

Financial Statements  
June 30, 2025

## 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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Unified School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Unified School District, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Adoption of New Accounting Standard***

As discussed in Note 16 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 – CalSTRS, schedule of the District's proportionate share of the net pension liability – CalPERS, schedule of the District's contributions – CalSTRS, and schedule of the District's contributions – CalPERS be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and 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 Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025 on our consideration of the 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 the 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 the 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  
December 12, 2025



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, 2025, with comparative information for the year ended June 30, 2024. 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 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 of resources, as well as all liabilities (including long-term liabilities), and deferred inflows of resources. 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.

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Randy R. Morris - District Superintendent

#### Board of Trustees

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Darrel Carter, Area 5

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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 of resources, liabilities, and deferred inflows of resources 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 net position. 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 financial 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 the governmental fund financial statements.

## **FINANCIAL HIGHLIGHTS**

The District's financial status continues to display itself as a regular operating school district during the 2024-2025 fiscal year. Prudent budgeting techniques and strategic planning help the District maximize supplemental funds. Continual reassessment of staffing patterns is a key focus, as the district aims to efficiently address student program needs and maintain a strong emphasis on student achievement, while also adapting to the evolving educational landscape.

The District maintained the required three percent reserves within the General Fund and had an ending fund balance of \$3,475,049 unrestricted and \$8,357,295 restricted. 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 \$41,433,302 for the fiscal year ended June 30, 2025. Of this amount, \$13,584,793 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	
	2025	2024*
Assets		
Current and other assets	\$ 58,179,243	\$ 66,413,763
Capital assets	90,345,029	74,504,089
Total assets	148,524,272	140,917,852
Deferred Outflows of Resources	13,348,871	13,473,242
Liabilities		
Current liabilities	7,353,436	6,424,898
Long-term liabilities	105,437,664	107,238,586
Total liabilities	112,791,100	113,663,484
Deferred Inflows of Resources	7,648,741	3,232,090
Net Position		
Net investment in capital assets	49,643,517	38,781,967
Restricted	13,584,793	17,828,565
Unrestricted (deficit)	(21,795,008)	(19,115,012)
Total net position	\$ 41,433,302	\$ 37,495,520

\* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 16 for further information.

The \$41,433,302 in net position of governmental activities represents the accumulated results of all past years' operations. Unrestricted net position (deficit) – 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 – decreased by \$2,679,966.

## 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	
	2025	2024*
Revenues		
Program revenues		
Charges for services and sales	\$ 497,921	\$ 667,097
Operating grants and contributions	20,820,812	30,012,995
Capital grants and contributions	3,985,631	95,812
General revenues		
Federal and State aid not restricted	32,941,098	33,575,242
Property taxes	9,852,388	9,728,535
Other general revenues	2,715,945	2,398,657
Total revenues	<u>70,813,795</u>	<u>76,478,338</u>
Expenses		
Instruction-related	38,483,184	38,144,431
Pupil services	9,932,001	9,798,795
Administration	5,562,774	4,343,306
Plant services	6,245,767	5,838,794
All other services	4,050,226	3,891,361
Total expenses	<u>64,273,952</u>	<u>62,016,687</u>
Change in net position	<u>\$ 6,539,843</u>	<u>\$ 14,461,651</u>

\* The expenses for the year ended June 30, 2024, were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 16 for further information.

## Governmental Activities

As reported in the *Statement of Activities*, the cost of all of our governmental activities this year was \$64,273,952. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$9,852,388 because the cost was paid by those who benefited from the programs of \$497,921 or by other governments and organizations who subsidized certain programs with grants and contributions totaling \$24,806,443. We paid for the remaining "public benefit" portion of our governmental activities with \$32,941,098 in Federal and State unrestricted funds and with \$2,715,945 in other revenues, including 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		
	2025	2024*	Variance
Instruction-related	\$ (23,001,280)	\$ (23,198,898)	\$ 197,618
Pupil services	(5,468,718)	(4,263,685)	(1,205,033)
Administration	(4,832,423)	(2,906,876)	(1,925,547)
Plant services	(2,537,010)	2,034,514	(4,571,524)
All other services	(3,130,157)	(2,905,838)	(224,319)
Total	<u>\$ (38,969,588)</u>	<u>\$ (31,240,783)</u>	<u>\$ (7,728,805)</u>

\* The expenses for the year ended June 30, 2024, were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 16 for further information.

## THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$50,677,356, which is a decrease of \$9,263,738 from last year (Table 4).

Table 4

Governmental Funds	Balances and Activity			
	July 1, 2024	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2025
General	\$ 23,545,902	\$ 58,891,071	\$ 60,673,392	\$ 21,763,581
Student Activities	497,153	649,091	618,983	527,261
Child Development	238,347	727,756	636,266	329,837
Cafeteria	700,226	2,418,344	2,317,560	801,010
Building	23,512,715	1,280,974	7,944,738	16,848,951
Capital Facilities	771,316	417,943	1,163,462	25,797
County School Facilities	1,642,404	3,985,631	4,723,021	905,014
Special Reserve Fund for Capital Outlay Projects	6,527,510	2,163,204	1,853,488	6,837,226
Bond Interest and Redemption	2,505,521	3,244,507	3,111,349	2,638,679
Total	<u>\$ 59,941,094</u>	<u>\$ 73,778,521</u>	<u>\$ 83,042,259</u>	<u>\$ 50,677,356</u>

### 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 10, 2025. 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 a decrease in the General Fund balance of \$2,696,884. While revenues were \$1,016,663 more than budgeted, expenditures and other uses were \$102,100 more than budgeted, leaving the fund with a decrease of \$1,782,321.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

At June 30, 2025, the District had \$90,345,029 in a broad range of capital assets and right-to-use leased assets (net of depreciation and amortization expenses), including land, buildings, equipment, and right-to-use leased assets (Table 4).

Table 5

	Governmental Activities	
	2025	2024
Land and construction in progress	\$ 5,845,348	\$ 22,569,192
Buildings and improvements	81,665,290	49,539,913
Equipment	2,550,792	2,008,174
Right-to-use leased assets	283,599	386,810
Total	<u>\$ 90,345,029</u>	<u>\$ 74,504,089</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 and right-to-use leased assets in the Notes to Financial Statements.

### Long-Term Liabilities

At the end of this year, the District had \$105,437,664 in obligations outstanding. Those obligations consisted of:

Table 6

	Governmental Activities	
	2025	2024*
Long-Term Liabilities		
General obligation bonds	\$ 50,821,000	\$ 51,926,000
Certificates of participation	4,300,000	4,715,000
Unamortized premiums/(discounts)	2,581,686	2,698,346
Leases	291,345	391,586
Early retirement liabilities	861,935	-
Compensated absences	3,191,875	302,419
Net other postemployment benefits	13,220,292	14,779,974
Net pension liability	30,169,531	32,425,261
Total	<u>\$ 105,437,664</u>	<u>\$ 107,238,586</u>

\* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 16 for further information.

At year-end, the District had a net pension liability of \$30,169,531 versus \$32,425,261 last year, a decrease of \$2,255,730, or 0.07%. The District also reported deferred outflows of resources from pension activities of \$11,512,936, and deferred inflows of resources from pension activities of \$2,383,006. We present more detailed information regarding our long-term liabilities in the Notes to Financial Statements.

#### **SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2024-2025 ARE NOTED BELOW:**

The District has made significant progress on its ongoing building upgrades and site improvements. At West Fresno Elementary School, the expansion of eight additional classrooms has been completed, creating a dedicated area for enhancement of early childhood learning opportunities. The Cafeteria at West Fresno Middle School has also been completed, and the West Fresno Administrative Office Building is now finished, marking another major milestone in the District's facilities improvement efforts.

Looking ahead, several major initiatives are advancing toward construction. Washington Union High School's new Student Services Building is preparing to break ground soon. At American Union Elementary School, the administrative office remodel is nearing completion, and the Multipurpose Room and Music Room Project is currently in the plan-approval phase. Additionally, the West Fresno solar parking lot project is moving forward and is currently expected to be completed of spring of 2026. These continued investments reflect the District's commitment to modern, efficient, and student-centered facilities across all campuses.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The budget agreement for the upcoming fiscal year introduces several updates to the Local Control Funding Formula (LCFF) and related educational grants. For the 2025–2026 fiscal year, the LCFF receives a statutory cost-of-living adjustment (COLA) of 2.30%, applied to both LCFF and Special Education funding. While the COLA provides modest revenue growth, rising operational costs and projected state budget constraints continue to impact LEAs statewide. Declining enrollment protections remain in place, allowing districts to calculate funding based on the greater of current-year, prior-year, or a three-year Average Daily Attendance (ADA) average. This methodology helps stabilize funding for districts experiencing enrollment declines.

Revised Proposition 98 levels reflect updated revenue forecasts, including \$119.9 billion for 2024–2025 and \$114.6 billion for 2025–2026, with appropriations held at \$118 billion to mitigate settle-up risks. Additionally, the State Budget includes a \$1.9 billion LCFF apportionment deferral from June 2026 to July 2026, requiring districts to closely monitor cash flow. Although the Proposition 98 Rainy Day Fund undergoes a mandatory withdrawal in 2025–2026, the remaining balance is not sufficient to trigger the reserve cap for the year.

The Learning Recovery Emergency Block Grant (LREBG) continues into 2027–28 and remains an important funding source for academic recovery. Beginning in 2025–2026, expenditures must align with evidence-based practices outlined in the Local Control and Accountability Plan (LCAP). Similarly, the Arts, Music, and Instructional Materials Discretionary Block Grant maintains updated expenditure timelines, with final reporting due by September 30, 2026.



The Expanded Learning Opportunities Program (ELOP) includes several significant changes. The State Budget lowers the unduplicated pupil percentage threshold for universal access from 75% to 55%, significantly expanding eligibility. New one-time funding assists LEAs transitioning into Rate 1 status, and future ELOP allocations now carry a two-year expenditure window. Beginning in 2025–2026, LEAs must annually declare their intent to participate to remain eligible.

The District has fully expended all federal pandemic relief funds, including ESSER and CARES Act allocations. This includes the completion of all final expenditures allowed under the ESSER III extension. With these funds now fully spent and closed out, the District continues to prioritize long-term planning and the careful alignment of ongoing resources to support programs and services. The Educator Effectiveness Block Grant remains available through June 30, 2026, providing continued support for professional development initiatives.

Maintaining reserves above the state-required three percent remains critical for operational and cash-flow stability. The District continues to implement conservative budgeting practices aimed at strengthening reserves, controlling structural expenditures, and aligning staffing levels with enrollment and funding trends. Expenditures for supplies, services, and operating costs are budgeted based on historical patterns and projected needs.

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 impacting employee recruitment and retention, amid wage competition from industries like fast-food
- Increasing health care costs
- Average Daily Attendance rates
- Student enrollment
- Housing availability and construction
- Inflationary cost increases
- The impacts of tariffs and uncertainties related to federal education funding

#### **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.

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

# Washington Unified School District

## Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
Assets	
Deposits and investments	\$ 53,932,060
Receivables	4,093,294
Prepaid expense	5,000
Stores inventories	438
Lease receivable	148,451
Capital assets not depreciated or amortized	5,845,348
Capital assets, net of accumulated depreciation and amortization	<u>84,499,681</u>
Total assets	<u>148,524,272</u>
Deferred Outflows of Resources	
Deferred charge on refunding	463,585
Deferred outflows of resources related to OPEB	1,372,350
Deferred outflows of resources related to pensions	<u>11,512,936</u>
Total deferred outflows of resources	<u>13,348,871</u>
Liabilities	
Accounts payable	7,067,412
Unearned revenue	286,024
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	2,725,074
OPEB liability due within one year	381,962
Long-term liabilities other than OPEB and pensions due in more than one year	59,322,767
Net other postemployment benefits (OPEB) liability due in more than one year	12,838,330
Aggregate net pension liabilities	<u>30,169,531</u>
Total liabilities	<u>112,791,100</u>
Deferred Inflows of Resources	
Deferred charge on refunding	20,017
Deferred inflows of resources related to OPEB	5,097,267
Deferred inflows of resources related to pensions	2,383,006
Deferred inflows of resources related to leases	<u>148,451</u>
Total deferred inflows of resources	<u>7,648,741</u>
Net Position	
Net investment in capital assets	49,643,517
Restricted for	
Debt service	2,638,679
Capital projects	930,811
Educational programs	8,687,132
Child Nutrition	800,910
Student activities	527,261
Unrestricted (deficit)	<u>(21,795,008)</u>
Total net position	<u>\$ 41,433,302</u>

# Washington Unified School District

Statement of Activities  
Year Ended June 30, 2025

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	\$ 33,405,622	\$ 41,313	\$ 11,072,449	\$ 3,985,631	\$ (18,306,229)
Instruction-related activities					
Supervision of instruction	2,279,209	883	225,660	-	(2,052,666)
Instructional library, media, and technology	366,467	-	-	-	(366,467)
School site administration	2,431,886	5,103	150,865	-	(2,275,918)
Pupil services					
Home-to-school transportation	2,460,166	-	22,983	-	(2,437,183)
Food services	2,501,857	37,779	2,283,732	-	(180,346)
All other pupil services	4,969,978	15,935	2,102,854	-	(2,851,189)
Administration					
Data processing	1,076,097	-	51,605	-	(1,024,492)
All other administration	4,486,677	1,620	677,126	-	(3,807,931)
Plant services	6,245,767	384,835	3,323,922	-	(2,537,010)
Ancillary services	1,191,139	-	716,802	-	(474,337)
Interest on long-term liabilities	2,222,709	-	-	-	(2,222,709)
Other outgo	636,378	10,453	192,814	-	(433,111)
Total governmental activities	<u>\$ 64,273,952</u>	<u>\$ 497,921</u>	<u>\$ 20,820,812</u>	<u>\$ 3,985,631</u>	<u>(38,969,588)</u>
General Revenues and Subventions					
Property taxes, levied for general purposes					6,492,121
Property taxes, levied for debt service					3,121,133
Taxes levied for other specific purposes					239,134
Federal and State aid not restricted to specific purposes					32,941,098
Interest and investment earnings					1,672,638
Interagency revenues					9,653
Miscellaneous revenues					<u>1,033,654</u>
Subtotal, general revenues and subventions					<u>45,509,431</u>
Change in Net Position					<u>6,539,843</u>
Net Position - Beginning, as previously reported					37,495,520
Adjustments (Note 16)					<u>(2,602,061)</u>
Net Position - Beginning, as restated					<u>34,893,459</u>
Net Position - Ending					<u>\$ 41,433,302</u>

# Washington Unified School District

## Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Deposits and investments	\$ 26,024,187	\$ 17,201,612	\$ 5,260,519	\$ 5,445,742	\$ 53,932,060
Receivables	3,015,048	130,008	242,695	705,543	4,093,294
Due from other funds	144,921	-	1,839,134	40,000	2,024,055
Prepaid expenditures	5,000	-	-	-	5,000
Stores inventories	438	-	-	-	438
Lease receivable	-	-	148,451	-	148,451
<b>Total assets</b>	<b>\$ 29,189,594</b>	<b>\$ 17,331,620</b>	<b>\$ 7,490,799</b>	<b>\$ 6,191,285</b>	<b>\$ 60,203,298</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 5,467,050	\$ 482,669	\$ 505,122	\$ 612,571	\$ 7,067,412
Due to other funds	1,879,134	-	-	144,921	2,024,055
Unearned revenue	79,829	-	-	206,195	286,024
<b>Total liabilities</b>	<b>7,426,013</b>	<b>482,669</b>	<b>505,122</b>	<b>963,687</b>	<b>9,377,491</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources related to leases	-	-	148,451	-	148,451
<b>Fund Balances</b>					
Nonspendable	15,438	-	-	100	15,538
Restricted	8,357,295	16,848,951	-	5,227,498	30,433,744
Assigned	9,915,799	-	6,837,226	-	16,753,025
Unassigned	3,475,049	-	-	-	3,475,049
<b>Total fund balances</b>	<b>21,763,581</b>	<b>16,848,951</b>	<b>6,837,226</b>	<b>5,227,598</b>	<b>50,677,356</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 29,189,594</b>	<b>\$ 17,331,620</b>	<b>\$ 7,490,799</b>	<b>\$ 6,191,285</b>	<b>\$ 60,203,298</b>

Washington Unified School District  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2025

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Total Fund Balance - Governmental Funds		\$ 50,677,356
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 125,446,176	
Accumulated depreciation and amortization is	<u>(35,101,147)</u>	
Net capital assets		90,345,029
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		
Debt refundings (deferred charge on refunding)	463,585	
Other postemployment benefits (OPEB)	1,372,350	
Net pension liability	<u>11,512,936</u>	
Total deferred outflows of resources		13,348,871
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		
Debt refundings (deferred charge on refunding)	(20,017)	
Other postemployment benefits (OPEB)	(5,097,267)	
Net pension liability	<u>(2,383,006)</u>	
Total deferred inflows of resources		(7,500,290)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(30,169,531)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(13,220,292)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds and premiums/discounts	(53,402,686)	
Certificates of participation	(4,300,000)	
Leases	(291,345)	
Compensated absences	(3,191,875)	
Special termination benefits payable	<u>(861,935)</u>	
Total long-term liabilities		<u>(62,047,841)</u>
Total net position - governmental activities		<u>\$ 41,433,302</u>

Washington Unified School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2025

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula (LCFF)	\$38,385,926	\$ -	\$ -	\$ -	\$ 38,385,926
Federal sources	7,473,633	-	-	1,932,522	9,406,155
Other State sources	7,954,710	-	-	4,936,880	12,891,590
Other local sources	5,076,802	1,280,974	324,070	4,233,870	10,915,716
Total revenues	58,891,071	1,280,974	324,070	11,103,272	71,599,387
Expenditures					
Current					
Instruction	31,757,656	-	-	543,389	32,301,045
Instruction-related activities					
Supervision of instruction	2,277,101	-	-	53,267	2,330,368
Instructional library, media, and technology	351,886	-	-	-	351,886
School site administration	2,368,217	-	-	1,534	2,369,751
Pupil services					
Home-to-school transportation	1,795,245	-	-	-	1,795,245
Food services	61,987	-	-	2,201,535	2,263,522
All other pupil services	5,001,753	-	-	-	5,001,753
Administration					
Data processing	1,175,719	-	-	-	1,175,719
All other administration	3,463,320	-	-	110,642	3,573,962
Plant services	5,727,270	-	103,682	87,982	5,918,934
Ancillary services	853,439	-	-	618,983	1,472,422
Other outgo	636,378	-	-	-	636,378
Facility acquisition and construction	2,373,454	7,944,738	1,736,006	5,830,740	17,884,938
Debt service					
Principal	515,241	-	12,152	1,092,848	1,620,241
Interest and other	135,592	-	1,648	2,029,721	2,166,961
Total expenditures	58,494,258	7,944,738	1,853,488	12,570,641	80,863,125
Excess (Deficiency) of Revenues Over Expenditures	396,813	(6,663,764)	(1,529,418)	(1,467,369)	(9,263,738)
Other Financing Sources (Uses)					
Transfers in	-	-	1,839,134	340,000	2,179,134
Transfers out	(2,179,134)	-	-	-	(2,179,134)
Net Financing Sources (Uses)	(2,179,134)	-	1,839,134	340,000	-
Net Change in Fund Balances	(1,782,321)	(6,663,764)	309,716	(1,127,369)	(9,263,738)
Fund Balance - Beginning, as previously reported	23,545,902	23,512,715	-	12,882,477	59,941,094
Adjustment (Note 16)	-	-	6,527,510	(6,527,510)	-
Fund Balance - Beginning, as restated	23,545,902	23,512,715	6,527,510	6,354,967	59,941,094
Fund Balance - Ending	\$21,763,581	\$16,848,951	\$ 6,837,226	\$ 5,227,598	\$ 50,677,356

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, 2025

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Total Net Change in Fund Balances - Governmental Funds \$ (9,263,738)

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

Capital outlay 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 and amortization expense in the Statement of Activities.

This is the amount by which capital outlay exceeds depreciation and amortization expense in the period.

Capital outlay	\$ 18,599,077
Depreciation and amortization expense	<u>(2,758,137)</u>

Net expense adjustment	15,840,940
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In the Statement of Activities, certain operating expenses, such as compensated absences 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 compensated absences earned and used.

(287,396)

In the Statement of Activities, special termination benefits (early retirement) 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).

(861,935)

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/inflows of resources and net pension liability during the year.

1,450,794

In the governmental funds, OPEB costs are based on benefit payments made for OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows/inflows of resources and net OPEB liability during the year.

(2,023,196)

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, 2025

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

Deferred charge on refunding recognized	(53,580)
Premium amortization	118,828
Discount amortization	(2,168)
Deferred charge on refunding amortization	1,053

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

General obligation bonds	1,105,000
Certificates of participation	415,000
Leases	<u>100,241</u>

Change in net position of governmental activities	<u><u>\$ 6,539,843</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 out 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 an increase of \$900,983 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.

**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).

### 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 17070.10 et seq.).

**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 by the 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 and amortization of capital assets. 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 and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Net position restricted for other activities results 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 governmental 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 financial statements 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 government-wide financial 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.

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

**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**

Stores 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 when consumed rather than when purchased.

**Capital Assets, Depreciation, and Amortization**

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.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. 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. Land is not depreciated.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right-to-use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the same method amortizing the debt. The amortization period varies from 2 to 5 years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right-to-use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the same method amortizing the debt. The amortization period varies from 2 to 5 years.

**Lease Receivable**

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**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 for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, a liability for compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

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, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 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. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

### **Accrued Liabilities and Long-Term Liabilities**

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

### **Premiums and Discounts**

Debt premiums, discounts, and debt issuance costs related to prepaid insurance 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, which approximates the effective interest 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 of Resources and Deferred 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 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.

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 deferred charges on refunding of debt, for pension related items, for OPEB related items, and for leases.

**Pensions**

For purposes of measuring the net pension liability, 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.

**Lease Liabilities**

Lease liabilities represent the District's obligation to make lease payments arising from the lease. The District recognizes a lease liability in the government-wide financial statements. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

**Fund Balances - Governmental Funds**

As of June 30, 2025, 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 related to net of investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, 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 \$13,584,793 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. 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.

**Adoption of New Accounting Standard****Implementation of GASB Statement No. 101**

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 16.

**Note 2 - Deposits and Investments****Summary of Deposits and Investments**

Deposits and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Governmental funds	<u>\$ 53,932,060</u>
--------------------	----------------------

Deposits and investments as of June 30, 2025, consist of the following:

Cash on hand and in banks	\$ 554,105
Cash in revolving	10,100
Investments	<u>53,367,855</u>
Total deposits and investments	<u>\$ 53,932,060</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 \$53,367,855 in the Fresno County Treasury Investment Pool that has an average weighted maturity of 703 days.

**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. The 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% 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% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, \$263,075 of the District's bank 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, but not in the name of the District.

**Note 3 - Receivables**

Receivables at June 30, 2025, consisted of intergovernmental grants, entitlements, and local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Federal Government					
Categorical aid	\$ 1,417,032	\$ -	\$ -	\$ 415,747	\$ 1,832,779
State Government					
Other State	1,043,222	-	201,491	229,743	1,474,456
Local Sources	554,794	130,008	41,204	60,053	786,059
Total	<u>\$ 3,015,048</u>	<u>\$ 130,008</u>	<u>\$ 242,695</u>	<u>\$ 705,543</u>	<u>\$ 4,093,294</u>

**Note 4 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
<b>Governmental Activities</b>				
Capital assets not being depreciated or amortized				
Land	\$ 2,515,945	\$ 183,374	\$ -	\$ 2,699,319
Construction in progress	20,053,247	17,406,388	(34,313,606)	3,146,029
Total capital assets not being depreciated or amortized	22,569,192	17,589,762	(34,313,606)	5,845,348
Capital assets being depreciated and amortized				
Land improvements	21,583,189	508,943	-	22,092,132
Buildings and improvements	54,112,484	33,956,177	-	88,068,661
Furniture and equipment	8,066,175	857,801	-	8,923,976
Right-to-use leased buildings and improvements	65,096	-	-	65,096
Right-to-use leased furniture and equipment	450,963	-	-	450,963
Total capital assets being depreciated and amortized	84,277,907	35,322,921	-	119,600,828
Total capital assets	106,847,099	52,912,683	(34,313,606)	125,446,176
Accumulated depreciation and amortization				
Land improvements	(6,964,406)	(1,005,237)	-	(7,969,643)
Buildings and improvements	(19,191,354)	(1,334,506)	-	(20,525,860)
Furniture and equipment	(6,058,001)	(315,183)	-	(6,373,184)
Right-to-use leased buildings and improvements	(39,057)	(13,019)	-	(52,076)
Right-to-use leased furniture and equipment	(90,192)	(90,192)	-	(180,384)
Total accumulated depreciation and amortization	(32,343,010)	(2,758,137)	-	(35,101,147)
Net depreciable and amortizable capital assets	51,934,897	32,564,784	-	84,499,681
Governmental activities capital assets, net	\$ 74,504,089	\$ 50,154,546	\$ (34,313,606)	\$ 90,345,029

Depreciation and amortization expense was charged to functional expenses as follows:

Governmental Activities	
Instruction	\$ 1,353,866
School site administration	76,574
Home-to-school transportation	663,638
Food services	204,197
General administrations	51,049
Data processing	38,450
Plant services	370,363
	<hr/>
Total depreciation and amortization expense - governmental activities	<u>\$ 2,758,137</u>

#### Note 5 - Lease Receivables

The District has entered into lease agreements. The lease receivable is summarized below:

Lease Receivable	Outstanding July 1, 2024	Addition	Deletion	Outstanding June 30, 2025
Lease of two classrooms	\$ 27,895	\$ -	\$ (13,930)	\$ 13,965
Lease of one classroom	19,876	-	(4,950)	14,926
Cell tower land lease	-	134,074	(14,514)	119,560
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 47,771</u>	<u>\$ 134,074</u>	<u>\$ (33,394)</u>	<u>\$ 148,451</u>

#### Classrooms Lease

##### Fresno County Superintendent of Schools

The District entered into a five-year agreement with the Fresno County Superintendent of Schools (FCSS), beginning August 1, 2018, for a classroom building lease. Under the terms of the lease, FCSS agreed to pay yearly payments of \$14,000, which amounted to total principal and interest costs of \$70,000 over the lease term. The annual interest rate charged on the lease is 3.0%. At June 30, 2025, the District has recognized a lease receivable and deferred inflow of resources of \$13,965.

##### Fresno County Superintendent of Schools

The District entered into a five-year agreement with the Fresno County Superintendent of Schools (FCSS), beginning August 1, 2023, for a classroom building lease. Under the terms of the lease, FCSS agreed to pay yearly payments of \$5,000, which amounted to total principal and interest costs of \$25,000 over the lease term. The annual interest rate charged on the lease is 3.0%. At June 30, 2025, the District has recognized a lease receivable and deferred inflow of resources of \$14,926.

Public Safety Towers, LLC

The District entered into an eight and a half-year agreement with the Public Safety Towers, LCC, beginning July 31, 2024, for a cell tower land lease. Under the terms of the lease, Public Safety Towers, LLC agreed to pay yearly payments of \$18,000, which amounted to total principal and interest costs of \$134,000 over the lease term. The annual interest rate charged on the lease is 5.0%. At June 30, 2025, the District has recognized a lease receivable and deferred inflow of resources of \$119,560.

**Note 6 - 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, 2025, between major and non-major governmental funds are as follows:

<u>Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Governmental Funds		
General	\$ 144,921	\$ 1,879,134
Special Reserve Fund for Capital Outlay Projects	1,839,134	-
Non-Major Governmental Funds		
Child Development	-	60,013
Cafeteria	-	84,908
Capital Facilities	40,000	-
<b>Total</b>	<b>\$ 2,024,055</b>	<b>\$ 2,024,055</b>

The General Fund owes the Special Reserve Fund for Capital Outlay Projects for capital project costs.

\$ 1,839,134

The General Fund owes the Capital Facilities Non-Major Governmental Fund for capital facility expenditures.

40,000

The Child Development Non-Major Governmental Fund owes the General Fund for indirect costs.

38,076

The Child Development Non-Major Governmental Fund owes the General Fund for workers' compensation premium expenses.

6,441

The Child Development Non-Major Governmental Fund owes the General Fund for coordinator payroll expenses.

15,496

The Cafeteria Non-Major Governmental Fund owes the General Fund for indirect costs.

72,566

The Cafeteria Non-Major Governmental Fund owes the General Fund for workers' compensation premium expenses.

12,342

**Total**

**\$ 2,024,055**



**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, 2025, consisted of the following:

The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for capital project costs.	\$ 1,839,134
The General Fund transferred to the Capital Facilities Non-Major Governmental Fund for capital facility expenditures.	<u>340,000</u>
Total	<u><u>\$ 2,179,134</u></u>

**Note 7 - Accounts Payable**

Accounts payable at June 30, 2025, consist of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Vendor payables	\$ 1,701,430	\$ 482,669	\$ 505,122	\$ 581,649	\$ 3,270,870
LCFF apportionment	2,179,389	-	-	-	2,179,389
Salaries and benefits	<u>1,586,231</u>	<u>-</u>	<u>-</u>	<u>30,922</u>	<u>1,617,153</u>
Total	<u><u>\$ 5,467,050</u></u>	<u><u>\$ 482,669</u></u>	<u><u>\$ 505,122</u></u>	<u><u>\$ 612,571</u></u>	<u><u>\$ 7,067,412</u></u>

**Note 8 - Unearned Revenue**

Unearned revenue at June 30, 2025, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 34,955	\$ -	\$ 34,955
State categorical aid	44,874	206,195	251,069
Total	<u>\$ 79,829</u>	<u>\$ 206,195</u>	<u>\$ 286,024</u>

**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, 2024, as Restated	Additions	Deductions	Balance June 30, 2025	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 51,926,000	\$ -	\$ (1,105,000)	\$ 50,821,000	\$ 1,125,000
Certificates of participation	4,715,000	-	(415,000)	4,300,000	425,000
Unamortized debt premiums	2,720,028	-	(118,828)	2,601,200	-
Unamortized debt discounts	(21,682)	-	2,168	(19,514)	-
Leases	391,586	-	(100,241)	291,345	103,285
Early retirement liabilities	-	861,935	-	861,935	172,387
Compensated absences	2,904,479	287,396	-	3,191,875	899,402
Total	<u>\$ 62,635,411</u>	<u>\$ 1,149,331</u>	<u>\$ (1,736,901)</u>	<u>\$ 62,047,841</u>	<u>\$ 2,725,074</u>

The change in compensated absences is presented as a net change.

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 financed purchase agreements 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 leases are paid by the fund using the right-to-use asset, which is the Special Reserve Fund for Capital Outlay Projects.

# Washington Unified School District

Notes to Financial Statements

June 30, 2025

## 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, 2024	Redeemed	Bonds Outstanding June 30, 2025
2/13/2013	8/1/2043	2.0-5.0%	\$ 11,965,000	\$ 3,880,000	\$ (210,000)	\$ 3,670,000
10/13/2016	8/1/2043	2.0-5.0%	10,035,000	1,670,000	(30,000)	1,640,000
10/9/2018	8/1/2034	3.4-4.4%	2,865,000	2,640,000	(190,000)	2,450,000
8/27/2020	8/1/2042	0.508-3.153%	7,560,000	7,240,000	(100,000)	7,140,000
1/12/2021	8/1/2050	0.52-4.00%	15,500,000	12,335,000	(305,000)	12,030,000
3/16/2023	8/1/2053	4.0-5.0%	15,000,000	15,000,000	(270,000)	14,730,000
Direct borrowings and direct placements						
5/25/2022	8/1/2043	3.75%	9,294,000	9,161,000	-	9,161,000
Total				<u>\$ 51,926,000</u>	<u>\$ (1,105,000)</u>	<u>\$ 50,821,000</u>

## Debt Service Requirements to Maturity

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2026	\$ 1,125,000	\$ 1,963,452	\$ 3,088,452
2027	660,000	1,889,288	2,549,288
2028	802,000	1,823,009	2,625,009
2029	879,000	1,796,457	2,675,457
2030	956,000	1,766,373	2,722,373
2031-2035	7,651,000	8,139,685	15,790,685
2036-2040	9,913,000	6,648,369	16,561,369
2041-2045	12,325,000	4,568,798	16,893,798
2046-2050	8,580,000	2,732,008	11,312,008
2051-2054	7,930,000	705,158	8,635,158
Total	<u>\$ 50,821,000</u>	<u>\$ 32,032,597</u>	<u>\$ 82,853,597</u>

## Certificates of Participation

On October 27, 2016, the Washington Unified School District entered into a lease-lease back agreement with the Public Property Financing Corporation of California which issued refunding certificates of participation in the amount of \$7,295,000 with interest rates ranging from 2.0% to 4.0%. The certificates were issued to refund a portion of the outstanding 2013 Certificates of Participation. The lease payments are made for the Corporation to pay the Certificates of Participation interest and principal payments when due.

# Washington Unified School District

Notes to Financial Statements

June 30, 2025

The certificates mature through 2034 as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 425,000	\$ 122,994	\$ 547,994
2027	440,000	110,018	550,018
2028	450,000	97,794	547,794
2029	460,000	85,268	545,268
2030	475,000	71,245	546,245
2031-2034	2,050,000	132,502	2,182,502
Total	<u>\$ 4,300,000</u>	<u>\$ 619,821</u>	<u>\$ 4,919,821</u>

## Leases

The District has entered into agreements to lease various facilities and equipment. The District's liability on lease agreements is summarized below:

Lease	Leases Outstanding July 1, 2024	Payments	Leases Outstanding June 30, 2025
Copier lease	\$ 365,180	\$ (87,233)	\$ 277,947
Portable classroom leases	26,406	(13,008)	13,398
Total	<u>\$ 391,586</u>	<u>\$ (100,241)</u>	<u>\$ 291,345</u>

## Copier Lease

The District entered into an agreement to lease copiers for five years, beginning July 1, 2023, with one successive term of one year. The one successive term is deemed reasonably certain not to be exercised, the total term is five years. Under the terms of the lease, the District paid the monthly payments of \$8,083, which amounted to total principal and interest costs of \$484,980. The annual interest rate charged on the lease is 3%. At June 30, 2025, the District has recognized a right-to-use leased asset of \$450,963 and a lease liability of \$277,947 related to this agreement. During the fiscal year, the District recorded \$90,192 in amortization expense and \$9,763 in interest expense for the right-to-use copiers. The District also pays for each additional copy in excess of the contracted amount, which are not included in the measurement of the lease liability as they are variable in nature.

## Portable Classroom Leases

The District entered into various agreements to lease portable classrooms. Under the terms of the leases, the District paid total principal and interest costs of \$13,800 for the year ended June 30, 2025. The annual interest rate charged on the leases is 3%. At June 30, 2025, the District has recognized a right-to-use leased asset of \$65,096 and a lease liability of \$13,398 related to these agreements. During the fiscal year, the District recorded \$13,019 in amortization expense and \$792 in interest expense for the right-to-use the portables classrooms.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 103,285	\$ 7,511	\$ 110,796
2027	92,620	4,376	96,996
2028	95,440	1,557	96,997
Total	<u>\$ 291,345</u>	<u>\$ 13,444</u>	<u>\$ 304,789</u>

#### Supplemental Employee Retirement Plan (SERP)

Effective January 16, 2025, the District offered a Supplemental Employee Retirement Plan. Eligibility requirements for employees to participate in the plan shall be as follows:

- is a Certificated Non-Management or Classified Non-Management Employee of the Employer as of December 1, 2024;
- has ten (10) years of service with the Employer as of June 30, 2025;
- has a full-time equivalence (FTE) of 0.50 or greater as of December 1, 2024;
- is age fifty-five (55) as of August 31, 2025;
- has resigned from employment with the Employer effective on or before June 30, 2025; and
- has applied for benefits under this plan.

The remaining payment requirements for the plan as of June 30, 2025, are as follows:

Year Ending June 30,	Payment
2026	\$ 172,387
2027	172,387
2028	172,387
2029	172,387
2030	172,387
Total	<u>\$ 861,935</u>

**Note 10 - Other Postemployment Benefits (OPEB) Liability**

For the fiscal year ended June 30, 2025, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 13,117,247	\$ 1,372,350	\$ 5,097,267	\$ 2,417,570
Medicare Premium Payment (MPP) Program	103,045	-	-	(12,412)
Total	<u>\$ 13,220,292</u>	<u>\$ 1,372,350</u>	<u>\$ 5,097,267</u>	<u>\$ 2,405,158</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, 2024, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	22
Active employees	<u>300</u>
Total	<u>322</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 the measurement period of June 30, 2025, the District paid \$381,962 in benefits of which \$61,174 was attributable to the implicit rate subsidy.

**Total OPEB Liability of the District**

The District's Total OPEB Liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024. Standard actuarial procedures were used to project/discount from valuation to measurement dates.

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increases	3.00%, average, including inflation
Discount rate	5.20%
Healthcare cost trend rates	7.00% for 2025, 5.40% for 2029, 5.25% for 2030-2034, 4.60% for 2035-2049, 4.50% for 2050-2064, 4.25% for 2065-2074, and 4.00% for 2075; Medicare ages: 4.50% for all years.

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

Pre-retirement and Post-retirement mortality rates were both based on the CalSTRS Experience Analysis (2015-2018) for certificated employees and CalPERS Experience Study (2000-2019) for classified employees.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actual experience study for the period July 1, 2023 to July 1, 2024.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance, June 30, 2024	<u>\$ 14,664,517</u>
Service cost	1,099,160
Interest	565,392
Changes of benefit terms	1,050,475
Differences between expected and actual experience	(85,975)
Changes of assumptions or other inputs	(3,794,360)
Benefit payments	<u>(381,962)</u>
Net change in total OPEB liability	<u>(1,547,270)</u>
Balance, June 30, 2025	<u><u>\$ 13,117,247</u></u>

Changes in Benefit Terms - Change in the Maximum Annual Contribution for certificated and management employees (cap) effective July 1, 2024.

Changes of Assumptions - The discount rate assumption was changed from 3.97% to 5.20% since the previous report. Additionally, the health trend rate changed from 5.50% to 7.00% since the previous report.

**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:

Discount Rate	Total OPEB Liability
1% decrease (4.20%)	\$ 14,323,213
Current discount rate (5.20%)	13,117,247
1% increase (6.20%)	12,008,583



**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:

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (6.0%)	\$ 11,480,579
Current healthcare cost trend rate (7.0%)	13,117,247
1% increase (8.0%)	15,083,506

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$2,417,570. At June 30, 2025, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 443,138
Changes of assumptions	1,372,350	4,654,129
Total	<u>\$ 1,372,350</u>	<u>\$ 5,097,267</u>

The deferred outflows of resources and deferred inflows of resources related to the differences between expected and actual experience and 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:

Year Ended June 30,	Deferred Outflows of Resources
2026	\$ 304,371
2027	275,614
2028	195,439
2029	120,923
2030	80,678
Thereafter	395,325
Total	<u>\$ 1,372,350</u>

Year Ended June 30,	Deferred Inflows of Resources
2026	\$ 601,828
2027	599,157
2028	596,481
2029	586,562
2030	461,021
Thereafter	2,252,218
Total	<u>\$ 5,097,267</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, 2023, 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: <https://www.calstrs.com/forms-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, 2025, the District reported a liability of \$103,045 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. 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, 2024 and June 30, 2023, respectively, was 0.0387% and 0.0380%, resulting in a net increase in the proportionate share of 0.0007%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(12,412).

**Actuarial Methods and Assumptions**

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Measurement Date	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2023	June 30, 2022
Experience Study	July 1, 2007 through June 30, 2022	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.93%	3.65%
Medicare Part A Premium Cost Trend Rate	5.00%	4.50%
Medicare Part B Premium Cost Trend Rate	6.50%	5.40%

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP-2021 Ultimate Projection Scale.

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 154 or an average of 0.12% of the potentially eligible population (132,333).

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, 2024, 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

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

### 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:

Discount Rate	Net OPEB Liability
1% decrease (2.93%)	\$ 111,183
Current discount rate (3.93%)	103,045
1% increase (4.93%)	95,889

### 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 current 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 (4.00% Part A and 5.50% Part B)	\$ 95,460
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	103,045
1% increase (6.00% Part A and 7.50% Part B)	111,513

**Note 11 - Fund Balances**

Fund balances are composed of the following elements:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
<b>Nonspendable</b>					
Revolving cash	\$ 10,000	\$ -	\$ -	\$ 100	\$ 10,100
Stores inventories	438	-	-	-	438
Prepaid expenditures	5,000	-	-	-	5,000
<b>Total nonspendable</b>	<b>15,438</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>15,538</b>
<b>Restricted</b>					
Legally restricted programs	8,357,295	-	-	329,837	8,687,132
Student activities	-	-	-	527,261	527,261
Food service	-	-	-	800,910	800,910
Capital projects	-	16,848,951	-	930,811	17,779,762
Debt services	-	-	-	2,638,679	2,638,679
<b>Total restricted</b>	<b>8,357,295</b>	<b>16,848,951</b>	<b>-</b>	<b>5,227,498</b>	<b>30,433,744</b>
<b>Assigned</b>					
Postemployment benefits	900,983	-	-	-	900,983
Technology equipment, network infrastructure	3,065,037	-	-	-	3,065,037
Core instructional materials	1,442,370	-	-	-	1,442,370
District vehicle replacement	1,352,224	-	-	-	1,352,224
Capital projects	3,155,185	-	6,837,226	-	9,992,411
<b>Total assigned</b>	<b>9,915,799</b>	<b>-</b>	<b>6,837,226</b>	<b>-</b>	<b>16,753,025</b>
<b>Unassigned</b>	<b>3,475,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,475,049</b>
<b>Total</b>	<b>\$ 21,763,581</b>	<b>\$ 16,848,951</b>	<b>\$ 6,837,226</b>	<b>\$ 5,227,598</b>	<b>\$ 50,677,356</b>

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

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2025, 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 2025, 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 medical 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, 2025, 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	\$ 17,798,517	\$ 7,424,464	\$ 2,108,110	\$ 1,910,906
CalPERS	12,371,014	4,088,472	274,896	2,380,389
Total	<u>\$ 30,169,531</u>	<u>\$ 11,512,936</u>	<u>\$ 2,383,006</u>	<u>\$ 4,291,295</u>

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, 2023, 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: <https://www.calstrs.com/forms-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% 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, 2025, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

### 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% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the District's total contributions were \$3,718,644.

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

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

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 17,798,517
State's proportionate share of the net pension liability	8,166,021
Total	<u>\$ 25,964,538</u>



The net pension liability was measured as of June 30, 2024. 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 member districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.0265% and 0.0257%, resulting in a net increase in the proportionate share of 0.0008%.

For the year ended June 30, 2025, the District recognized pension expense of \$1,910,906. In addition, the District recognized pension expense and revenue of \$743,421 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,718,644	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,614,667	42,397
Differences between projected and actual earnings on pension plan investments	-	71,817
Differences between expected and actual experience in the measurement of the total pension liability	2,013,242	778,319
Changes of assumptions	77,911	1,215,577
Total	<u>\$ 7,424,464</u>	<u>\$ 2,108,110</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/(inflows) 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/(Inflows) of Resources
2026	\$ (1,193,162)
2027	1,437,011
2028	(117,243)
2029	(198,423)
Total	<u>\$ (71,817)</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 seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 216,212
2027	328,305
2028	273,546
2029	388,660
2030	442,114
Thereafter	20,690
Total	<u>\$ 1,669,527</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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007 through June 30, 2022
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 is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP-2021 Ultimate Projection Scale.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

### Discount Rate

The discount rate used to measure the total pension liability was 7.10%. 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 of 7.10% and assume that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, 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%)	\$ 31,657,738
Current discount rate (7.10%)	17,798,517
1% increase (8.10%)	6,225,493

**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, 2023, 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, 2025, 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%	8.00%
Required employer contribution rate	27.050%	27.050%

## 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 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, 2025, are presented above and the total District contributions were \$2,023,445.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$12,371,014. The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, respectively, was 0.0346% and 0.0355%, resulting in a net decrease in the proportionate share of 0.0009%.

For the year ended June 30, 2025, the District recognized pension expense of \$2,380,389. At June 30, 2025, 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	\$ 2,023,445	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	273,916	186,357
Differences between projected and actual earnings on pension plan investments	480,542	-
Differences between expected and actual experience in the measurement of the total pension liability	1,037,128	88,539
Changes of assumptions	273,441	-
	<u>\$ 4,088,472</u>	<u>\$ 274,896</u>
Total		

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 and deferred inflows 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/(Inflows) of Resources
2026	\$ (4,142)
2027	747,134
2028	(110,399)
2029	(152,051)
Total	<u>\$ 480,542</u>

The deferred outflows of resources and deferred 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 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 770,702
2027	365,320
2028	173,567
Total	<u>\$ 1,309,589</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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.54%
Global equity non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, SEP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on SEP investments 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 (5.90%)	\$ 18,377,244
Current discount rate (6.90%)	12,371,014
1% increase (7.90%)	7,409,389

**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 \$1,648,894 (10.828% 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.

**Note 14 - Commitments and Contingencies****Grants and Fiscal Penalties**

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. Additionally, related to the State finding regarding instructional minutes, the District has a potential fiscal penalty totaling \$229,466, which could be appealed or reduced so a current year liability was not recorded for the amount. 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, 2025.



## Litigation

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

## Construction Commitments

As of June 30, 2025, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Washington Union High School four modular classrooms	\$ 176,585	September, 2025
American Union Elementary School kitchen addition	305,821	October, 2025
American Union Elementary School administration remodel	546,044	December, 2025
West Fresno Elementary School electrical upgrade	150,800	November, 2025
West Fresno Elementary School solar parking	3,350,000	December, 2025
	<hr/>	
Total	\$ 4,529,250	
	<hr/> <hr/>	

## 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, 2025, the District made payment of \$534,740 to FCSIG for workers' compensation insurance.

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

During the year ended June 30, 2025, the District made payment of \$445,085 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, 2025, the District made payment of \$5,800,377 to CVT for health coverage.

**Note 16 - Restatement****Change in Accounting Principle**

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences increased by \$2,602,061, as of July 1, 2024. The effect of this change in accounting principle is described in the table below.

	Governmental Activities
Beginning, as previously reported on July 1, 2024	\$ 37,495,520
Change in accounting principle	<u>(2,602,061)</u>
Beginning, as Restated on July 1, 2024	<u><u>\$ 34,893,459</u></u>

**Change within the Reporting Entity**

During fiscal year 2024-2025, there was a change within the reporting entity which resulted in the Special Reserve Fund for Capital Outlay Projects being reported as major fund instead of a non-major fund which resulted in adjustments to and restatements of beginning fund balance as follows:

	Governmental Funds	
	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Beginning, as previously reported on July 1, 2024	\$ -	\$ 12,882,477
Change to or within the financial reporting entity	<u>6,527,510</u>	<u>(6,527,510)</u>
Beginning, as Restated on July 1, 2024	<u><u>\$ 6,527,510</u></u>	<u><u>\$ 6,354,967</u></u>

Required Supplementary Information  
June 30, 2025

## Washington Unified School District

Washington Unified School District  
Budgetary Comparison Schedule – General Fund  
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Local Control Funding Formula	\$ 38,139,850	\$ 38,322,284	\$ 38,385,926	\$ 63,642
Federal sources	4,864,495	7,506,692	7,473,633	(33,059)
Other State sources	5,573,024	8,701,041	7,954,710	(746,331)
Other local sources	2,684,968	3,344,391	5,076,802	1,732,411
<b>Total revenues <sup>1</sup></b>	<b>51,262,337</b>	<b>57,874,408</b>	<b>58,891,071</b>	<b>1,016,663</b>
<b>Expenditures</b>				
Current				
Certificated salaries	19,385,961	19,905,517	19,553,034	352,483
Classified salaries	7,901,293	8,448,863	8,115,818	333,045
Employee benefits	14,125,098	14,664,894	14,337,000	327,894
Books and supplies	2,254,665	3,178,679	2,284,451	894,228
Services and operating expenditures	8,053,001	10,812,232	10,081,692	730,540
Other outgo	489,014	489,014	425,491	63,523
Capital outlay	265,338	2,391,368	3,045,939	(654,571)
Debt service				
Debt service - principal	420,345	415,000	515,241	(100,241)
Debt service - interest and other	148,733	135,594	135,592	2
<b>Total expenditures <sup>1</sup></b>	<b>53,043,448</b>	<b>60,441,161</b>	<b>58,494,258</b>	<b>1,946,903</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,781,111)</b>	<b>(2,566,753)</b>	<b>396,813</b>	<b>2,963,566</b>
<b>Other Financing Uses</b>				
Transfers out	(130,131)	(130,131)	(2,179,134)	(2,049,003)
<b>Net Change in Fund Balances</b>	<b>(1,911,242)</b>	<b>(2,696,884)</b>	<b>(1,782,321)</b>	<b>914,563</b>
<b>Fund Balance - Beginning</b>	<b>23,545,902</b>	<b>23,545,902</b>	<b>23,545,902</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 21,634,660</b>	<b>\$ 20,849,018</b>	<b>\$ 21,763,581</b>	<b>\$ 914,563</b>

<sup>1</sup> 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, 2025

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 1,099,160	\$ 1,018,534	\$ 1,017,775	\$ 829,605
Interest	565,392	557,892	501,526	247,762
Changes of benefit terms	1,050,475	-	1,002,956	-
Difference between expected and actual experience	(85,975)	-	(373,273)	-
Changes of assumptions	(3,794,360)	(139,765)	1,040,749	(1,965,595)
Benefit payments	(381,962)	(409,642)	(497,508)	(480,026)
Net change in total OPEB liability	(1,547,270)	1,027,019	2,692,225	(1,368,254)
Total OPEB Liability - Beginning	14,664,517	13,637,498	10,945,273	12,313,527
Total OPEB Liability - Ending	<u>\$ 13,117,247</u>	<u>\$ 14,664,517</u>	<u>\$ 13,637,498</u>	<u>\$ 10,945,273</u>
Covered Payroll	<u>N/A <sup>1</sup></u>	<u>N/A <sup>1</sup></u>	<u>N/A <sup>1</sup></u>	<u>N/A <sup>1</sup></u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>N/A <sup>1</sup></u>	<u>N/A <sup>1</sup></u>	<u>N/A <sup>1</sup></u>	<u>N/A <sup>1</sup></u>
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022

<sup>1</sup> 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 Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2025

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

<sup>1</sup> 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, 2025

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.0387%	0.0380%	0.0368%	0.0363%
Proportionate share of the net OPEB liability	\$ 103,045	\$ 115,457	\$ 121,225	\$ 144,955
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

<sup>1</sup> 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 OPEB Liability – MPP Program  
Year Ended June 30, 2025

Year ended June 30,	2021	2020	2019	2018
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 <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
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

<sup>1</sup> 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 – CalSTRS  
Year Ended June 30, 2025

CalSTRS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.0265%	0.0257%	0.0245%	0.0242%	0.0236%
Proportionate share of the net pension liability	\$ 17,798,517	\$ 19,591,935	\$ 17,038,469	\$ 11,002,466	\$ 22,894,312
State's proportionate share of the net pension liability	8,166,021	9,387,047	8,532,798	5,536,014	11,802,021
Total	<u>\$ 25,964,538</u>	<u>\$ 28,978,982</u>	<u>\$ 25,571,267</u>	<u>\$ 16,538,480</u>	<u>\$ 34,696,333</u>
Covered payroll	<u>\$ 18,380,215</u>	<u>\$ 16,523,948</u>	<u>\$ 14,841,135</u>	<u>\$ 12,899,901</u>	<u>\$ 12,851,211</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	96.84%	118.57%	114.81%	85.29%	178.15%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.0231%	0.0234%	0.0235%	0.0247%	0.0243%
Proportionate share of the net pension liability	\$ 20,825,984	\$ 21,542,881	\$ 21,763,650	\$ 19,956,738	\$ 16,333,801
State's proportionate share of the net pension liability	11,361,965	12,334,307	12,875,192	11,361,015	8,638,780
Total	<u>\$ 32,187,949</u>	<u>\$ 33,877,188</u>	<u>\$ 34,638,842</u>	<u>\$ 31,317,753</u>	<u>\$ 24,972,581</u>
Covered payroll	<u>\$ 12,494,779</u>	<u>\$ 12,531,601</u>	<u>\$ 12,593,959</u>	<u>\$ 12,536,757</u>	<u>\$ 11,934,257</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	166.68%	171.91%	172.81%	159.19%	136.86%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Washington Unified School District  
Schedule of the District's Proportionate Share of the Net Pension Liability – CalPERS  
Year Ended June 30, 2025

CalPERS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.0346%	0.0355%	0.0347%	0.0321%	0.0312%
Proportionate share of the net pension liability	\$ 12,371,014	\$ 12,833,326	\$ 11,955,345	\$ 6,530,053	\$ 9,567,173
Covered payroll	\$ 6,826,274	\$ 6,145,838	\$ 5,336,395	\$ 4,608,179	\$ 4,492,110
Proportionate share of the net pension liability as a percentage of its covered payroll	181.23%	208.81%	224.03%	141.71%	212.98%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.0307%	0.0327%	0.0326%	0.0335%	0.0339%
Proportionate share of the net pension liability	\$ 8,944,088	\$ 8,712,579	\$ 7,773,328	\$ 6,616,581	\$ 4,996,194
Covered payroll	\$ 4,257,220	\$ 4,309,793	\$ 4,446,997	\$ 4,020,967	\$ 3,753,165
Proportionate share of the net pension liability as a percentage of its covered payroll	210.09%	202.16%	174.80%	164.55%	133.12%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Washington Unified School District  
Schedule of the District's Contributions – CalSTRS  
Year Ended June 30, 2025

CalSTRS	2025	2024	2023	2022	2021
Contractually required contribution	\$ 3,718,644	\$ 3,510,621	\$ 3,156,074	\$ 2,511,120	\$ 2,083,334
Less contributions in relation to the contractually required contribution	<u>3,718,644</u>	<u>3,510,621</u>	<u>3,156,074</u>	<u>2,511,120</u>	<u>2,083,334</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 19,469,340</u>	<u>\$ 18,380,215</u>	<u>\$ 16,523,948</u>	<u>\$ 14,841,135</u>	<u>\$ 12,899,901</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,197,557	\$ 2,034,150	\$ 1,808,310	\$ 1,584,320	\$ 1,345,194
Less contributions in relation to the contractually required contribution	<u>2,197,557</u>	<u>2,034,150</u>	<u>1,808,310</u>	<u>1,584,320</u>	<u>1,345,194</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 12,851,211</u>	<u>\$ 12,494,779</u>	<u>\$ 12,531,601</u>	<u>\$ 12,593,959</u>	<u>\$ 12,536,757</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>

Washington Unified School District  
Schedule of the District's Contributions – CalPERS  
Year Ended June 30, 2025

CalPERS	2025	2024	2023	2022	2021
Contractually required contribution	\$ 2,023,445	\$ 1,821,250	\$ 1,559,199	\$ 1,222,568	\$ 953,893
Less contributions in relation to the contractually required contribution	2,023,445	1,821,250	1,559,199	1,222,568	953,893
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,480,388	\$ 6,826,274	\$ 6,145,838	\$ 5,336,395	\$ 4,608,179
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	22.910%	20.700%
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 885,889	\$ 768,939	\$ 669,354	\$ 617,599	\$ 476,364
Less contributions in relation to the contractually required contribution	885,889	768,939	669,354	617,599	476,364
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,492,110	\$ 4,257,220	\$ 4,309,793	\$ 4,446,997	\$ 4,020,967
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%

## **Note 1 - Purpose of Schedule**

### **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 benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate assumption was changed from 3.97% to 5.20% since the previous report. Additionally, the health trend rate changed from 5.50% to 7.00% since the previous report.

### **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 plan 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 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% 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.

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

#### **Schedule of the District's 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.

Supplementary Information  
June 30, 2025

## Washington Unified School District

Washington Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education			
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Relief II (ESSER II) Fund	84.425D	15547	\$ 195,579
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	<u>2,389,221</u>
Subtotal (84.425)			<u>2,584,800</u>
Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	2,715,684
School Improvement Funding for LEAs	84.010	15438	<u>348,098</u>
Subtotal (84.010)			<u>3,063,782</u>
Title I Migrant Ed Summer Program	84.011	10005	87,289
Title I, Part C, Migrant Ed	84.011	14326	<u>149,316</u>
Subtotal (84.011)			<u>236,605</u>
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Section 131	84.048	14894	75,449
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	336,579
Title III, English Learner Student Program	84.365	14346	96,387
Title II, Part A, Supporting Effective Instruction	84.367	14341	197,513
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	205,138
Passed through Fresno County SELPA			
Special Education Cluster (IDEA)			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	674,862
Preschool Grants, Part B, Sec 619	84.173	13430	<u>2,518</u>
Subtotal Special Education Cluster (IDEA)			<u>677,380</u>
Total U.S. Department of Education			<u>7,473,633</u>



Washington Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through California Department of Education			
Child Nutrition Cluster			
School Breakfast Needy	10.553	13526	348,028
School Lunch - Section 4	10.555	13523	182,251
Commodities	10.555	13524	127,197
School Lunch - Section 11	10.555	13524	1,112,775
Meal Supplements	10.555	13755	112,030
Subtotal (10.555)			<u>1,534,253</u>
Fresh Fruit and Vegetable Program	10.582	14968	<u>50,241</u>
Subtotal Child Nutrition Cluster			<u>1,932,522</u>
Total U.S. Department of Agriculture			<u>1,932,522</u>
Total Federal Financial Assistance			<u><u>\$ 9,406,155</u></u>

# Washington Unified School District

## Schedule of Average Daily Attendance

Year Ended June 30, 2025

	Final Report		As Adjusted per Audit	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA				
Transitional kindergarten through third	477.09	480.44	477.09	480.44
Fourth through sixth	375.45	272.82	375.45	272.82
Seventh and eighth	233.52	300.38	233.52	300.38
Ninth through twelfth	1,046.90	1,038.61	1,046.90	1,038.61
Total regular ADA	2,132.96	2,092.25	2,132.96	2,092.25
Special Education, Nonpublic, Nonsectarian Schools				
Transitional kindergarten through third	-	-	-	-
Fourth through sixth	-	-	-	-
Seventh and eighth	0.85	-	0.85	0.78
Ninth through twelfth	0.76	-	0.76	0.59
Total special education, nonpublic, nonsectarian schools	1.61	-	1.61	1.37
Extended Year Special Education, Nonpublic, Nonsectarian Schools				
Seventh and eighth	-	0.78	-	-
Ninth through twelfth	-	0.59	-	-
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	-	1.37	-	-
Total ADA	2,134.57	2,093.62	2,134.57	2,093.62

# Washington Unified School District

Schedule of Instructional Time

Year Ended June 30, 2025

Grade Level	1986-1987 Minutes Requirement	2024-2025 Actual Minutes	Number of Actual Days	Status
Kindergarten	36,000	54,200	180	Complied
Grades 1 - 3	50,400			
Grade 1		53,825	180	Complied
Grade 2		53,825	180	Complied
Grade 3		53,825	180	Complied
Grades 4 - 8	54,000			
Grade 4		62,825	180	Complied
Grade 5		62,825	180	Complied
Grade 6		62,825	180	Complied
Grade 7		62,825	180	Complied
Grade 8		62,825	180	Complied
Grades 9 - 12	64,800			
Grade 9		63,970	180	Did not Comply
Grade 10		63,970	180	Did not Comply
Grade 11		63,970	180	Did not Comply
Grade 12		63,970	180	Did not Comply

Washington Unified School District  
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
Year Ended June 30, 2025

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2025.

Washington Unified School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2025

	(Budget) 2026 <sup>1</sup>	2025	2024 <sup>1</sup>	2023 <sup>1</sup>
General Fund <sup>3</sup>				
Revenues	\$ 53,703,631	\$ 58,855,839	\$ 67,542,951	\$ 62,176,778
Expenditures	56,223,093	58,494,258	59,323,099	49,881,954
Other uses and transfers out	130,131	2,179,134	4,026,806	3,300,475
Total Expenditures and Other Uses	56,353,224	60,673,392	63,349,905	53,182,429
Increase in Fund Balance	(2,649,593)	(1,817,553)	4,193,046	8,994,349
Ending Fund Balance	<u>\$ 18,213,005</u>	<u>\$ 20,862,598</u>	<u>\$ 22,680,151</u>	<u>\$ 18,487,105</u>
Available Reserves <sup>2</sup>	<u>\$ 11,616,260</u>	<u>\$ 3,475,049</u>	<u>\$ 11,191,015</u>	<u>\$ 7,194,974</u>
Available Reserves as a Percentage of Total Outgo	<u>20.61%</u>	<u>5.73%</u>	<u>17.67%</u>	<u>13.53%</u>
Long-Term Liabilities <sup>4</sup>	<u>Not Available</u>	<u>\$ 105,437,664</u>	<u>\$ 107,238,586</u>	<u>\$ 104,297,846</u>
Average Daily Attendance at P-2	<u>2,135</u>	<u>2,135</u>	<u>2,239</u>	<u>2,334</u>

The General Fund balance has increased by \$2,375,493 over the past two years. The fiscal year 2025-2026 budget projects a decrease of \$2,649,593 (12.7%). For a district this size, the State recommends available reserves of at least 3.0% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2025-2026 fiscal year. Total long-term liabilities have increased by \$1,139,818 over the past two years.

Average daily attendance has decreased by 199 over the past two years. No change in ADA is anticipated during fiscal year 2025-2026.

<sup>1</sup> Financial information for 2026, 2024, and 2023 are included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances contained within the General Fund.

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

<sup>4</sup> Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 16 for further information.

Washington Unified School District  
Schedule of Charter Schools  
Year Ended June 30, 2025

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

Washington Unified School District  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2025

	Student Activities Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
<b>Assets</b>							
Deposits and investments	\$ 547,801	\$ 489,503	\$ 404,810	\$ 116,460	\$ 1,265,358	\$ 2,621,810	\$ 5,445,742
Receivables	-	133,319	541,016	1,537	12,802	16,869	705,543
Due from other funds	-	-	-	40,000	-	-	40,000
Total assets	<u>\$ 547,801</u>	<u>\$ 622,822</u>	<u>\$ 945,826</u>	<u>\$ 157,997</u>	<u>\$ 1,278,160</u>	<u>\$ 2,638,679</u>	<u>\$ 6,191,285</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 20,540	\$ 26,777	\$ 59,908	\$ 132,200	\$ 373,146	\$ -	\$ 612,571
Unearned revenue	-	206,195	-	-	-	-	206,195
Total liabilities	<u>20,540</u>	<u>292,985</u>	<u>144,816</u>	<u>132,200</u>	<u>373,146</u>	<u>-</u>	<u>963,687</u>
<b>Fund Balances</b>							
Nonspendable	-	-	100	-	-	-	100
Restricted	527,261	329,837	800,910	25,797	905,014	2,638,679	5,227,498
Total fund balances	<u>527,261</u>	<u>329,837</u>	<u>801,010</u>	<u>25,797</u>	<u>905,014</u>	<u>2,638,679</u>	<u>5,227,598</u>
Total liabilities and fund balances	<u>\$ 547,801</u>	<u>\$ 622,822</u>	<u>\$ 945,826</u>	<u>\$ 157,997</u>	<u>\$ 1,278,160</u>	<u>\$ 2,638,679</u>	<u>\$ 6,191,285</u>

Washington Unified School District

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

Year Ended June 30, 2025

	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	\$ -	\$ -	\$ 1,932,522	\$ -	\$ -		\$ -	\$ 1,932,522
Other State sources	-	698,706	400,624	-	3,830,922		6,628	4,936,880
Other local sources	649,091	29,050	85,198	77,943	154,709		3,237,879	4,233,870
Total revenues	649,091	727,756	2,418,344	77,943	3,985,631	-	3,244,507	11,103,272
Expenditures								
Current								
Instruction	-	543,389	-	-	-		-	543,389
Instruction-related activities								
Supervision of instruction	-	53,267	-	-	-		-	53,267
School site administration	-	1,534	-	-	-		-	1,534
Pupil services								
Food services	-	-	2,201,535	-	-		-	2,201,535
Administration								
All other administration	-	38,076	72,566	-	-		-	110,642
Plant services	-	-	43,459	44,523	-		-	87,982
Ancillary services	618,983	-	-	-	-		-	618,983
Facility acquisition and construction	-	-	-	1,107,719	4,723,021		-	5,830,740
Debt service								
Principal	-	-	-	-	-		1,092,848	1,092,848
Interest and other	-	-	-	11,220	-		2,018,501	2,029,721
Total expenditures	618,983	636,266	2,317,560	1,163,462	4,723,021		3,111,349	12,570,641



Washington Unified School District

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

Year Ended June 30, 2025

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	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
Excess of Revenues Over Expenditures	30,108	91,490	100,784	(1,085,519)	(737,390)		133,158	(1,467,369)
Other Financing Sources Transfers in	-	-	-	340,000	-		-	340,000
Net Change in Fund Balances	30,108	91,490	100,784	(745,519)	(737,390)		133,158	(1,127,369)
Fund Balance - Beginning, as previously reported	497,153	238,347	700,226	771,316	1,642,404	6,527,510	2,505,521	12,882,477
Adjustment (Note 16)	-	-	-	-	-	(6,527,510)	-	(6,527,510)
Fund Balance - Beginning, as restated	497,153	238,347	700,226	771,316	1,642,404	-	2,505,521	6,354,967
Fund Balance - Ending	<u>\$ 527,261</u>	<u>\$ 329,837</u>	<u>\$ 801,010</u>	<u>\$ 25,797</u>	<u>\$ 905,014</u>		<u>\$ 2,638,679</u>	<u>\$ 5,227,598</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, 2025. 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). Because the schedule presents only a selected portion of the operations of the Washington Unified School District, it is not intended to and does not present the net position, changes in net position or fund balances of Washington Unified School District.

#### 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, 2025, the District had food commodities totaling \$127,197 in inventory.

### **Schedule of Average Daily Attendance (ADA)**

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

### **Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

**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**

These schedules are 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.

Other Information  
June 30, 2025

## Washington Unified School District

## 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
Terry Ruiz	President	2028
Anna Kosmosky	Vice President	2028
Henry Hendrix	Board Clerk	2026
Darrell Carter	Board Member	2026
Steve Barra	Board Member	2026
Beatrice Pino	Board Member	2028
Eddie Ruiz	Board Member	2028

## Administration

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

Independent Auditor's Reports  
June 30, 2025

## 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 (*Government Auditing Standards*), the 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2025.

***Adoption of New Accounting Standard***

As discussed in Note 16 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 District'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 District's internal control and compliance. Accordingly, this communication 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  
December 12, 2025





**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**

***Opinion on Each Major Federal Program***

We have audited Washington Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over*

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

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

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

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

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

Fresno, California  
December 12, 2025



## **Independent Auditor's Report on State Compliance and on Internal Control Over Compliance**

To the Governing Board  
Washington Unified School District  
Fresno, California

### **Report on Compliance**

#### ***Opinion on State Compliance***

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

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

#### ***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

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

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Yes
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001 and 2025-002. Our opinion on state compliance is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District’s responses to the noncompliance findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-2025 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  
December 12, 2025

Schedule of Findings and Questioned Costs  
June 30, 2025

## 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**

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Title I, Part A, Basic Grants Low Income and Neglected and School Improvement Funding for LEAs	84.010
Child Nutrition Cluster	10.553, 10.555, 10.582
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

**State Compliance**

Internal control over state compliance programs	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Other matters to be reported	Yes
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

The following findings represent significant deficiencies and material weaknesses in internal controls over compliance and instances of noncompliance, including questioned costs, that are required to be reported by the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
40000	State Compliance

**2025-001      10000 - Attendance Accounting and Reporting**

**Criteria**

According to the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in the California Code of Regulations and published by the Education Audit Appeals Panel, attendance reports must be amended for any change in ADA. [Education Code Sections 41341 (a)(1) and 14503 (a)]

**Condition**

During our audit of the Annual Period (P-3) report, we determined the District did not use the correct program to report annual ADA. We determined the District reported ADA in Extended Year Special Education – Nonpublic, Nonsectarian Schools erroneously and should have been reported in Special Education – Nonpublic, Nonsectarian Schools.

**Cause**

The error was due to the preparer of the annual ADA report entering the ADA into the incorrect row in the Principal Apportionment Data Collection (PADC) program.

**Effect**

The District will need to revise the annual report submitted through the Principal Apportionment Data Collection (PADC) system. The revised Annual will reduced ADA from Extended Year Special Education – Nonpublic, Nonsectarian Schools by 1.37 and increase ADA to Special Education – Nonpublic, Nonsectarian Schools by 1.37.

**Questioned Costs**

There is no fiscal impact for the current as the Special Education – Nonpublic, Nonsectarian Schools is funded based on Second Period Report ADA. However, the Extended Year Special Education – Nonpublic, Nonsectarian Schools is funded based on Annual Period Report ADA.

During our audit we determined that the District calculated ADA using the divisor of 180 and not the fixed 175 divisor, which the ADA would have been funded on.

**Repeat Finding**

No

**Recommendation**

We recommend management evaluate the internal control structure over State compliance and consider changes as necessary that will ensure the correct preparation of the P-2 and Annual reports.

**Corrective Action Plan and Views of Responsible Officials**

Annual report will be revised and reviewed before submitting the PADC.

**2025-002      40000 – State Compliance**

**Criteria or Specific Requirements**

*Education Code* Section 46207 requires the annual number of minutes of instruction to pupils in grades 9 to 12, inclusive, to be 64,800.

**Condition**

During the audit of Instructional Time, it was determined the high school regular bell schedule worksheet calculation double counted 10 minute passing periods between blocks 3/4 and 5/6 as part of instructional time. This time was in error and did not qualify to count towards the annual minutes requirement.

**Cause**

The high school worksheet calculation included an extra ten minutes between block periods passing time.

**Effect**

After recalculating the annual minutes offered, it was determined the high school did not offer the minimum amount of instructional minutes. The high school was short by 830 minutes.

Due to the condition noted above, the District is subject to a fiscal penalty in accordance with *Education Code* Section 46207(b). The penalty was calculated using the penalty calculator provided by the California Department of Education and totaled \$229,466.

### Questioned Costs

Below is the required schedule of affected grade levels and penalty calculation:

School Site	Required Minutes Pursuant to <i>Education Code</i> Section 46207(a)(4)	Annual Instructional Minutes Offered	Additional Minutes Required to Meet Instructional Minute Requirements
Washington Union High School Grades 9-12	64,800	63,970	830
<b>Penalty Calculation</b>			
Washington Unified School District			
Affected grade level(s)	9, 10, 11, 12		
Affected grade level ADA	1,046.90		
Derived value of ADA by grade span	\$ 17,123.93		
Number of required minutes subject to <i>Education Code</i> Section 46207(a)(4)	64,800		
Number of minutes short	830		
Percentage of minutes not offered	1.28%		
Affected LCFF apportionment by grade span	\$ 17,927,042		
Total instructional time penalty	<u>\$ 229,466</u>		

### Repeat Finding

No

### Recommendation

We recommend management evaluate the internal control structure over State compliance and consider changes as necessary that will ensure the District is in compliance with applicable *Education Code* sections.

### Corrective Action Plan and Views of Responsible Officials

The high school bell schedule was miscalculated for 2024-2025 resulting in insufficient instructional minutes. For the 2025-2026 school year bell schedules are under review by District staff for any miscalculations and corrections are being made to assure compliance. State requirements associated with master scheduling and instructional minute calculations will be reviewed annually as part of the annual calendar process.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

## State Compliance Finding

### 2024-001      61000 - Classroom Teacher Salaries

#### Criteria or Specific Requirements

In accordance with *Education Code* Section 41372, the District is required to expend at least 55% of General Fund expenditures on classroom teacher salaries.

#### Condition

In reviewing Form CEA, it was noted the District did not meet the minimum percentage required for payment of classroom teachers. Form CEA reported total current expense (Column 5) of \$48,948,822.50 and minimum classroom compensation (Part II) of \$26,142,361.24 which represented 53.41% of current expense, resulting in a deficiency of 1.59% or \$778,286.28.

#### Cause

As a result of the District receiving significant sources of one-time funding to be used specifically for COVID-19 related expenditures, the District's ratio was not maintained.

#### Effect

The noncompliance resulted in the District being deficient by 1.59% or \$778,286.28.

#### Questioned Costs

There are no questioned costs related to this finding.

#### Repeat Finding

Yes

#### Recommendation

The District should request a waiver from the Fresno County Superintendent of Schools for this issue.

#### Current Status

Implemented.