	<u>\$ 178,220</u>	<u>\$ 1,242,550</u>

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

At July 1, 2020, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	33
Active employees	<u>258</u>
Total	<u><u>291</u></u>

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Washington Unified Faculty Association (WUFA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, WUFA, CSEA, and the unrepresented groups. For measurement period of June 30, 2021, the District paid \$559,234 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of \$12,313,527 was measured as of June 30, 2021, by applying certain roll-forward procedures to the valuation dated July 1, 2020.

Actuarial Assumptions

The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	3 percent, average, including inflation
Discount rate	1.92 percent
Healthcare cost trend rates	4 percent for 2021

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males and Females, as appropriate, without projection.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actual experience study for the period July 1, 2019 to June 30, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2020	\$ 11,335,752
Service cost	734,805
Interest	286,697
Differences between expected and actual experience	(168,650)
Changes of assumptions or other inputs	684,157
Benefit payments	(559,234)
Net change in total OPEB liability	977,775
Balance, June 30, 2021	\$ 12,313,527

Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions - The discount rate assumption was changed from 2.45 percent to 1.92 percent since the previous report. The health trend rate was decreased from 5.80 percent to 4.00 percent.

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

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

<u>Discount Rate</u>	<u>Total OPEB Liability</u>
1% decrease (0.92%)	\$ 13,550,393
Current discount rate (1.92%)	12,313,527
1% increase (2.92%)	11,197,355

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

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

<u>Healthcare Cost Trend Rate</u>	<u>Total OPEB Liability</u>
1% decrease (3.0%)	\$ 10,836,343
Current healthcare cost trend rate (4.0%)	12,313,527
1% increase (5.0%)	14,073,900

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,220,007. At June 30, 2021, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 178,220
Changes of assumptions	1,468,407	-
Total	<u>\$ 1,468,407</u>	<u>\$ 178,220</u>

The deferred outflows of resources related to the changes of assumptions in the OPEB actuarial report will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period and will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>
2022	\$ 223,693
2023	223,693
2024	223,693
2025	223,693
2026	223,693
Thereafter	<u>349,942</u>
Total	<u>\$ 1,468,407</u>

The deferred inflows of resources related to the differences between projected and actual experience in the OPEB actuarial report will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period and will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Inflows of Resources</u>
2022	\$ (25,188)
2023	(25,188)
2024	(25,188)
2025	(25,188)
2026	(25,188)
Thereafter	<u>(52,280)</u>
Total	<u>\$ (178,220)</u>

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California Education Code Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2021, the District reported a liability of \$174,450 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.0412 percent and 0.0408 percent, resulting in a net increase in the proportionate share of 0.0004 percent.

For the year ended June 30, 2021, the District recognized OPEB expense of \$22,543.

Actuarial Methods and Assumptions

The June 30, 2020 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020, using the assumptions listed in the following table:

Measurement Date	June 20, 2020	June 30, 2019
Valuation Date	June 30, 2019	June 30, 2018
Experience Study	June 30, 2014 through June 30, 2018	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.21%	3.50%
Medicare Part A Premium Cost Trend Rate	4.50%	3.70%
Medicare Part B Premium Cost Trend Rate	5.40%	4.10%

For the valuation as of June 30, 2019, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294 or an average of 0.18 percent of the potentially eligible population (159,339).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2020, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020, is 2.21 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.21 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29 percent from 3.50 percent as of June 30, 2019.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (1.21%)	\$ 192,903
Current discount rate (2.21%)	174,450
1% increase (3.21%)	158,748

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	\$ 158,180
Current Medicare costs trend rate (4.50% Part A and 5.40% Part B)	174,450
1% increase (5.50% Part A and 6.40% Part B)	193,180

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	\$ 10,000	\$ -	\$ 100	\$ 10,100
Stores inventories	438	-	-	438
Prepaid expenditures	5,000	-	-	5,000
Total nonspendable	<u>15,438</u>	<u>-</u>	<u>100</u>	<u>15,538</u>
Restricted				
Legally restricted programs	2,166,369	-	70,588	2,236,957
Student activities	-	-	346,679	346,679
Food service	-	-	365,216	365,216
Capital projects	-	15,437,586	1,211,944	16,649,530
Debt services	-	-	1,251,663	1,251,663
Total restricted	<u>2,166,369</u>	<u>15,437,586</u>	<u>3,246,090</u>	<u>20,850,045</u>
Assigned				
Postemployment benefits	492,240	-	-	492,240
Capital projects	-	-	3,675,703	3,675,703
Total assigned	<u>492,240</u>	<u>-</u>	<u>3,675,703</u>	<u>4,167,943</u>
Unassigned				
Reserve for economic uncertainties	4,342,112	-	-	4,342,112
Total	<u>\$ 7,016,159</u>	<u>\$ 15,437,586</u>	<u>\$ 6,921,893</u>	<u>\$ 29,375,638</u>

Note 12 - Risk Management**Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2021, the District contracted with Organization of Self-Insured Schools for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2021, the District participated in the Fresno County Self-Insurance Group, an insurance purchasing pool. The intent of the Fresno County Self-Insurance Group is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Fresno County Self-Insurance Group. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the Fresno County Self-Insurance Group. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Fresno County Self-Insurance Group. Participation in the Fresno County Self-Insurance Group is limited to districts that can meet the Fresno County Self-Insurance Group selection criteria.

Employee Medical Benefits

The District has contracted with the California's Valued Trust (CVT) to provide employee health benefits. CVT is a shared risk pool. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating Districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

Note 13 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2021, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 22,894,312	\$ 5,299,129	\$ 1,406,479	\$ 2,813,614
CalPERS	9,567,173	1,668,088	340,418	1,770,103
Total	\$ 32,461,485	\$ 6,967,217	\$ 1,746,897	\$ 4,583,717

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>STRP Defined Benefit Program</u>	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	16.15%	16.15%
Required employer contribution rate	10.328%	10.328%
Required state contribution rate		

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were \$2,083,334.

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

At June 30, 2021, 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:

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 22,894,312
State's proportionate share of the net pension liability	<u>11,802,021</u>
Total	<u><u>\$ 34,696,333</u></u>

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively was 0.0236 percent and 0.0231 percent, resulting in a net increase in the proportionate share of 0.0005 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$2,813,614. In addition, the District recognized pension expense and revenue of \$1,653,347 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,083,334	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	399,039	760,819
Differences between projected and actual earnings on pension plan investments	543,838	-
Differences between expected and actual experience in the measurement of the total pension liability	40,398	645,660
Changes of assumptions	2,232,520	-
Total	\$ 5,299,129	\$ 1,406,479

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2022	\$ (331,846)
2023	185,296
2024	369,684
2025	320,704
Total	\$ 543,838

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 324,459
2023	502,281
2024	499,325
2025	(64,309)
2026	(50,498)
Thereafter	54,220
Total	<u>\$ 1,265,478</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

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

Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	(0.4%)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these 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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 34,590,117
Current discount rate (7.10%)	22,894,312
1% increase (8.10%)	13,237,779

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.70%	20.70%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were \$953,893.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$9,567,173. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively was 0.0312 percent and 0.0307 percent, resulting in a net increase in the proportionate share of 0.0005 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$1,770,103. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 953,893	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	5,450	340,418
Differences between projected and actual earnings on pension plan investments	199,159	-
Differences between expected and actual experience in the measurement of the total pension liability	474,503	-
Changes of assumptions	35,083	-
	<u>\$ 1,668,088</u>	<u>\$ 340,418</u>
Total	<u>\$ 1,668,088</u>	<u>\$ 340,418</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>
2022	\$ (74,528)
2023	66,478
2024	115,549
2025	<u>91,660</u>
Total	<u>\$ 199,159</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ 181,584
2023	(3,386)
2024	(3,253)
2025	<u>(327)</u>
Total	<u>\$ 174,618</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	(0.92%)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.15%)	\$ 13,754,555
Current discount rate (7.15%)	9,567,173
1% increase (8.15%)	6,091,855

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$1,335,638 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves.

Note 14 - Commitments and Contingencies**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

Litigation

The District is not currently a party to any legal proceedings.

Construction Commitments

As of June 30, 2021, the District had the following commitments with respect to the unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
West Fresno Elementary School kitchen and storage remodel improvement	<u>\$ 204,358</u>	01/2022

Note 15 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Fresno County Self-Insurance Group (FCSIG), the Organization of Self-Insured Schools (OSS) and the California's Valued Trust (CVT) public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements.

The District has appointed no members to the governing board of FCSIG.

During the year ended June 30, 2021, the District made payment of \$355,007 to FCSIG for workers' compensation insurance.

The District has appointed no members to the governing board of OSS.

During the year ended June 30, 2021, the District made payment of \$257,369 to OSS for liability and property damage insurance.

The District has appointed one member to the governing board of CVT.

During the year ended June 30, 2021, the District made payment of \$4,777,086 to CVT for health coverage.

Note 16 - Restatement of Prior Year Net Position and Fund Balance

As of July 1, 2020, the Washington Unified School District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, the District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund. The following table describes the effects of the implementation on beginning fund balance/net position.

	Non-Major Governmental Funds	Total Governmental Funds
Beginning Fund Balance previously reported at June 30, 2020	\$ 2,385,795	\$ 6,597,239
Reclassification of student activity funds from agency funds to a special revenue fund	<u>364,642</u>	<u>364,642</u>
Fund Balance - Beginning as Restated July 1, 2020	<u>\$ 2,750,437</u>	<u>\$ 6,961,881</u>
Governmental Activities Financial Statements		
Beginning Governmental Activities Net Position previously reported at June 30, 2020		\$ (6,437,711)
Reclassification of student activity funds from agency funds to a special revenue fund		<u>364,642</u>
Net Position - Beginning as Restated July 1, 2020		<u>\$ (6,073,069)</u>



Required Supplementary Information
June 30, 2021

Washington Unified School District

Washington Unified School District
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Local Control Funding Formula	\$ 27,701,134	\$ 30,552,620	\$ 30,445,803	\$ (106,817)
Federal sources	5,109,198	8,786,445	6,883,034	(1,903,411)
Other State sources	2,831,094	3,181,199	3,711,654	530,455
Other local sources	1,169,220	1,475,671	1,950,952	475,281
Total revenues ¹	<u>36,810,646</u>	<u>43,995,935</u>	<u>42,991,443</u>	<u>(1,004,492)</u>
Expenditures				
Current				
Certificated salaries	13,383,657	13,979,407	13,475,280	504,127
Classified salaries	4,829,644	5,248,691	4,633,078	615,613
Employee benefits	11,105,624	11,301,362	10,222,022	1,079,340
Books and supplies	1,606,736	3,939,355	2,047,160	1,892,195
Services and operating expenditures	5,271,608	6,757,517	4,941,738	1,815,779
Other outgo	184,443	609,044	(119,171)	728,215
Capital outlay	23,466	415,164	492,125	(76,961)
Debt service				
Debt service - principal	385,989	397,614	397,614	-
Debt service - interest and other	211,601	195,975	241,032	(45,057)
Total expenditures ¹	<u>37,002,768</u>	<u>42,844,129</u>	<u>36,330,878</u>	<u>6,513,251</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(192,122)</u>	<u>1,151,806</u>	<u>6,660,565</u>	<u>5,508,759</u>
Other Financing Uses				
Transfers out	-	-	(3,420,049)	(3,420,049)
Other uses	-	(341,190)	(398,091)	(56,901)
Total financing uses	<u>-</u>	<u>(341,190)</u>	<u>(3,818,140)</u>	<u>(3,476,950)</u>
Net Change in Fund Balances	(192,122)	810,616	2,842,425	2,031,809
Fund Balance - Beginning	4,173,734	4,173,734	4,173,734	-
Fund Balance - Ending	<u>\$ 3,981,612</u>	<u>\$ 4,984,350</u>	<u>\$ 7,016,159</u>	<u>\$ 2,031,809</u>

¹ Due to the consolidation of Fund 20, Special Reserve Postemployment Benefits Fund for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however are not included in the original and final General Fund budgets.

Washington Unified School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 734,805	\$ 665,801	\$ 614,988	\$ 509,444
Interest	286,697	330,944	329,564	318,774
Difference between expected and actual experience	(168,650)	-	(45,452)	-
Changes of assumptions	684,157	719,776	488,887	-
Benefit payments	<u>(559,234)</u>	<u>(572,137)</u>	<u>(585,173)</u>	<u>(486,847)</u>
Net change in total OPEB liability	977,775	1,144,384	802,814	341,371
Total OPEB Liability - Beginning	<u>11,335,752</u>	<u>10,191,368</u>	<u>9,388,554</u>	<u>9,047,183</u>
Total OPEB Liability - Ending	<u><u>\$ 12,313,527</u></u>	<u><u>\$ 11,335,752</u></u>	<u><u>\$ 10,191,368</u></u>	<u><u>\$ 9,388,554</u></u>
Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

¹ The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

Washington Unified School District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2021

Year ended June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability	0.0412%	0.0408%	0.0421%	0.0426%
Proportionate share of the net OPEB liability	\$ 174,450	\$ 151,907	\$ 161,039	\$ 179,244
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

¹ As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

Washington Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CaSTRS				
Proportion of the net pension liability	0.0236%	0.0231%	0.0234%	0.0235%
Proportionate share of the net pension liability	\$ 22,894,312	\$ 20,825,984	\$ 21,542,881	\$ 21,763,650
State's proportionate share of the net pension liability	11,802,021	11,361,965	12,334,307	12,875,192
Total	<u>\$ 34,696,333</u>	<u>\$ 32,187,949</u>	<u>\$ 33,877,188</u>	<u>\$ 34,638,842</u>
Covered payroll	<u>\$ 12,851,211</u>	<u>\$ 12,494,779</u>	<u>\$ 12,531,601</u>	<u>\$ 12,593,959</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>178.15%</u>	<u>166.68%</u>	<u>171.91%</u>	<u>172.81%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>73%</u>	<u>71%</u>	<u>69%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CaIPERS				
Proportion of the net pension liability	0.0312%	0.0307%	0.0327%	0.0326%
Proportionate share of the net pension liability	\$ 9,567,173	\$ 8,944,088	\$ 8,712,579	\$ 7,773,328
Covered payroll	<u>\$ 4,492,110</u>	<u>\$ 4,257,220</u>	<u>\$ 4,309,793</u>	<u>\$ 4,446,997</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>212.98%</u>	<u>210.09%</u>	<u>202.16%</u>	<u>174.80%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>70%</u>	<u>71%</u>	<u>72%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note: In the future, as data becomes available, ten years of information will be presented.

Washington Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>
CaSTRS			
Proportion of the net pension liability	<u>0.0247%</u>	<u>0.0243%</u>	<u>0.0255%</u>
Proportionate share of the net pension liability	<u>\$ 19,956,738</u>	<u>\$ 16,333,801</u>	<u>\$ 14,924,366</u>
State's proportionate share of the net pension liability	<u>11,361,015</u>	<u>8,638,780</u>	<u>9,011,976</u>
Total	<u><u>\$ 31,317,753</u></u>	<u><u>\$ 24,972,581</u></u>	<u><u>\$ 23,936,342</u></u>
Covered payroll	<u>\$ 12,536,757</u>	<u>\$ 11,934,257</u>	<u>\$ 11,219,455</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>159.19%</u>	<u>136.86%</u>	<u>133.02%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014
CaLPERS			
Proportion of the net pension liability	<u>0.0335%</u>	<u>0.0339%</u>	<u>0.0314%</u>
Proportionate share of the net pension liability	<u>\$ 6,616,581</u>	<u>\$ 4,996,194</u>	<u>\$ 3,567,659</u>
Covered payroll	<u>\$ 4,020,967</u>	<u>\$ 3,753,165</u>	<u>\$ 3,110,103</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>164.55%</u>	<u>133.12%</u>	<u>114.71%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74%</u>	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014

Note: In the future, as data becomes available, ten years of information will be presented.

Washington Unified School District
Schedule of the District Contributions
Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CaSTRS				
Contractually required contribution	\$ 2,083,334	\$ 2,197,557	\$ 2,034,150	\$ 1,808,310
Less contributions in relation to the contractually required contribution	<u>2,083,334</u>	<u>2,197,557</u>	<u>2,034,150</u>	<u>1,808,310</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 12,899,901</u>	<u>\$ 12,851,211</u>	<u>\$ 12,494,779</u>	<u>\$ 12,531,601</u>
Contributions as a percentage of covered payroll	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>
CaPERS				
Contractually required contribution	\$ 953,893	\$ 885,889	\$ 768,939	\$ 669,354
Less contributions in relation to the contractually required contribution	<u>953,893</u>	<u>885,889</u>	<u>768,939</u>	<u>669,354</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,608,179</u>	<u>\$ 4,492,110</u>	<u>\$ 4,257,220</u>	<u>\$ 4,309,793</u>
Contributions as a percentage of covered payroll	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>

Note: In the future, as data becomes available, ten years of information will be presented.

Washington Unified School District
Schedule of the District Contributions
Year Ended June 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>
CalSTRS			
Contractually required contribution	\$ 1,584,320	\$ 1,345,194	\$ 1,059,762
Less contributions in relation to the contractually required contribution	<u>1,584,320</u>	<u>1,345,194</u>	<u>1,059,762</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 12,593,959</u>	<u>\$ 12,536,757</u>	<u>\$ 11,934,257</u>
Contributions as a percentage of covered payroll	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS			
Contractually required contribution	\$ 617,599	\$ 476,364	\$ 441,785
Less contributions in relation to the contractually required contribution	<u>617,599</u>	<u>476,364</u>	<u>441,785</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,446,997</u>	<u>\$ 4,020,967</u>	<u>\$ 3,753,165</u>
Contributions as a percentage of covered payroll	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

Note: In the future, as data becomes available, ten years of information will be presented.

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 State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate assumption was changed from 2.45 percent to 1.92 percent since the previous report. The health trend rate was decreased from 5.80 percent to 4.00 percent.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability - MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plan rate of investment return assumption was changed from 3.50 percent to 2.21 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.



Supplementary Information
June 30, 2021

Washington Unified School District

Washington Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	\$ 571,908
Special Education Preschool Grants	84.173	13430	<u>13,548</u>
Total Special Education Cluster			<u>585,456</u>
Migrant Education State Grant Program	84.011	14326	136,594
Migrant Education State Grant Program - Summer	84.011	10005	35,816
Migrant Education State Grant Program - Even Start	84.011	14768	<u>3,835</u>
Subtotal CFDA #84.011			<u>176,245</u>
COVID-19, Elementary and Secondary School Emergency Relief (ESSER) Fund			
COVID-19, Child Nutrition: CARES Act Supplemental Meal Reimbursement	84.425D	15536	574,357
	84.425	15535	<u>101,549</u>
Subtotal CFDA #84.425			<u>675,906</u>
Title I Grants to Local Educational Agencies	84.010	14329	1,910,022
Title I, School Improvement Grant	84.377	14971	170,123
Supporting Effective Instruction State Grants - Teacher Quality	84.367	14341	101,218
English Language Acquisition State Grants - LEP	84.365	14346	111,192
Student Support and Academic Enrichment Program	84.424	15396	155,467
Twenty-First Century Community Learning Centers	84.287	14349	196,365
Career and Technical Education - Basic Grants to States	84.048	14894	<u>45,596</u>
Total U.S. Department of Education			<u>4,127,590</u>
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	356,804
National School Lunch Program - Commodity Supplemental Food	10.555	13391	145,694
School Breakfast Program - Especially Needy Breakfast	10.553	13526	207,567
Summer Food Service Program Operations	10.559	13004	<u>79,907</u>
Total Child Nutrition Cluster			<u>789,972</u>
Total U.S. Department of Agriculture			<u>789,972</u>

Washington Unified School District
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of the Treasury Passed Through California Department of Education COVID-19, Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	25516	<u>2,856,994</u>
Total Federal Financial Assistance			<u>\$ 7,774,556</u>

Organization

The Washington Unified School District was unified on July 1, 2011, and consists of an area comprising approximately 99 square miles. The District operates two elementary schools, one middle school, one high school, a continuation high school, a community day school, and an independent study site. There were no boundary changes during the year.

Governing Board

Member	Office	Term Expires
Henry Hendrix	President	2024
Darrell Carter	Vice President	2022
Steve Barra	Clerk	2022
Mark Aguilar	Member	2024
Anna Campbell	Member	2022
Terry Ruiz	Member	2024
Eddie Ruiz	Member	2024

Administration

Randy Morris	Superintendent
Sophia Rizzo Ed.D	Assistant Superintendent
Chris M. Vaz	Chief Business Official

Washington Unified School District
 Schedule of Instructional Time
 Year Ended June 30, 2021

Grade Level	Number of Actual Days		Total Days Offered	Status
	Traditional Calendar	Multitrack Calendar		
Kindergarten	180	N/A	180	Complied
Grades 1 - 3				
Grade 1	180	N/A	180	Complied
Grade 2	180	N/A	180	Complied
Grade 3	180	N/A	180	Complied
Grades 4 - 8				
Grade 4	180	N/A	180	Complied
Grade 5	180	N/A	180	Complied
Grade 6	180	N/A	180	Complied
Grade 7	180	N/A	180	Complied
Grade 8	180	N/A	180	Complied
Grades 9 - 12				
Grade 9	180	N/A	180	Complied
Grade 10	180	N/A	180	Complied
Grade 11	180	N/A	180	Complied
Grade 12	180	N/A	180	Complied

Washington Unified School District
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
 Year Ended June 30, 2021

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	Student Activities Fund
Fund Balance	
Balance, June 30, 2021, Unaudited Actuals	\$ 247,600
Increase in	
Cash in county treasury	99,079
Balance, June 30, 2021, Audited Financial Statements	\$ 346,679

Washington Unified School District
 Schedule of Financial Trends and Analysis
 Year Ended June 30, 2021

	(Budget) 2022 ¹	2021	2020	2019
General Fund ³				
Revenues	\$ 49,418,495	\$ 42,991,443	\$ 38,857,987	\$ 40,174,890
Other sources	-	-	439	93,351
Total Revenues and Other Sources	<u>49,418,495</u>	<u>42,991,443</u>	<u>38,858,426</u>	<u>40,268,241</u>
Expenditures	48,217,376	36,728,969	37,623,969	38,311,133
Other uses and transfers out	130,131	3,912,289	400,000	818,514
Total Expenditures and Other Uses	<u>48,347,507</u>	<u>40,641,258</u>	<u>38,023,969</u>	<u>39,129,647</u>
Increase in Fund Balance	<u>1,070,988</u>	<u>2,350,185</u>	<u>834,457</u>	<u>1,138,594</u>
Ending Fund Balance	<u>\$ 7,594,907</u>	<u>\$ 6,523,919</u>	<u>\$ 4,173,734</u>	<u>\$ 3,339,277</u>
Available Reserves ²	<u>\$ 4,655,868</u>	<u>\$ 4,342,112</u>	<u>\$ 1,140,721</u>	<u>\$ 2,968,191</u>
Available Reserves as a Percentage of Total Outgo	<u>9.63%</u>	<u>10.68%</u>	<u>3.00%</u>	<u>7.80%</u>
Long-Term Liabilities	<u>Not Available</u>	<u>\$ 93,588,776</u>	<u>\$ 74,073,217</u>	<u>\$ 74,237,312</u>
Average Daily Attendance at P-2	<u>2,459</u>	<u>2,459</u>	<u>2,459</u>	<u>2,456</u>

The General Fund balance has increased by \$3,184,642 over the past two years. The fiscal year 2021-2022 budget projects an increase of \$1,070,988 (16.4 percent). For a district this size, the State recommends available reserves of at least 3.0 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating surplus during the 2021-2022 fiscal year. Total long-term liabilities have increased by \$19,351,464 over the past two years due to issuances of General Obligation Bonds in 2020-2021.

Average daily attendance has increased by three over the past two years. No change of ADA is anticipated during fiscal year 2021-2022.

¹ Budget 2022 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances contained within the General Fund.

³ General Fund amounts do not include activity related to the consolidation of the Special Reserve Postemployment Benefits as required by GASB Statement No. 54.

Washington Unified School District
Schedule of Charter Schools
Year Ended June 30, 2021

Name of Charter School	Charter Number	Included in Audit Report
W.E.B. DeBois Public Charter	0270	No

Washington Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2021

	Student Activities Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets								
Deposits and investments	\$ 346,679	\$ 63,206	\$ 106,941	\$ 405,855	\$ 799,867	\$ 525,833	\$ 1,243,115	\$ 3,491,496
Receivables	-	56,606	324,050	3,709	4,411	134,698	8,642	532,116
Due from other funds	-	-	394,472	-	-	3,025,577	-	3,420,049
Total assets	\$ 346,679	\$ 119,812	\$ 825,463	\$ 409,564	\$ 804,278	\$ 3,686,108	\$ 1,251,757	\$ 7,443,661
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ 10,982	\$ 272,300	\$ 1,898	\$ -	\$ 10,405	\$ 94	\$ 295,679
Due to other funds	-	38,242	149,269	-	-	-	-	187,511
Unearned revenue	-	-	38,578	-	-	-	-	38,578
Total liabilities	-	49,224	460,147	1,898	-	10,405	94	521,768
Fund Balances								
Nonspendable	-	-	100	-	-	-	-	100
Restricted	346,679	70,588	365,216	407,666	804,278	-	1,251,663	3,246,090
Assigned	-	-	-	-	-	3,675,703	-	3,675,703
Total fund balances	346,679	70,588	365,316	407,666	804,278	3,675,703	1,251,663	6,921,893
Total liabilities and fund balances	\$ 346,679	\$ 119,812	\$ 825,463	\$ 409,564	\$ 804,278	\$ 3,686,108	\$ 1,251,757	\$ 7,443,661

Washington Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2021

	Student Activities Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues								
Federal sources	\$ -	\$ 37,485	\$ 891,522	\$ -	\$ -	\$ -	\$ -	\$ 929,007
Other State sources	-	544,109	53,301	-	799,711	-	4,591	1,401,712
Other local sources	155,921	33,103	40,419	178,949	4,567	134,583	1,423,711	1,971,253
Total revenues	155,921	614,697	985,242	178,949	804,278	134,583	1,428,302	4,301,972
Expenditures								
Current								
Instruction	-	481,864	-	-	-	-	-	481,864
Instruction-related activities								
Supervision of instruction	-	28,928	-	-	-	-	-	28,928
School site administration	-	1,089	-	-	-	-	-	1,089
Pupil services								
Food services	-	-	960,521	-	-	-	-	960,521
Administration								
All other administration	-	32,228	41,888	-	-	-	-	74,116
Plant services	-	-	28,796	44,548	-	91,178	-	164,522
Ancillary services	173,884	-	-	-	-	-	-	173,884
Facility acquisition and construction	-	-	549,548	-	-	13,800	-	563,348
Debt service								
Principal	-	-	-	-	-	-	2,065,000	2,065,000
Interest and other	-	-	-	-	-	-	1,222,041	1,222,041
Total expenditures	173,884	544,109	1,580,753	44,548	-	104,978	3,287,041	5,735,313
Excess (Deficiency) of Revenues Over Expenditures	(17,963)	70,588	(595,511)	134,401	804,278	29,605	(1,858,739)	(1,433,341)

Washington Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2021

	Student Activities Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Other Financing Sources								
Transfers in	-	-	394,472	-	-	3,063,046	-	3,457,518
Proceeds from bond issuances	-	-	-	-	-	-	9,466,172	9,466,172
Payment to escrow for refunded debt	-	-	-	-	-	-	(7,318,893)	(7,318,893)
Net Financing Sources (Uses)	-	-	394,472	-	-	3,063,046	2,147,279	5,604,797
Net Change in Fund Balances	(17,963)	70,588	(201,039)	134,401	804,278	3,092,651	288,540	4,171,456
Fund Balance - Beginning, as Restated	364,642	-	566,355	273,265	-	583,052	963,123	2,750,437
Fund Balance - Ending	<u>\$ 346,679</u>	<u>\$ 70,588</u>	<u>\$ 365,316</u>	<u>\$ 407,666</u>	<u>\$ 804,278</u>	<u>\$ 3,675,703</u>	<u>\$ 1,251,663</u>	<u>\$ 6,921,893</u>

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Washington Unified School District (the District) under programs of the federal government for the year ended June 30, 2021. The information 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such 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. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had food commodities totaling \$145,694 in inventory.

SEFA Reconciliation

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The total federal expenditures reported on the schedule differs from the total federal revenue recognized within the financial statements due to the unspent portion of the Child Development: Coronavirus Response and Relief Supplemental Apportionments Act revenue received.

	<u>Federal Financial Assistance Listing/Federal CFDA Number</u>	<u>Amount</u>
Description		
Total Federal Revenues reported on the financial statements		\$ 7,812,041
Child Development: Coronavirus Response and Relief Supplemental Apportionments Act	93.575	<u>(37,485)</u>
Total Schedule of Expenditures of Federal Awards		<u>\$ 7,774,556</u>

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Schedule of Charter Schools

This schedule lists all charter schools chartered by the District, and displays information for each charter school on whether or not the charter school is included in the District audit.

Non-Major Governmental Funds - Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.



Independent Auditor's Reports
June 30, 2021

Washington Unified School District



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Governing Board
Washington Unified School District
Fresno, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Washington Unified School District’s basic financial statements and have issued our report thereon dated January 31, 2022.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 16 to the financial statements, Washington Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington 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 Washington Unified School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Washington 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fresno, California
January 31, 2022



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Governing Board
Washington Unified School District
Fresno, California

Report on Compliance for Each Major Federal Program

We have audited Washington Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Washington Unified School District's major federal programs for the year ended June 30, 2021. Washington 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Washington Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washington Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Washington Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Washington Unified School District's complied, in all material respects, with the types of 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, 2021.

Report on Internal Control over Compliance

Management of Washington Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washington Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Washington Unified School District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Fresno, California
January 31, 2022



Independent Auditor's Report on State Compliance

To the Governing Board
Washington Unified School District
Fresno, California

Report on State Compliance

We have audited Washington Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the state laws and regulations listed in the table below for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District’s compliance with laws and regulations applicable to the following items:

	<u>Procedures Performed</u>
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No (see below)
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (see below)
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No (see below)
Comprehensive School Safety Plan	Yes
District of Choice	No (see below)
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	No (see below)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study - Course Based	No (see below)
CHARTER SCHOOLS	
Attendance	No (see below)
Mode of Instruction	No (see below)
Nonclassroom-Based Instruction/Independent Study	No (see below)
Determination of Funding for Nonclassroom-Based Instruction	No (see below)
Charter School Facility Grant Program	No (see below)

We did not perform procedures for Kindergarten Continuance because there were no Kindergarteners retained in 2018-2019 that were in Kindergarten in 2019-2020.

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

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform District of Choice procedures because the program is not offered by the District.

We did not perform California Clean Energy Jobs Act procedures because the related procedures were performed in a previous year.

The District does not offer an Independent Study - Course Based Program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

Additionally, the Charter School is independent of the District; therefore, we did not perform any procedures related to charter schools.

Unmodified Opinion

In our opinion, Washington Unified School District complied, in all material respects, with the laws and regulations of the state programs referred to above for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fresno, California
January 31, 2022



Schedule of Findings and Questioned Costs
June 30, 2021

Washington Unified School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

State Compliance

Type of auditor's report issued on compliance for programs	Unmodified
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None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.