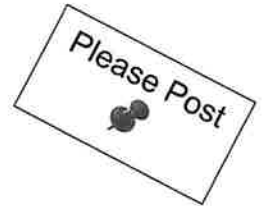


**FALL RIVER JOINT UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES REGULAR MEETING**



DATE: January 11, 2023
 TIME: 6:00 PM
 LOCATION: District Office
 20375 Tamarack Avenue
 Burney, CA 96013
 Google Meet Link
meet.google.com/edg-gabw-vco

AGENDA

Individuals wishing to address the Board should register prior to the start of the meeting.

1.	CALL TO ORDER
2.	<p>CLOSED SESSION: 5:30 pm</p> <p>a. Expulsion Hearing – Student 2022-2023-3</p> <p>2.1 Pursuant to Education Code Sections 35146 / 48912(b) / 49060 et seq. / 20 U.S.C. Section 1232g STUDENT DISCIPLINE OR OTHER CONFIDENTIAL STUDENT MATTERS</p> <p>CLOSED SESSION: 5:45 PM</p> <p>a. Reinstatement Update – Student 2021-2022 – 1</p> <p>2.2 STUDENT DISCIPLINE OR OTHER CONFIDENTIAL STUDENT MATTERS</p>
3.	ROLL CALL; ESTABLISH A QUORUM; SALUTE FLAG
4.	ADOPT AGENDA
5.	<p>PUBLIC COMMENT</p> <p>Opportunity for members of the public to address the Board. Note: 1) Individual speakers will be allowed three (3) minutes to address the Board. The maximum time allowed for each agenda item shall be 20 minutes. 2) Citizens should contact the Superintendent for complaint procedures regarding employees. 3) A school district cannot take action on a matter that has not been placed on the official agenda. (G.C. 54954.2)</p>
6.	<p>CONSENT AGENDA</p> <p>The consent agenda, if approved, will be recorded in the minutes, as if each item had been acted upon individually. Requests by members of the Board to have any item taken off the consent agenda for discussion will be honored without debate. Requests by the public to have an item taken off the consent agenda will be considered prior to the Board taking action.</p>
	6.1 Approval of Minutes, December 14, 2022
	6.2 Approval of Personnel Report and Actions Therein
	<p>6.3 Approval of Governing Board Commercial Warrant Report: # 6 (2022/2023)</p> <ul style="list-style-type: none"> • \$ 702,455.56 General Fund • \$ 29,981.06 Cafeteria Fund • \$ 1,067.58 Capital Facilities Fund
	<p>6.4 Approval of HM&S Audit Report</p> <ul style="list-style-type: none"> • Fall River Joint Unified School District Audit Report 2021-2022
	6.5 Approval of Facility Use Inspection Tool (FIT) Reports for all Sites 2022-2023
	<p>6.6 Approval of School Accountability Report Cards (SARC) for the 2022-2023 School Year for:</p> <p>Burney Elementary School Burney Jr/Sr High School Fall River Elementary School Fall River Jr/Sr High School Mt. View High School Soldier Mt. High School Burney Community Day School Fall River Community Day School</p>

	<p>6.7 Approval of Williams Quarterly Report</p> <ul style="list-style-type: none"> No complaints were filed with any school in the district from October 1, 2022 to December 31, 2022
	6.8 Approval of Stipend for Peter Finney for Services Rendered from 8/15/2022 – 12/31/2022
	6.9 Approval of One-time Reimbursement for Additional Services Rendered Covering for the SDC Teacher Position from 8/3/2022 – 12/9/2022
	<p>6.10 Accept the following donations:</p> <ul style="list-style-type: none"> For Burney Elementary School – Total \$ 280.00 \$ 280.00 PG&E-Company/Blackbaud Giving Fund For Burney Jr. Sr. High School – Total \$100.00 \$ 100.00 Schweitzer Engineering Laboratories, Inc. For Fall River Elementary School – Total \$ 990.00 \$ 990.00 PG&E-Company/Blackbaud Giving Fund For Fall River Jr/Sr High School – Total \$ 5,190.00 \$ 190.00 PG&E-Company/Blackbaud Giving Fund \$ 5,000 North State Together
7.	NEW BUSINESS
	7.1 Consider to Approve Resolution #15 2022-2023 Recognizing a State of Emergency and Authorizing Teleconferenced Meetings Pursuant to AB 361
	7.2 Consider to Approve ESSER III Expenditure Plan - No Revisions
	7.2 Consider to Approve Revisions to Instructional Minutes for All School Sites Due to a Late Start Day
	7.3 Consider to Approve Revision to District Policy 5141.33 Head Lice 2022-2023
	7.4 INFORMATION ITEM: Presentation by Merrill Grant District Board Goals 2022-2023 – District Safety.
8.	REPORTS/ANNOUNCEMENTS
9.	FUTURE AGENDA ITEMS
10.	CLOSED SESSION
	10.1 Government Code 54956.9: Personnel
	10.2 Government Code 54957.6: Negotiations
11.	ADJOURNMENT
	<p>Copies of the agenda, complete with backup materials, may be reviewed at the District Office. A schedule of the regular meetings, agendas and minutes can be reviewed on the District's website: www.frjusd.org</p> <p>REASONABLE ACCOMMODATION FOR ANY INDIVIDUAL WITH A DISABILITY Pursuant to the <i>Rehabilitation Act of 1973</i> and the <i>Americans with Disabilities Act of 1990</i>, any individual with a disability who requires reasonable accommodation to attend or participate in a meeting, may request assistance by contacting the Fall River Joint Unified School District, 20375 Tamarack Ave. Burney, CA 96013; telephone 530-335-4538; fax 530-335-3115</p>

**FALL RIVER JOINT UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES MEETING**

DATE: December 14, 2022
TIME: 6:00 PM
LOCATION: Soldier Mt. High School
 44144 A Street
 McArthur, CA 96056
 GOOLGE Meet Link
meet.google.com/yay-fygr-mct

UNAPPROVED MINUTES

Individuals wishing to address the Board should register prior to the start of the meeting.

1.	CALL TO ORDER I. Venegas @ 5:30 pm
2.	<p>CLOSED SESSION: 5:30 pm</p> <p>a. Expulsion Hearing – Student 2022-2023-3</p> <p>3.1 Pursuant to Education Code Sections 35146 / 48912(b) / 49060 et seq. / 20 U.S.C. Section 1232g STUDENT DISCIPLINE OR OTHER CONFIDENTIAL STUDENT MATTERS</p> <p>Motion to expel student 2022-2023 – 3 by _____/2nd _____</p> <p>Discussion: Expulsion hearing has been extended to the January 2023 Board Meeting</p> <p>Dougherty: Estes: Hamilton: Hathaway: Venegas: Other</p> <p>Ayes: Noes: Absent: Abstain:</p>
3.	<p>ROLL CALL; ESTABLISH A QUORUM; SALUTE FLAG</p> <p>Dougherty: Present Estes: Present Hamilton: Present Hathaway: Present Venegas: Present Others:</p>
4.	<p>EMPLOYEE RECOGNITION – Retirement of Carla Schechla</p> <p>B. Beyer, District Psychologist –</p> <ul style="list-style-type: none"> Carla is an amazing employee. The district will miss her <p>C. Schechla, District Employee –</p> <ul style="list-style-type: none"> Will miss the kids at the Special Ed. Center. Will be back to visit the students
5.	<p>SWEARING IN OF BOARD MEMBERS</p> <p>Board members sworn in are: R. Dougherty, John Hamilton and Jeanne Norris</p> <p>J. Norris, Board Trustee –</p> <ul style="list-style-type: none"> Fortunate to live in this area and be able to serve on the Board of Trustees <p>M. Grant, Superintendent –</p> <ul style="list-style-type: none"> Wanted to recognize Ignacio Venegas for his 13 years of service on the Board of Trustees. Proud of all of his hard work for the district and the students of the district Respects his service

	<p>Iggy Venegas, Former Board President –</p> <ul style="list-style-type: none"> • Have enjoyed serving on the Board of Trustees • Loves the district • Will be back! <p>J. Hamilton, Board Trustee –</p> <ul style="list-style-type: none"> • Appreciates all of Iggy’s dedication to the district
6.	<p>ADOPT AGENDA Motion to Adopt Agenda <u>M. Estes</u> /2nd <u>J. Hathaway</u> Discussion: Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</p>
7.	<p>PUBLIC COMMENT No Public Comment</p>
8.	<p>ANNUAL ORGANIZATIONAL MEETING</p>
	<p>8.1 Elect President (turn gavel over to new President) M. Estes nominates Rick Dougherty to be the new Board President. Motion to seat Rick Dougherty as the new Board President by <u>M. Estes</u> /2nd <u>J. Hathaway</u> Discussion: Dougherty: Abstain Estes: Aye Hamilton: Aye Hathaway: Aye Norris: Aye Other Ayes: 4 Noes: 0 Absent: 0 Abstain: 1</p>
	<p>8.2 Elect Clerk R. Dougherty nominated Megan Estes as the Board Clerk Motion to seat Megan Estes as the new Board Clerk by <u>R. Dougherty</u> /2nd <u>J. Hathaway</u> Discussion: Dougherty: Aye Estes: Abstain Hamilton: Aye Hathaway: Aye Norris: Aye Other Ayes: 4 Noes: 0 Absent: 0 Abstain: 1</p>
	<p>8.3 Appoint District Superintendent as the Secretary and Agent of the Board Motion to Appoint District Superintendent as the Secretary and Agent of the Board by <u>J. Hathaway</u> /2nd <u>J. Norris</u> Discussion: Dougherty: Aye Estes: Aye Hamilton: Aye Hathaway: Aye Norris: Aye Other Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</p>

<p>8.4 Adopt Resolution #11 - 2022/2023: Fixing Dates, Time, and Location of Regular Meetings of the Fall River Joint Unified School District Board of Trustees 2023</p> <p>Motion to Adopt Resolution #11 – 2022/2023: Fixing Dates, Time and Location of Regular Meetings of the Fall River Joint Unified School District Board of Trustees 2023 by <u>M. Estes</u> /2nd <u>J. Norris</u></p> <p>Discussion:</p> <p>Dougherty: Aye Estes: Aye Hamilton: Aye Hathaway: Aye Norris: Aye Other</p> <p>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</p>
<p>8.5 Authorize designated persons to sign Warrants and Warrant Board Reports</p> <p>Motion to Authorize persons to sign Warrants and Warrant Board Reports by <u>J. Hamilton</u> /2nd <u>J. Hathaway</u></p> <p>Discussion:</p> <p>Dougherty: Aye Estes: Aye Hamilton: Aye Hathaway: Aye Norris: Aye Other</p> <p>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</p>
<p>8.6 Appoint representative to the Shasta-Trinity Regional Occupation Program Governing Board</p> <p>J. Hamilton nominates R. Dougherty as the Representative to the Shasta-Trinity Regional Occupational Program Governing Board by <u>J. Hamilton</u> /2nd <u>J. Norris</u></p> <p>Discussion:</p> <p>Dougherty: Abstain Estes: Aye Hamilton: Aye Hathaway: Aye Norris: Aye Other</p> <p>Ayes: 4 Noes: 0 Absent: 0 Abstain: 1</p>
<p>8.7 Appoint Board Members to Negotiation Teams</p> <p>Motion to Appoint J. Hamilton and R. Dougherty to the FRTA Negotiations Team and J. Hathaway and J. Norris to the CSEA Negotiations team with M. Estes as a substitute by <u>J. Hathaway</u> /2nd <u>J. Norris</u></p> <p>Discussion:</p> <p>Dougherty: Aye Estes: Aye Hamilton: Aye Hathaway: Aye Norris: Aye Other</p> <p>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</p>

9.	<p>CONSENT AGENDA</p> <p>Motion to Adopt Consent Agenda by <u>J. Hathaway /2nd M. Estes</u></p> <p>Discussion:</p> <p>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</p>
9.1	Approval of Minutes, November 9, 2022
9.2	Approval of Personnel Report and Actions Therein
9.3	<p>Approval of Governing Board Commercial Warrant Report: # 5 - 2022/2023</p> <ul style="list-style-type: none"> • \$ 554,876.16 General Fund • \$ 40,106.02 Cafeteria/Food Service Fund • \$ 22,741.77 Payroll Clearing Fund
9.4	Approval of Actuarial Study of Unfunded Pension Liabilities Under GASB 73
9.5	<p>Approval of Agreement for Special Services between Fall River Joint Unified School District and School Services of California, Inc.</p> <p>Term: January 1, 2023 – December 31, 2023</p>
9.6	<p>Approval of Service Agreement between Compliance Associates Inc. and Fall River Joint Unified School District for Drug and Alcohol Testing</p> <p>Term: January 1, 2023 through December 31, 2023 or until either party hereto terminates this Agreement by tendering a 30-Day written notice of cancellation</p>
9.7	<p>Approval of First Interim</p> <ul style="list-style-type: none"> • 2022 – 2023 Budget <p>T. Spooner, District CBO –</p> <ul style="list-style-type: none"> • The district's beginning balance is \$7.2 million and expected revenue is \$24.3 million. The budgeted expenditures total \$21.4 million. The ending balance is budgeted at \$10.2 million. These numbers are bloated as a result of new and unspent one time monies from the state. We will do an in depth study at Second Interim. • The district is submitting this report indicating that we are projecting to meet all obligations for the current year and the subsequent two years. However, it is important to note for future years that any on-going structural deficit cannot be sustained once reserves are depleted. There are many unpredictable factors, which affect revenue and expenditures. Because of that, the district has based the budget on assumptions, the best information available at the time the budget is prepared. The First Interim Budget should be considered a “financial snapshot” on the date it is approved by the Board of Trustees. • Projected reductions in ADA, and the use of one time funds for personnel expenses are of great concern, putting the district at risk of the unwanted area of significant deficit budgeting. The superintendent recognizes the fiscal strain. The district will need to be attentive when filling any open positions in preparation of employee agreements. The district will need to monitor its budget closely and review programs and planned spending.
9.8	<p>Approve the Annual Certification Regarding Workers' Compensation</p> <ul style="list-style-type: none"> • Pursuant to EC 42141 each member district shall advise its Governing Board if there is an estimated unfunded liability for Workers' Compensation • The Shasta-Trinity Schools Insurance Group JPA does have total assets sufficient to pay the Workers' Compensation self-insured claims and therefore has no unfunded liabilities
9.9	Approval to Surplus District Outdated Electronics that include: T.V's, SMART Interactive Flat Panels, Old Wireless System Components.
9.10	Approval to Discard Outdated Textbooks from Burney Jr/Sr High School

9.11 Approval to accept the following donations:

- **For Burney Elementary School – Total \$4,125.64**
 - \$ 3,000.00 Whole Kids Foundation
 - \$ 50.00 Roxane Fields – For 6th Grade
 - \$ 180.00 Craft Fair Money for Parent Group
 - \$ 80.00 Craft Fair Booth
 - \$ 235.00 Jr. Raider Family Committee
 - \$ 250.00 Jr. Raider Family Committee
 - \$ 380.64 Reading for Education
- **For Burney High School - Total \$913.56**
 - \$ 44.27 Ohiopyle Prints, Inc.
 - \$ 840.00 Blackbaud Giving Fund
 - \$ 29.29 Ohiopyle Prints, Inc
- **For Fall River Elementary School – Total \$257.18**
 - \$ 32.32 Reading for Education
 - \$ 74.86 Reading for Education
 - \$ 150.00 Patterson Optometric Eye Care
- **For Fall River Joint Unified School District - Total 12,500.00**
 - \$ 12,500.00 Schwab Charitable

10. NEW BUSINESS

10.1 Consider for Approval Resolution # 14 2022-2023 Recognizing a State of Emergency and Authorizing Teleconferenced Meetings Pursuant to AB 361
Motion to Approve Resolution 14 – 2022/2023 Recognizing a State of Emergency and Authorizing Teleconferenced Meetings Pursuant to AB 361 by J. Hathaway /2nd J. Norris

Discussion:

Dougherty: **Aye**

Estes: **Aye**

Hamilton: **Aye**

Hathaway: **Aye**

Norris: **Aye**

Other

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

10.2 Consider Approval for Request for the Issuance of a Provisional Internship Permit (PIP) for Megan Gallion as Kindergarten Teacher for Fall River Elementary School
Motion to Approve Request for the Issuance of a Provisional Internship Permit (PIP) for Megan Gallion as Kindergarten Teacher for Fall River Elementary School by J. Hamilton /2nd J. Norris

Discussion:

Dougherty: **Aye**

Estes: **Aye**

Hamilton: **Aye**

Hathaway: **Aye**

Norris: **Aye**

Other

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

10.3 Consider for Approval Revisions to District Independent Study Policy 2022-2023
Motion to Approve Revision to District Independent Study Policy 2022-2023 by M. Estes /2nd J. Hathaway

Discussion:

Dougherty: **Aye**

Estes: **Aye**

Hamilton: **Aye**

Hathaway: **Aye**

Norris: **Aye**

Other

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

11. REPORTS/ANNOUNCEMENTS

E. Eades, Student Rep. for FRHS –

- 1st Semester will end January 20th
- Student Body is planning a winter assembly
- Volleyball won the Northern Regional Championship
- Football won Region
- Block F was a success. Varsity placed 1st and JV placed 2nd
- Basketball is in full swing
- Wrestling team got new mats
- Lots of new members on the Wrestling team (9)
- Lots of illnesses currently and taking a toll on student attendance
- Had a light parade. A lot of students and staff participated
- FFA meeting tonight
- The InterAct Club visited the long term care residents
- Wrestling team hosting 2 home tournaments

M. Grant, Superintendent –

- Introduced Rodd Taylor the new Director of Operations

B. Beyer, District Psychologist –

- Christmas Party at the Lion's Club
- New SDC teacher fitting in well
- Having a SELPS oversite visit soon

K. Wike, Director of Technology –

- Went to Long Beach for an IT conference
- Want to improve the districts security
- Need to add more stringent policies in place
- Cyber attacks are becoming very sophisticated
- Password requirement are going to increase to 12+ characters
- Contact Ken if you believe there has been a security breach
- Keep personal and work passwords separate

C. Knoch, FRE Principal –

- 5th grade students watched the performance of ELF that BES presented
- Bringing the Talent Show back – 6th grade fundraiser
- 4th Grade Science Fair
- Student Council has scheduled some fun Christmas activities

K. Freeland Sloat, FRHS Principal –

- Received a \$5,000 grant from North State Together
- Made the decision not to go to state due to safety concerns
- Recognizing June Pellegrino for all of the work she does with the PIP waivers

R. Guerrero, BHS Principal –

- 8-man section football champions
- Had the Deck the Halls hall decorating activities. Hot chocolate/cookies
- Community voting on decorations
- Christmas band performance was amazing. The new music teacher Peter Finney did an excellent job
- Burney Jamboree starts tomorrow
- Dedicating tournament to Teresea Spooner for all of endless work she does for the district
- Acknowledging her on Friday at 6:15

T. Spooner, District CBO –

- So appreciative for the honor

12.	FUTURE AGENDA ITEMS Safety goals Adjourn to Closed Session: <u>R. Dougherty</u> @ <u>7:13 pm</u>
13.	CLOSED SESSION Government Code 54957.6 Negotiations Government Code 54956.9 Personnel
14.	RECONVENE TO OPEN SESSION
15.	ADJOURNMENT by <u>R. Dougherty</u> @ <u>7:48 pm</u>
<p>Copies of the agenda, complete with backup materials, may be reviewed at the District Office. A schedule of the regular meetings, agendas and minutes can be reviewed on the District's website: www.frjusd.org</p> <p>REASONABLE ACCOMMODATION FOR ANY INDIVIDUAL WITH A DISABILITY <i>Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in a meeting, may request assistance by contacting the Fall River Joint Unified School District, 20375 Tamarack Ave. Burney, CA 96013; telephone 530-335-4538; fax 530-335-3115</i></p>	

January 11, 2023

Respectfully submitted,

Adopted and ordered entered into the records of the proceedings of the District.

Superintendent

Clerk of the Board

Date

Fall River Joint Unified School District
PERSONNEL REPORT NUMBER 6 – 2022/2023
 Wednesday, January 11, 2023

CERTIFICATED

Effective Date

Peter Finney	Hired as 1 - FTE Music Teacher at Burney Jr/Sr High & Fall River Jr/Sr High Schools – Replacing Hugo Castro.	1/1/2023
CLASSIFIED		
Shasta Bellegante	Resigned as 1 - 6.0 Hour Intensive Behavior Interventionist at the Mt. Burney Center.	1/8/2023
	Hired as 1 - 6.0 Hour Intensive Behavior Interventionist at Fall River Community Day School & Soldier Mtn. High School – Replacing Carrie Osborne.	1/9/2023
Peter Finney	Resigned as 1 - 7.5 Hour Paraprofessional at Burney Jr/Sr High & Fall River Jr/Sr High Schools.	12/31/2022

COACHING, EXTRA DUTY, & SUBSTITUTE ASSIGNMENTS

Robert Berliner – Burney Jr/Sr High School JV Boys Basketball Coach – Stipend

Benjamin Jansen – Certificated Substitute

Janis Martin – Certificated Substitute

Jeanine Ferguson – Classified Substitute

Taylor Keepers – Classified Substitute

Lamont Maldonado – Classified Substitute

FALL RIVER JOINT UNIFIED SCHOOL DISTRICT

TO: Board of Trustees
FROM: Teresea Spooner
DATE: January 4, 2023

SUBJECT: ***Approval: Governing Board Commercial Warrants***

Commercial Warrant Report No. 6 (2022/23) is being submitted for your review and approval (supporting information will be available for the Board at the meeting).

Commercial Warrants

\$	702,455.56	(General Fund)
\$	29,981.06	(Cafeteria Fund)
\$	1,067.58	(Capital Facilities Fund)

RECOMMENDATION

It is recommended that the Board take action to approve Commercial Warrant Report No. 6 (2022/23) as prepared and submitted by the Business Office.

Checks Dated 12/07/2022 through 01/04/2023

Check Number	Check Date	Pay to the Order of	Check Amount
9010942607	12/08/2022	ACADEMIC THERAPY PUBLICATIONS	271.35
9010942608	12/08/2022	ALSCO	441.81
9010942609	12/08/2022	ANDERS, FORREST D	93.70
9010942610	12/08/2022	BAREFOOT	597.80
		Unpaid Tax	43.34
		Expensed Amount	641.14
9010942611	12/08/2022	CA ASSOCIATION FFA	3,310.00
9010942612	12/08/2022	CANADAY, JERRY W	157.50
9010942613	12/08/2022	CHILDTHERAPY TOYS	227.88
		Unpaid Tax	16.52
		Expensed Amount	244.40
9010942614	12/08/2022	CLEAN AIR AMERICA INC	67,773.38
9010942615	12/08/2022	DANIELSEN COMPANY	10,096.68
9010942616	12/08/2022	DEAVERS, AMANDA L	190.00
9010942617	12/08/2022	DOCUMENT TRACKING SERVICES	1,144.94
9010942618	12/08/2022	ED STAUB AND SONS	1,154.13
9010942619	12/08/2022	GOLD STAR FOODS	829.41
9010942620	12/08/2022	JACOBSON, DAWN M	212.50
9010942621	12/08/2022	JIMENEZ, VICTORIA M	78.75
9010942622	12/08/2022	K & K DISTRIBUTING	8,090.82
9010942623	12/08/2022	KEEPERS, WILLIAM C	5.96
9010942624	12/08/2022	KNOCH, CHRISTINE	610.85
9010942625	12/08/2022	LAKEY, LAURA J	24.66
9010942626	12/08/2022	MASTER TEACHER INC	69.90
		Unpaid Tax	4.20
		Expensed Amount	74.10
9010942627	12/08/2022	NATIONAL FFA ORGANIZATION	94.00
		Unpaid Tax	6.82
		Expensed Amount	100.82
9010942628	12/08/2022	NICOLET GLASS CENTER	1,610.00
9010942629	12/08/2022	ODP BUSINESS SOLUTIONS LLC	50.72
9010942630	12/08/2022	PAPE MACHINERY INC	18,829.38
9010942631	12/08/2022	ROSE, DAVID W	255.00
9010942632	12/08/2022	SCHMIDT, MARCY	117.38
9010942633	12/08/2022	SPORTSMENS DEN	2,305.49
9010942634	12/08/2022	STAPLES BUSINESS CREDIT	2,316.40
9010942635	12/08/2022	SYSCO FOOD SERV OF SACRAMENTO	11,599.92
9010942636	12/08/2022	TELEMED2U	11,700.00
9010942637	12/08/2022	TOWNEPLACE SUITES REDDING	981.25
9010942638	12/08/2022	WAXIE SANITARY SUPPLY	99.37
9010943337	12/13/2022	ADCOCK, JANN K	4,509.61
9010943338	12/13/2022	BURNEY WATER DISTRICT	1,077.96
9010943339	12/13/2022	DEPARTMENT OF JUSTICE	160.00
9010943340	12/13/2022	FREIGHTLINER INC	43.24
9010943341	12/13/2022	GROWING LEADERS INC	1,318.00
9010943342	12/13/2022	HIWAY GARAGE INC	330.01
9010943343	12/13/2022	HOVIS HARDWARE INC	2,516.77
9010943344	12/13/2022	INTER-MOUNTAIN FAIR AND EVENT CENTER	10,000.00

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE
Page 1 of 4

Checks Dated 12/07/2022 through 01/04/2023

Check Number	Check Date	Pay to the Order of	Check Amount
9010943345	12/13/2022	KAREN VANCLEAVE	880.00
9010943346	12/13/2022	LASSEN AIR & REFRIGERATION SRV	450.00
9010943347	12/13/2022	PEMBERTON, TODD G	3,543.75
9010943348	12/13/2022	SISC	193,685.00
9010943349	12/13/2022	SMALL, SHELLY	111.96
9010943350	12/13/2022	STEVE MARTIN AUTO REPAIR	61.70
9010943351	12/13/2022	TSACG	48,160.00
9010943352	12/13/2022	VALLEY MOTOR PARTS	294.87
9010943353	12/13/2022	WAXIE SANITARY SUPPLY	308.80
9010943354	12/13/2022	ANDERS, FORREST D	42.85
9010943355	12/13/2022	ARCLIGHT DYNAMICS LLC	959.89
9010943356	12/13/2022	ASSOC CA SCHOOL ADMIN	1,020.32
9010943357	12/13/2022	AUBURN HARDWOODS COMPANY	864.65
9010943358	12/13/2022	BEST BEHAVIOR LLC	3,525.25
9010943359	12/13/2022	BRINSEA PRODUCTS INC	359.98
9010943360	12/13/2022	C & K MARKET INC	237.33
9010943361	12/13/2022	CALIFORNIA SAFETY COMPANY INC	960.00
9010943362	12/13/2022	CDW GOVERNMENT INC	47,456.57
9010943363	12/13/2022	CRABTREE, JOHANNA G	420.05
9010943364	12/13/2022	CSM CONSULTING INC	2,375.00
9010943365	12/13/2022	ED STAUB AND SONS	2,855.49
9010943366	12/13/2022	FALL RIVER SOLAR LLC	3,236.88
9010943367	12/13/2022	FALL RIVER VALLEY CSD	4,704.68
9010943368	12/13/2022	FRONTIER	724.77
9010943369	12/13/2022	GIPPER MEDIA INC	1,050.00
9010943370	12/13/2022	GOPHER SPORTS EQUIPMENT NW5634	2,761.56
9010943371	12/13/2022	HARBERT OIL COMPANY INC	86.66
9010943372	12/13/2022	HICKEY, FIONA B	393.75
9010943373	12/13/2022	HORTON MCNULTY & SAETEURN LLP	4,080.00
9010943374	12/13/2022	HOVIS HARDWARE INC	1,502.71
9010943375	12/13/2022	HOWES, JANELLE J	365.65
9010943376	12/13/2022	JAMES, WARDEN A	15.24
9010943377	12/13/2022	LAKESHORE CURRICULUM MATERIALS	753.50
9010943378	12/13/2022	MYBINDING.COM	6,200.39
9010943379	12/13/2022	ODP BUSINESS SOLUTIONS LLC	643.61
9010943380	12/13/2022	PACIFIC GAS AND ELECTRIC	31,730.23
9010943381	12/13/2022	PREMIER 1 SUPPLIES	872.77
		Unpaid Tax	63.28
		Expensed Amount	936.05
9010943382	12/13/2022	REDDING ELEM SCHOOL DISTRICT	379.02
9010943383	12/13/2022	RODRIGUEZ, ERNESTO	264.47
9010943384	12/13/2022	SHASTA WELDING SUPPLY INC	188.22
9010943385	12/13/2022	SPORTSMENS DEN	56.98
9010943386	12/13/2022	SUNBELT STAFFING LLC	1,309.50
9010943387	12/13/2022	SUSAN B CABRERA	6,960.00
9010943388	12/13/2022	TOTAL COMPENSATION SYSTEMS INC	5,220.00
9010943389	12/13/2022	US OMNI & TSACG COMP SERV	71.44
9010943390	12/13/2022	VALLEY HARDWARE	901.68
9010943391	12/13/2022	WASTE MANAGEMENT INC	8,655.86

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

Checks Dated 12/07/2022 through 01/04/2023

Check Number	Check Date	Pay to the Order of	Check Amount
9010943848	12/15/2022	ADCOCK, JANN K	3,101.70
		Unpaid Tax	24.21
		Expensed Amount	3,125.91
9010943849	12/15/2022	CMRS-FP US POSTAL SERVICE	500.00
9010943850	12/15/2022	FALL RIVER SOLAR LLC	14,425.07
9010943851	12/15/2022	FREELAND-SLOAT, KELLY C	389.57
9010943852	12/15/2022	FRONTIER	795.38
9010943853	12/15/2022	MASTER TEACHER INC	85.90
		Unpaid Tax	5.36
		Expensed Amount	91.26
9010943854	12/15/2022	MCI	19.79
9010943855	12/15/2022	ODP BUSINESS SOLUTIONS LLC	97.04
9010943856	12/15/2022	ORIENTAL TRADING COMPANY INC	167.62
9010943857	12/15/2022	RAY MORGAN CO	5,400.04
9010943858	12/15/2022	ROSE, KARI L	119.96
9010943859	12/15/2022	SEQUOIA FLORAL INTL	1,434.75
9010943860	12/15/2022	SKILLSUSA CALIFORNIA	80.00
9010943861	12/15/2022	TPx COMMUNICATIONS	2,099.91
9010943862	12/15/2022	WAXIE SANITARY SUPPLY	3,057.38
9010943863	12/15/2022	DIRECTFLORAL	607.32
		Unpaid Tax	34.17
		Expensed Amount	641.49
9010943864	12/15/2022	DOLLAMUR SPORT SURFACES	11,832.55
9010943865	12/15/2022	STROUPS POWER EQUIPMENT INC	2,187.82
9010944524	12/27/2022	ADVANCED DOCUMENT CONCEPTS	224.15
9010944525	12/27/2022	ETNA FFA	180.00
9010944526	12/27/2022	EWELL EDUCATIONAL SERVICES	200.00
9010944527	12/27/2022	EWELL EDUCATIONAL SERVICES	132.00
9010944528	12/27/2022	EWELL EDUCATIONAL SERVICES	240.00
9010944529	12/27/2022	FP MAILING SOLUTIONS	720.72
9010944530	12/27/2022	GUERRERO, RAY B.	80.30
9010944531	12/27/2022	LAKEY, LAURA J	24.79
9010944532	12/27/2022	ODP BUSINESS SOLUTIONS LLC	7,448.64
9010944533	12/27/2022	PACE SUPPLY CORP	62.57
9010944534	12/27/2022	PARKS, MELINDA D	456.69
9010944535	12/27/2022	PEMBERTON, TODD G	2,784.34
9010944536	12/27/2022	SAFEWAY INC	829.49
9010944537	12/27/2022	SHASTA WELDING SUPPLY INC	157.17
9010944538	12/27/2022	STANDARD INSURANCE COMPANY	1,349.46
9010944539	12/27/2022	TULELAKE FFA	585.00
9010944540	12/27/2022	US OMNI & TSACG COMP SERV	71.44
9010944541	12/27/2022	AT & T MOBILITY	77.59
9010944542	12/27/2022	BATTERY SYSTEMS	789.43
9010944543	12/27/2022	BEYER, BRENT C	8.50
9010944544	12/27/2022	CANADAY JR, JERRY W	183.75
9010944545	12/27/2022	CASBO	110.00
9010944546	12/27/2022	CDW GOVERNMENT INC	179.32
9010944547	12/27/2022	DEMCO	129.98

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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Checks Dated 12/07/2022 through 01/04/2023

Check Number	Check Date	Pay to the Order of	Check Amount
9010944548	12/27/2022	ED STAUB AND SONS	5,892.25
9010944549	12/27/2022	EWELL EDUCATIONAL SERVICES INC	168.00
9010944550	12/27/2022	FREIGHTLINER INC	266.18
9010944551	12/27/2022	GEPETTOS PIZZA	130.63
9010944552	12/27/2022	HILLYARD	942.82
9010944553	12/27/2022	KNOCH, CHRISTINE	371.26
9010944554	12/27/2022	LOZANO SMITH LLP	1,125.00
9010944555	12/27/2022	MASTERS, BRENDA	262.50
9010944556	12/27/2022	MCQUADE, PATRICIA	25.68
9010944557	12/27/2022	MORTON, CATHERINE	12.03
9010944558	12/27/2022	MOUNTAIN MOTOR PARTS	9.67
9010944559	12/27/2022	NEUGEBAUER, THERESA L	203.78
9010944560	12/27/2022	ODP BUSINESS SOLUTIONS LLC	1,008.06
9010944561	12/27/2022	PACKWAY MATERIALS INC	17,563.31
9010944562	12/27/2022	PEARSON	559.88
9010944563	12/27/2022	PERMA-BOUND	167.98
9010944564	12/27/2022	QUILL CORPORATION	651.08
9010944565	12/27/2022	ROSE, DAVID W	233.75
9010944566	12/27/2022	SCHOOL NURSE SUPPLY INC	58.79
9010944567	12/27/2022	SCHOOL SPECIALTY	373.76
9010944568	12/27/2022	SIGNSATIONS	213.05
9010944569	12/27/2022	STILES LLC TYSON STENLUND	2,640.00
9010944570	12/27/2022	TEHAMA TIRE SERVICE INC	185.45
9010944571	12/27/2022	THOMPSON, JOHN E	56.03
9010944572	12/27/2022	US BANK	1,314.78
9010944573	12/27/2022	VALLEY HARDWARE	132.38
9010944574	12/27/2022	VALLEY MOTOR PARTS	723.94
9010944575	12/27/2022	WORTHINGTON DIRECT	1,067.58
9010945091	12/29/2022	CEV MULTIMEDIA	1,100.00
9010945092	12/29/2022	HOME DEPOT CREDIT SERV DEPT 32-2502372968	89.68
9010945093	12/29/2022	PACIFIC GAS AND ELECTRIC	75,266.54
9010945094	12/29/2022	STAPLES BUSINESS CREDIT	63.78
		Total Number of Checks	161
			733,306.30

Fund Recap

Fund	Description	Check Count	Expensed Amount
01	General	155	702,455.56
13	CafeFoodSvc	8	29,981.06
25	CapitalFacilities	1	1,067.58
Total Number of Checks		161	733,504.20
Less Unpaid Tax Liability			197.90
Net (Check Amount)			733,306.30

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

To: Board of Trustees
Fall River Joint Unified School District

From: Teresea Spooner
Chief Business Official

Date: January 3, 2023

Subject: June 30, 2022, Audit Report

The June 30, 2022, Audit Report from Horton McNulty & Saeteurn, LLP (HM&S) Certified Public Accountants is enclosed.

Finding #1

Four of six long-term independent study agreements selected for testing did not include all the required elements; the learning agreements were not signed or dated by all required parties. Upon further review of 100% of the long-term independent study agreements, it was discovered that 37 of 45 learning agreements were not signed and dated by either the student, parent, or educator (or combination thereof).

California Education Code requires that learning agreements and supporting documents must be completely filled out and be signed and dated by the required parties within the required timeframes. As a result of the missing signatures, average daily attendance (ADA) in the Second Period Report of Attendance (P-2) was overstated by 10.62 and ADA in the Annual Report of Attendance was overstated by 11.04. The P-2 and Annual Reports of Attendance will be amended to remove the disallowed ADA. There was no fiscal impact to these changes as the prior-year Second Period ADA was greater than the current-year ADA; therefore, pursuant to California Education Code, prior year Second Period ADA was utilized in calculating the entitlement under the Local Control Funding Formula.

The District's administration will seek relief for material noncompliance, as applicable, and implement the following procedures during the 2022-23 fiscal year to comply with the recommendation. The District will require that all independent-study contracts, once completed, be routed to the independent-study program secretary for review and signature. In addition, all independent study contracts will be submitted to the Director of Special Projects for a final review, and signature, to ensure accuracy and completeness.

Finding #2

The District did not maintain supporting documents that the local control and accountability plan or approved annual update was presented to the parent advisory

committee in accordance with California Education Code, nor was it presented to the English learner parent advisory committee.

California Education Code requires that the school district shall present the local control and accountability plan or approved annual update to the parent advisory and the English learner parent advisory committee, respectively, for review and comment. The District is not in compliance with the requirements established by California Education Code. The District could not locate meeting minutes or other supporting documents for the presentation to the parent advisory committee nor the English learner parent advisory committee. This is an annual requirement and it appears that the noncompliance is not pervasive. This is not a repeat finding. Auditors recommend that the District maintain documentation to support the presentation of the local control and accountability plan or approved annual update to both the parent advisory committee and the English learner parent advisory committee to support compliance with California Education Code.

The District's administration will adopt procedures during fiscal year 2022-23 to comply with the recommendation.

Finding #3

The District's Board of Directors approved the Expanded Learning Opportunities Grant (ELO-G) plan on May 12, 2021. The plan was submitted to the Shasta County Office of Education on May 21, 2021.

California Education Code states the District is required to submit the ELO-G plan to the county office of education within five days of adoption. The District was not in compliance with the provisions of California Education Code. The District inadvertently missed the five-day timeline to submit the ELO-G plan. As this was a one-time requirement, there are no on-going implications. This is not a repeat finding. No action is required as the District has already submitted the ELO-G plan, albeit a few days late. Auditors recommend that the District closely monitor compliance requirements, particularly with new funding sources.

The District's management will implement procedures during the 2022-23 fiscal year to comply with the recommendation.

RECOMMENDATION

The Chief Business Official recommends that the Board of Trustees approve the 2022 Audit Report.



December 30, 2022

Board of Trustees
Fall River Joint Unified School District
Burney, CA

55 Independence Circle, Suite 102
Chico, CA 95973
530.588.7427

We have audited the financial statements of Fall River Joint Unified School District (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated December 30, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 28, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our planning letter dated August 19, 2022.

Compliance With All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Safeguards have been implemented to reduce the threats on our independence. These safeguards include continuing education related to independence and ethics requirements; peer review of our firm's quality control system; our firm's internal policies and procedures which are designed to monitor compliance with the independence requirements; and the involvement of another firm partner who is responsible for completing an independent technical review of the financial statements and significant audit conclusions.

Significant Risks Identified

Management override of internal controls was identified as a significant risk. Although a risk not solely specific to the District, override of internal controls warrants attention as intentional override may be more difficult to detect than an unintentional error. To address this risk, we maintained professional skepticism throughout the audit, and incorporated an element of unpredictability in designing our audit procedures.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in note 1 to the financial statements. As described in note 1 to the financial statements, the District adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the fiscal year ended June 30, 2022. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources recognized based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a governments' leasing activities. Accordingly, the District's financial statements have been presented in accordance with the guidance from this statement. This statement has been applied as of the beginning of the period of implementation and did not affect fund balance or net position.

No matters have come to our attention that would require us, under professional standards, to inform you about: (1) the methods used to account for significant unusual transactions, and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive estimates affecting the District's financial statements are noted below:

- Management's estimate of the total other postemployment health care pension liability and related balances for the deferred inflows/outflows of resources which is based on an actuarial determination using various actuarial assumptions, that are described in notes to the financial statements.
- Management's estimate of the net pension liability which is based on the Schedules of Proportionate Share of Contributions for Employers and Nonemployer Contributing Entity received from CalSTRS; the Schedules of Employer Allocations and Collective Pension Amounts received from CalPERS; and the June 30, 2021, Comprehensive Annual Financial Report for both CalPERS and CalSTRS.

We evaluated the key factors and assumptions used to develop the actuarial present value of the total OPEB liability and the net pension liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to the total postemployment health care pension recorded under GASB Statement No. 73, the net pension liability recorded under GASB Statement No. 68, leases, and the contingencies of COVID-19.

Significant Unusual Transactions

For the purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during the audit. We did not identify any significant unusual transactions.

Identified or Suspected Fraud

For the purposes of this communication, professional standards require us to communicate to you any identified or suspected fraud detected during the audit. We did not identify any fraud, although there is always a risk that fraud may exist that has not been identified.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances, or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. No such misstatements were identified.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Audit adjustments proposed by us and recorded by the District, if any, are identified in the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements, which appears in the Other Supplementary Information Section of the District's financial statements. None of the misstatements identified by us as a result of our audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements With Management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested From Management

We have requested certain written representations from management that are included in the management representation letter dated December 30, 2022.

Management's Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

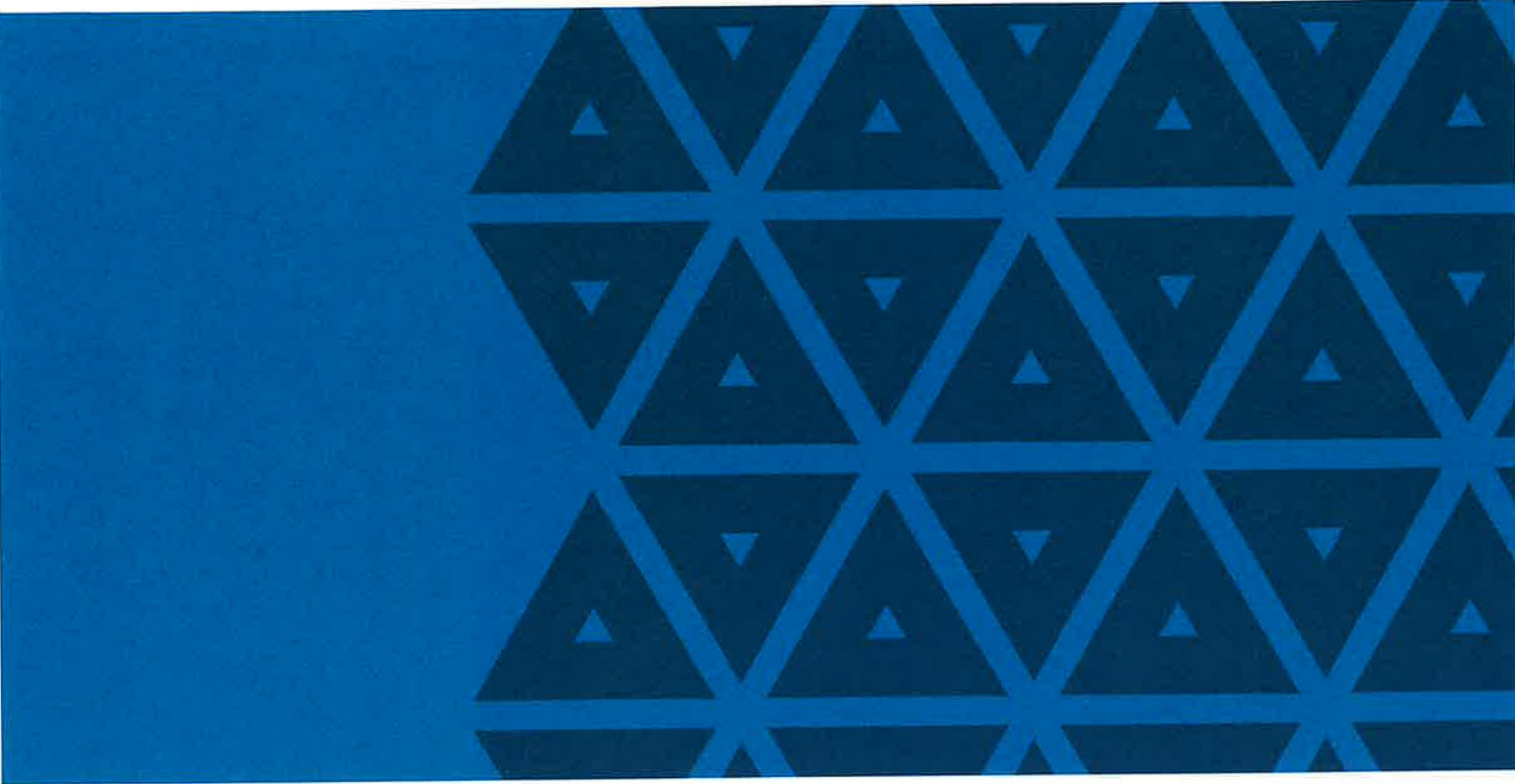
Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This information is intended solely for the use of the District's Board of Trustees and management of the District, and is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Horton McNulty & Gietawen, LLP". The signature is written in black ink and is positioned below the "Very truly yours," text.

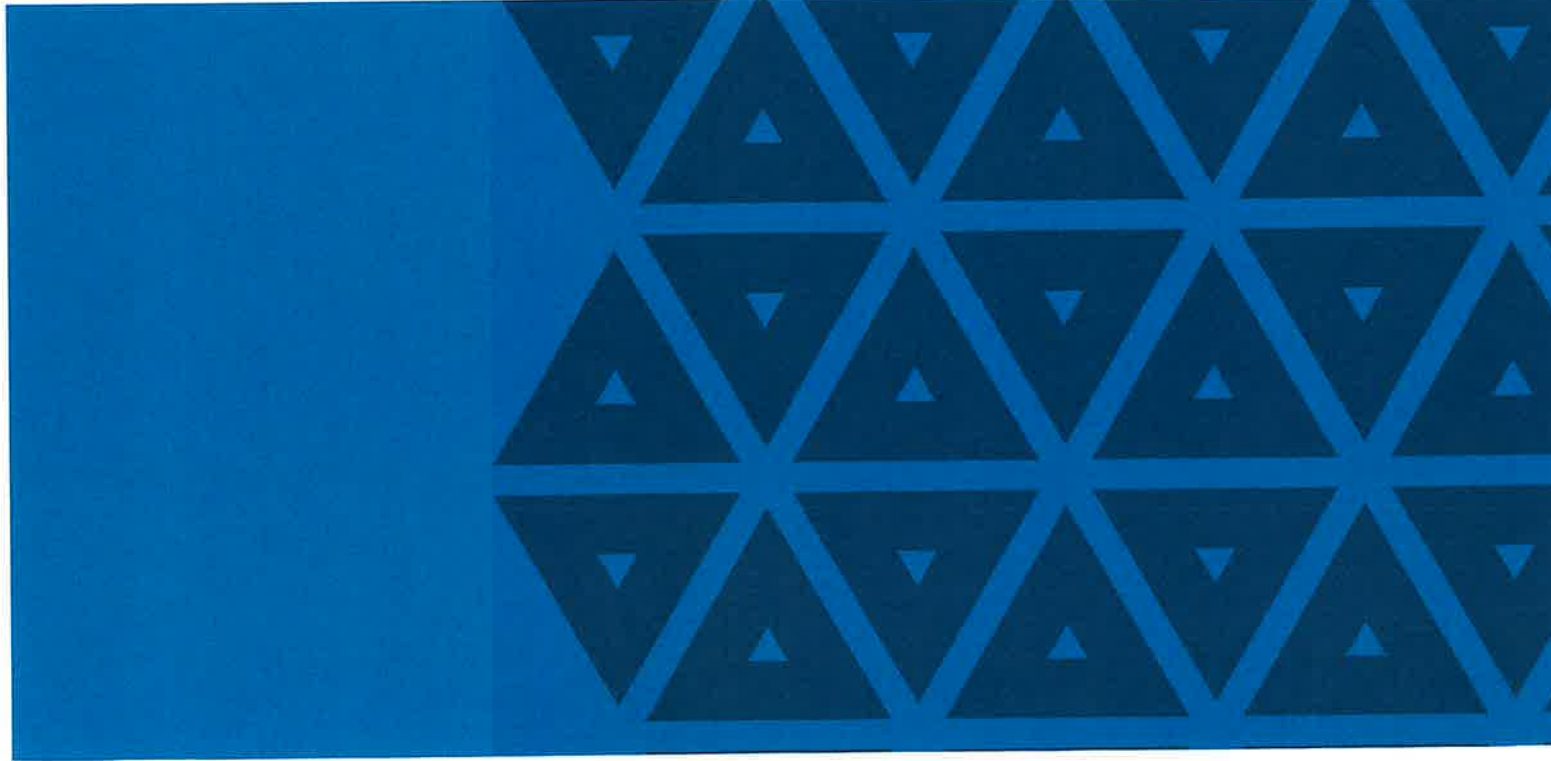


Fall River Joint Unified School District

County of Shasta
Burney, California

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORTS

June 30, 2022



Fall River Joint Unified School District

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Fall River Joint Unified School District
Burney, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fall River Joint Unified School District (the District) as of and for the year ended June 30, 2022; 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 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 District as of June 30, 2022, 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 of America. Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of Matter—Effect of Adopting New Accounting Standard

As discussed in note 1 to the basic financial statements, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the fiscal year ended June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The District's 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.

INDEPENDENT AUDITORS' REPORT

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedule, and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying supplementary information on pages 72 to 80 is presented for purposes of additional analysis and is 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 74 to 80 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The local educational agency organization structure and the schedule of charter schools have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

INDEPENDENT AUDITORS' REPORT

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, 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 and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of 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.



December 30, 2022

Chico, California

FINANCIAL SECTION

Required Supplementary Information

INTRODUCTION

An overview of the Fall River Joint Unified School District's (the District) financial activities for the fiscal year ended June 30, 2022, is provided in this discussion and analysis of the District's financial performance. This Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements (including notes and supplementary information).

USING THIS ANNUAL REPORT

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. Combined, these three parts provide a comprehensive overview of the District. The basic financial statements include two kinds of financial statements that present different views of the District:

- The first two financial statements are *government-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining financial statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements. The District maintains governmental funds as follows:
 - *Governmental Funds*: Financial statements provide information on how basic services, like regular and special education, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

FINANCIAL HIGHLIGHTS

Overall revenues were \$21,477,423 for the year ended June 30, 2022. Revenues from the prior year were \$19,343,486, an increase of 11.0%.

Total net position in governmental funds was \$3,803,408, an increase of 178.8% from the previous year. The General Fund reported a total fund balance of \$7,270,847.

Enrollment in the District decreased by 1.6%.

Capital asset balances, net of depreciation and amortization, decreased \$310,335 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements provide information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets owned less the liabilities owed. The statement of activities includes all of the current year's revenues and expenses regardless of when cash is received or paid. The two financial statements report the District's net position and how it has changed.

Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of net position and the statement of activities divide the District into two kinds of activities:

Governmental Activities: Represent the basic services provided by the District, such as regular and special education, administration, and transportation.

Business-Type Activities: Represent services for which the District charges fees to help cover the cost of certain services beyond the scope of normal district operations. The District does not have any of these types of activities at this time.

Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Fund Financial Statements

More detailed information about the District's most significant funds, not the District as a whole, is provided in the fund financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by bond covenants and by state law.
- Other funds are established by the District to control and manage money for particular purposes (such as repaying its long-term debts). Other funds may also show proper usage of certain revenues (such as federal grants).

Governmental Funds

Most of the District's basic services are included in governmental funds, which generally focus on:

- How cash and other financial assets can readily be converted to cash flow (in and out).
- The balances left at year end that are available for spending.

A detailed short-term view is provided by the governmental fund financial statements. These help determine whether there are more or fewer financial resources that can be spent in the near future for financing the District's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, additional information is provided at the bottom of the governmental fund financial statements that explains the differences (or relationships) between them.

Fiduciary Funds

For assets that belong to others, the District acts as the trustee, or fiduciary. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. A separate statement of fiduciary net position reports the District's fiduciary funds activities. These activities are excluded from the government-wide financial statements as the assets cannot be used by the District to finance its operations. The District currently has no funds of this type.

Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

As shown in the following table, the District's net position as of June 30, 2022, totaled \$3,803,408. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Board of Trustees' ability to use the net position for day-to-day operations. All District net position is the result of governmental activities.

June 30	Governmental Activities		Percentage Change 2021-22
	2021	2022	
ASSETS			
Cash and investments	\$ 4,302,956	\$ 7,688,638	78.68%
Receivables	3,038,443	2,272,978	-25.19%
Other assets	6,021	60,840	910.46%
Capital assets - net	11,828,066	11,517,731	-2.62%
TOTAL ASSETS	19,175,486	21,540,187	12.33%
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources for other pension	395,579	61,694	-84.40%
Deferred outflows of resources for pensions	4,297,229	3,729,997	-13.20%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,692,808	3,791,691	-19.20%
LIABILITIES			
Overdraft in county treasury	2,426	-	-100.00%
Accounts payable and other liabilities	212,942	939,900	341.39%
Advances from grantors	810,018	988,490	22.03%
Long-term debt	20,920,093	13,195,028	-36.93%
TOTAL LIABILITIES	21,945,479	15,123,418	-31.09%
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources for pensions	558,786	6,405,052	1046.24%
NET POSITION			
Net investment in capital assets	9,466,083	9,158,002	-3.25%
Restricted	1,253,893	1,692,519	34.98%
Unrestricted	(9,355,947)	(7,047,113)	24.68%
TOTAL NET POSITION	\$ 1,364,029	\$ 3,803,408	178.84%

Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Change In Net Position

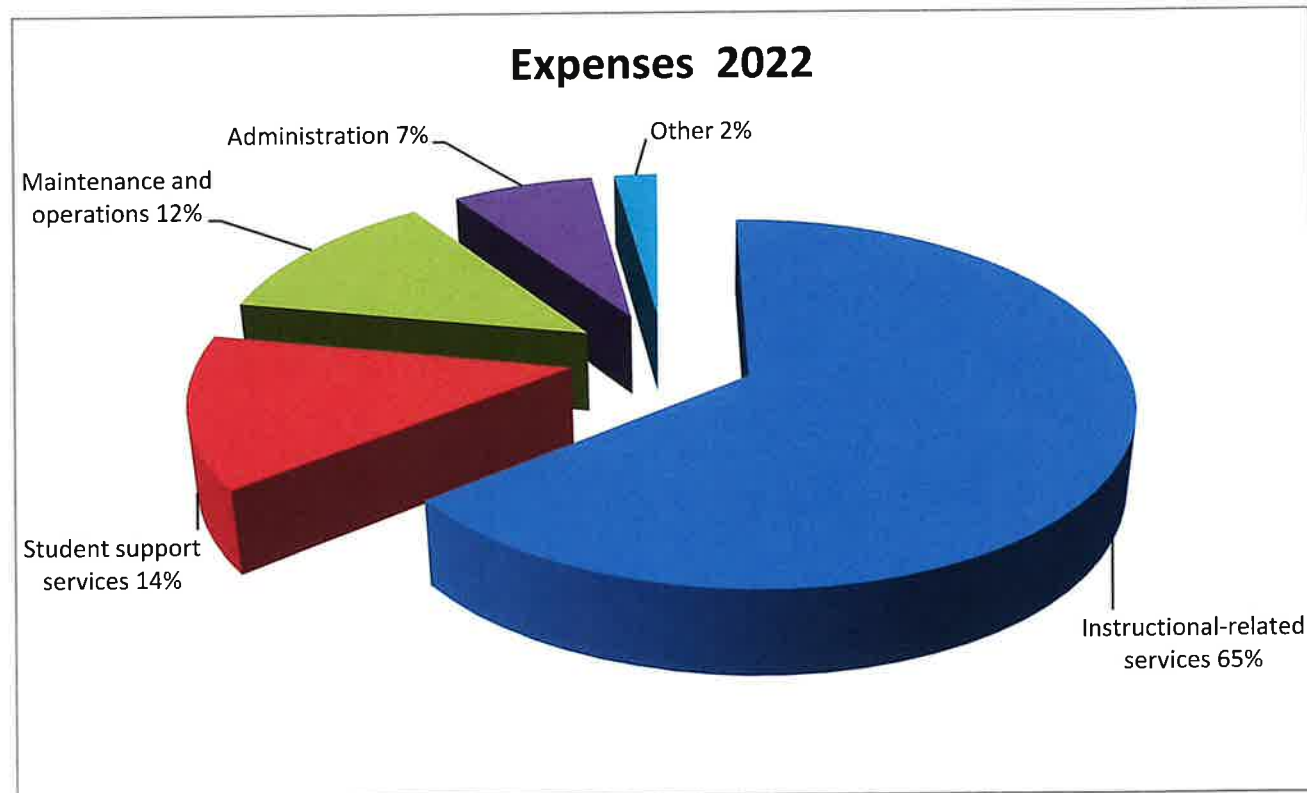
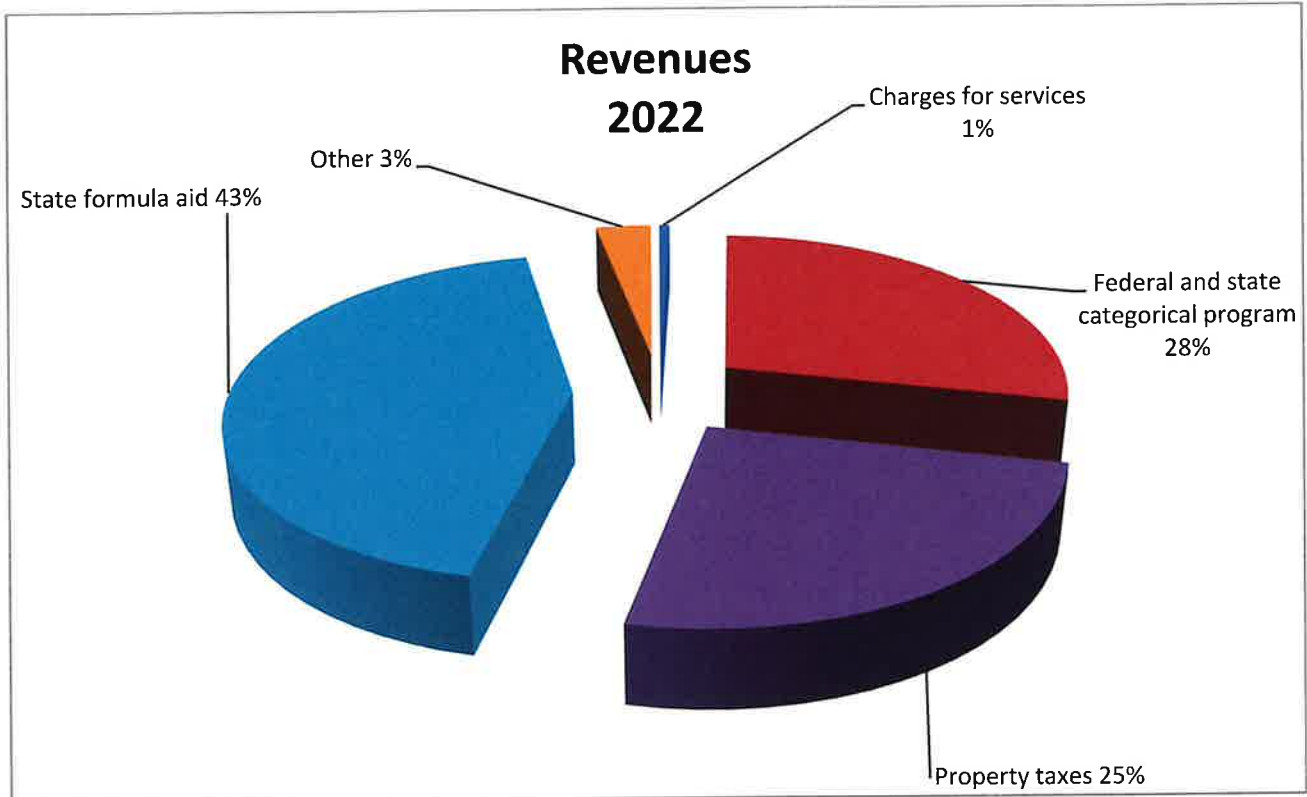
The following table and graphs summarize the change in net position for the District.

Total revenues increased by \$2,133,937 from the previous year to \$21,477,423. Property taxes and state aid funding accounted for most of the District's revenue. Of the District's revenue, 28.0% came from federal and state aid for specific programs.

The total cost of all programs and services decreased 3.8% to \$19,038,044. Revenues exceeded the District's expenses for the year by \$2,439,379. The District's expenses are primarily related to educating and caring for students (78.2%). Administrative activities of the District accounted for 7.1% of the total costs.

Year Ended June 30	Governmental Activities		Percentage Change 2021-22
	2021	2022	
REVENUES			
Program Revenues			
Charges for services	\$ 93,161	\$ 124,057	33.16%
Federal and state categorical programs	4,936,000	6,007,160	21.70%
General Revenues			
Property taxes	5,190,826	5,368,765	3.43%
State formula aid	8,844,327	9,322,264	5.40%
Other	279,172	655,177	134.69%
TOTAL REVENUES	19,343,486	21,477,423	11.03%
EXPENSES			
Instructional-related services	13,341,037	12,288,706	-7.89%
Student support services	2,479,440	2,600,803	4.89%
Maintenance and operations	2,296,637	2,375,522	3.43%
Administration	1,439,155	1,358,449	-5.61%
Other	239,232	414,564	73.29%
TOTAL EXPENSES	19,795,501	19,038,044	-3.83%
Change in Net Position	\$ (452,015)	\$ 2,439,379	639.67%

Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)



Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The District's governmental funds reported a combined fund balance of \$8,120,694, an increase of \$1,769,295 from the previous year. Following is a summary of the District's fund balances.

June 30	Fund Balance		Increase (Decrease)
	2021	2022	
General	\$ 5,594,987	\$ 7,270,847	\$ 1,675,860
Student Activity Special Revenue	127,602	131,588	3,986
Cafeteria Special Revenue	85,646	163,946	78,300
Capital Facilities	113,089	133,047	19,958
Special Reserve Capital Projects	33,428	32,401	(1,027)
Bond Interest and Redemption	396,647	388,865	(7,782)
Totals	\$ 6,351,399	\$ 8,120,694	\$ 1,769,295

The increase in the General Fund is directly related to the carryover of the one-time dollars such as Expanded Learning Opportunity Grants.

The increase in the Cafeteria Special Revenue Fund was related to the cafeteria being funded for all students that eat breakfast and lunch and new Supply Chain Assistance funding.

The increase in the Capital Facilities Fund is from developer fees being collected but not expended completely.

General Fund Budgetary Highlights

During the course of the year, the District revises its budget as information is available that results in changes in revenues and expenditures. The budget amendments for the year typically fell into the following categories:

- Adjustment of revenue to actual enrollment and ADA data.
- Inclusion of new grants.
- Addition of grant and entitlement funds from the prior year.
- Adjustment of revenues and expenditures to actual data.

A schedule showing the District's original and final budget amounts compared with the amounts actually paid and received for the General Fund is provided in the budgetary comparison schedule for the General Fund.

Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The District budgeted revenues and other financing sources to exceed expenditures and other financing uses by \$1,024,475. The final results for the year reflected a surplus of \$1,675,860.

- The District budgets to fully spend restricted grant funds; however, as of June 30, 2022, there was \$886,654 unspent in restricted categorical programs.
- The District budgets to fully spend unrestricted funds allocated to sites and program managers; however, as of June 30, 2022, there was \$935,000 unspent, which will carry over to fiscal year 2022-23.
- Actual revenues were \$837,028 less than budget. This is primarily due to Local Control Funding Formula Sources projections and local revenue.
- Actual expenditures were \$1,440,909 less than budget. This is primarily due to categorical program allocations that were not expended during the year. These allocations, which are for restricted programs, have been carried forward and included in budgeted expenditures for the 2022-23 fiscal year. Unspent unrestricted monies were carried into the 2021-22 ending balance.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

The District has invested \$27,371,200 in capital assets including land, site improvements, buildings, and equipment. The District purchased HVAC filters, repaired roofs, and purchased a bus during 2021-22. The District also has an unfinished HVAC filtration project as of 2021-22.

June 30	Governmental Activities		Percentage Change 2021-22
	2021	2022	
Land	\$ 33,418	\$ 33,418	0.00%
Construction in progress	-	66,130	N/A
Buildings	21,297,976	21,411,325	0.53%
Equipment	4,688,365	5,082,383	8.40%
Improvement of sites	777,944	777,944	0.00%
Totals at Historical Cost	26,797,703	27,371,200	2.14%
Total Accumulated Depreciation/Amortization	14,969,637	15,853,469	5.90%
Net Capital Assets	\$ 11,828,066	\$ 11,517,731	-2.62%

Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Long-Term Debt

At year end, the District had \$13,195,028 in outstanding long-term debt. The District made payments toward the general obligation bonds but the decrease was mitigated by the addition of the lease liability for copiers. The majority of the decrease is due to the change in the District's proportionate share of the net pension liability.

June 30	Governmental Activities		Percentage Change 2021-22
	2021	2022	
Compensated absences	\$ 253,902	\$ 312,146	22.94%
General obligation bonds	2,361,983	2,131,323	-9.77%
Lease liability	-	241,052	N/A
Total other pension liability	1,495,890	1,140,073	-23.79%
Net pension liability	16,808,318	9,370,434	-44.25%
Total Long-Term Debt	\$ 20,920,093	\$ 13,195,028	-36.93%

FACTORS BEARING ON THE DISTRICT'S FUTURE

There are several factors that create a risk to the fiscal health of the District: health care costs are increasing each year (the District has a contracted formula with its units for increases to the health insurance cap that typically cannot keep up with the rising costs) and the ongoing increases in California's minimum wage. On a positive note, the District's enrollment has remained somewhat stable with only a slight decrease, 20/21 and 21/22 CBEDS were verified as 1,193 and 1,177, respectively.

Local Control Funding Formula (LCFF) has been fully funded and the District needs to be aware that increases are limited to COLA, typically around 4.02% to 6.56%. Supplemental and concentration grants also are fully funded. It is doubtful that the annual COLA of the LCFF will be sufficient to fund the annual cost increases associated with step and column and the growing employer retirement system costs. Any increases to the salary schedule are challenging when attempting to balance a budget.

The District has contracts with its classified bargaining group through October 2023, and with the certificated bargaining group through June 2024.

The Board of Trustees has consistently demonstrated in the past that it is prepared to take the steps necessary to ensure the District's solvency. The District has a 5% reserve for economic uncertainty.

Fall River Joint Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. For questions regarding this report or for additional financial information, please contact:

Mrs. Teresea Spooner, Chief Business Official
Fall River Joint Unified School District
20375 Tamarack Avenue
Burney, CA 96013

Basic Financial Statements

Fall River Joint Unified School District
STATEMENT OF NET POSITION

June 30, 2022	Governmental Activities
ASSETS	
Cash and investments	\$ 7,688,638
Accounts receivable	28,910
Due from other governments	2,244,068
Inventories	11,581
Prepaid expenses	49,259
Nondepreciated capital assets	99,548
Depreciated capital assets - net	11,180,596
Leased asset - net	237,587
TOTAL ASSETS	21,540,187
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources for other pension	61,694
Deferred outflows of resources for pensions	3,729,997
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,791,691
LIABILITIES	
Accounts payable and other current liabilities	325,241
Due to other governments	614,659
Advances from grantors	988,490
Long-term obligations:	
Due within one year	290,862
Due beyond one year	12,904,166
TOTAL LIABILITIES	15,123,418
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources for pensions	6,405,052
NET POSITION	
Net investment in capital assets	9,158,002
Restricted for capital projects	133,047
Restricted for debt service	388,865
Restricted for educational programs	886,654
Restricted for other purposes	283,953
Unrestricted	(7,047,113)
TOTAL NET POSITION	\$ 3,803,408

The accompanying notes are an integral part of these financial statements.

Fall River Joint Unified School District
STATEMENT OF ACTIVITIES

Year Ended June 30, 2022	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
Primary Government				
Governmental activities:				
Instruction	\$ 10,256,619	\$ 26,345	\$ 3,713,767	\$ (6,516,507)
Instruction-related services	2,032,087	-	550,290	(1,481,797)
Pupil services	2,600,803	66,235	1,147,864	(1,386,704)
Ancillary services	337,394	-	-	(337,394)
General administration	1,358,449	670	89,413	(1,268,366)
Plant services	2,375,522	30,807	505,826	(1,838,889)
Other outgo	8,502	-	-	(8,502)
Interest on long-term debt	68,668	-	-	(68,668)
Total Governmental Activities	\$ 19,038,044	\$ 124,057	\$ 6,007,160	(12,906,827)
GENERAL REVENUES				
Property taxes - levied for general purposes				5,070,202
Property taxes - levied for debt service				298,563
Federal and state aid not restricted to specific purposes				9,322,264
Unrestricted investment earnings				(232,887)
Interagency revenues				24,657
Miscellaneous				863,407
TOTAL GENERAL REVENUES				15,346,206
Change in Net Position				2,439,379
Net Position - Beginning of Year				1,364,029
Net Position - End of Year				\$ 3,803,408

The accompanying notes are an integral part of these financial statements.

Fall River Joint Unified School District
BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2022	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 6,992,899	\$ 695,739	\$ 7,688,638
Accounts receivable	20,783	8,127	28,910
Due from other governments	2,106,212	137,856	2,244,068
Inventories	-	11,581	11,581
Prepaid expenditures	49,259	-	49,259
TOTAL ASSETS	\$ 9,169,153	\$ 853,303	\$ 10,022,456
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and other current liabilities	\$ 295,157	\$ 3,456	\$ 298,613
Due to other governments	614,659	-	614,659
Advances from grantors	988,490	-	988,490
Total Liabilities	1,898,306	3,456	1,901,762
Fund Balances			
Nonspendable	52,759	11,581	64,340
Restricted	886,654	805,865	1,692,519
Assigned	5,396,434	32,401	5,428,835
Unassigned	935,000	-	935,000
Total Fund Balances	7,270,847	849,847	8,120,694
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,169,153	\$ 853,303	\$ 10,022,456

The accompanying notes are an integral part of these financial statements.

Fall River Joint Unified School District

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO GOVERNMENT-WIDE NET POSITION

June 30, 2022

Total Fund Balances - Governmental Funds	\$ 8,120,694
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Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation/amortization.

Capital assets at historical cost	\$ 27,371,200
Accumulated depreciation/amortization	(15,853,469)

Total Capital Assets - Net	11,517,731
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Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owed at the end of the period was:

(26,628)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds	2,131,323
Net pension liability	9,370,434
Total other pension liability	1,140,073
Compensated absences	312,146
Lease payable	241,052

Total Long-Term Liabilities	(13,195,028)
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Balance Forward	\$ 6,416,769
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The accompanying notes are an integral part of these financial statements.

Fall River Joint Unified School District

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO GOVERNMENT-WIDE NET POSITION

(Continued)

June 30, 2022

Balance Brought Forward	\$ 6,416,769
 Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:	
Deferred outflows of resources relating to pensions	3,729,997
Deferred inflows of resources relating to pensions	(6,405,052)
 Deferred outflows and inflows of resources relating to other pension: In governmental funds, deferred outflows and inflows of resources relating to other pension are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to other pension are reported:	
Deferred outflows of resources relating to other pension	61,694
Total Net Position - Governmental Activities	\$ 3,803,408

The accompanying notes are an integral part of these financial statements.

Fall River Joint Unified School District

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended June 30, 2022	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 5,070,202	\$ 298,563	\$ 5,368,765
Local control funding formula sources	9,376,798	-	9,376,798
Other state revenue	3,048,319	34,689	3,083,008
Federal revenue	1,830,008	622,688	2,452,696
Other local revenue	1,050,642	367,562	1,418,204
Total Revenues	20,375,969	1,323,502	21,699,471
Expenditures			
Current:			
Instruction	10,618,407	-	10,618,407
Instruction-related services	2,156,903	-	2,156,903
Pupil services	1,861,339	731,872	2,593,211
Ancillary services	65,640	258,644	324,284
General administration	1,298,985	1,750	1,300,735
Plant services	2,307,052	83,530	2,390,582
Transfers between agencies	8,502	-	8,502
Debt service:			
Principal	55,932	225,000	280,932
Interest and other charges	8,869	68,271	77,140
Capital outlay	179,480	-	179,480
Total Expenditures	18,561,109	1,369,067	19,930,176
Excess (Deficiency) of Revenues Over Expenditures	1,814,860	(45,565)	1,769,295
Other Financing Sources (Uses)			
Interfund transfers in	-	139,000	139,000
Interfund transfers out	(139,000)	-	(139,000)
Total Other Financing Sources (Uses)	(139,000)	139,000	-
Net Change in Fund Balances	1,675,860	93,435	1,769,295
Fund Balances - Beginning of Year	5,594,987	756,412	6,351,399
Fund Balances - End of Year	\$ 7,270,847	\$ 849,847	\$ 8,120,694

The accompanying notes are an integral part of these financial statements.

Fall River Joint Unified School District

RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION

Year Ended June 30, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ 1,769,295
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Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives or their lease terms, as applicable, as depreciation or amortization expense. The difference between capital outlay expenditures and depreciation/amortization expense for the period is:

Expenditures for capital outlay	\$ 344,743
Depreciation/amortization expense	(952,062)

Net Capital Outlay	(607,319)
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Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

280,932

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owed at the end of the period, less matured interest paid during the period but owed from the prior period, was:

2,737

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:

(58,244)

Balance Forward	\$ 1,387,401
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The accompanying notes are an integral part of these financial statements.

Fall River Joint Unified School District

RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION

(Continued)

Year Ended June 30, 2022

Balance Brought Forward \$ 1,387,401

Pensions: In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was: 1,024,386

Other pension benefits: In governmental funds, other pension expenditures are recognized when payments are made. In the statement of activities, expenses are recognized on the accrual basis. This year, the difference between other pension expenses and actual payments made was: 21,932

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is: 5,660

Change in Net Position of Governmental Activities \$ 2,439,379

The accompanying notes are an integral part of these financial statements.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The District is governed by an elected five-member board. The District operates two elementary schools, two junior-senior high schools, one community day school, two continuation high schools, and one special education center in Burney and Fall River Mills, California.

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP, and used by the District, are discussed below.

Implementation of New Accounting Standard

The District adopted the provisions of GASB Statement No. 87, *Leases*, as of July 1, 2021. This statement improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement has been applied as of the beginning of the period of implementation. The implementation did not affect fund balance or net position, and has resulted in the following changes as of July 1, 2021:

- Initial right-to-use leased asset of \$296,984 and lease liability of \$296,984.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Basis of Presentation

Government-Wide Financial Statements The statement of net position and statement of activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function; and, therefore, are clearly identifiable to a particular function. Program revenues include: (a) fees, fines, and charges paid by recipients of goods or services offered by the major programs; and (b) 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, including all taxes and unrestricted grants and contributions, are presented as general revenues.

Fund Financial Statements Fund financial statements are organized by funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The funds of the District are described below.

Governmental Funds

General Fund The general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Special Revenue Funds Funds that are established to account for the proceeds from specific resources that are restricted to the financing of particular activities.

1. Student Activity Special Revenue Fund is used to account for the transactions of the associated student body in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*California Education Code*, Section 48930-48938).
2. Cafeteria Special Revenue Fund is used to account separately for federal, state, and local resources received to operate the District's food service program (*California Education Code*, Sections 38091 and 38100).

Capital Projects Funds Funds that are established to account for financial resources to be used for the acquisition or construction of major capital facilities.

1. Capital Facilities Fund is used primarily to account for funds received from fees levied on developers or others as a condition for approving development (*California Education Code*, Sections 17620-17626).
2. Special Reserve Fund is used to account for resources designated for capital outlay projects (*California Education Code*, Section 42840).

Debt Service Funds Funds that are established to account for the accumulation of resources for the payment of the principal and interest on long-term debt.

1. Bond Interest and Redemption Fund is used to account for the repayment of bonds (*California Education Code*, Sections 15125-15262).

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

Major Governmental Funds:

General Fund

Nonmajor Governmental Funds:

Student Activity Special Revenue Fund

Cafeteria Special Revenue Fund

Capital Facilities Fund

Special Reserve Capital Projects Fund

Bond Interest and Redemption Fund

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus On the government-wide statement of net position and the statement of activities, both governmental and business-like activities are presented using the “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

In the fund financial statements, governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting In the government-wide statement of net position and statement of activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within one year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District’s Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District’s Governing Board satisfied these requirements.

These budgets are revised by the District’s Governing Board and District Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund as required supplementary information.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures legally cannot exceed appropriations by major object account.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

In accordance with *California Education Code*, Section 41001, the District maintains substantially all of its cash in the Shasta County Treasury (the County) as part of the common investment pool. The County is restricted by *California Government Code*, Section 53635 pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. Investments in the County pool are valued using the amortized cost method (which approximates fair value) and include accrued interest. The pool has deposits and investments with a weighted-average maturity of more than one year. As of June 30, 2022, the fair value of the County pool is 96.69% of the carrying value and is deemed to represent a material difference. Information regarding the amount of dollars invested in derivatives with the County was not available. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by *California Government Code*, Section 27130. The District is considered to be an involuntary participant in the external investment pool.

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net decrease in the fair value of investments during the year ended June 30, 2022, was \$272,654. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at June 30, 2022, was \$258,673.

Accounts Receivable and Due From Other Governments

Accounts receivable represent amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed, but not received, as of June 30, 2022. Amounts due from other governments include entitlements and grants from federal, state, and local governments that the District has earned or been allocated, but has not received, as of June 30, 2022. At June 30, 2022, no allowance for doubtful accounts was deemed necessary.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Balances Due To/From Other Funds

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Balances due to/from other funds between funds within governmental activities are eliminated in the statement of net position.

Inventories and Prepaid Expenses

Inventories consist of supplies and materials. Expenses are recorded as the supplies and materials are consumed. Inventories are valued on the average cost method for purchased supplies and materials. Donated commodities inventory is valued at its fair value at the time of donation. Prepaid expenses consist of operating expenses for which payment is due in advance and are expensed when the benefit is received.

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bond using the effective-interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. In the governmental funds, these costs are reported as an other financing source when the related liability is incurred.

Fixed Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the District as assets with an initial, individual cost of \$15,000 or more and an estimated useful life in excess of one year, except for buildings and improvements for which a higher capitalization threshold of \$50,000 or more is used. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003. Capital assets also include right-to-use leased assets, the measurement of which is described later in this section.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Amortization of all right-to-use assets is recorded as an allocated expense in the statement of activities with accumulated amortization reflected in the statement of net position. Amortization of right-to-use assets is provided over the shorter of the lease period or the assets' estimated useful lives. The range of estimated useful lives in years by type of asset is as follows:

School buildings	50
Portable classrooms	25
Site improvements	20
Equipment	5-15
Vehicles	8
Right-to-use leased equipment	5

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations, including contracts giving the District the right to use leased assets, are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Advances From Grantors

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Advances from grantors are recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations, fiduciary fund operations, or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. All long-term debt to be repaid from fiduciary resources is reported as liabilities in the fiduciary fund statements.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest are reported as expenditures.

Compensated Absences

The liability for earned but unused vacation leave is recorded as long-term debt for compensated absences in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), which will only be recognized as an outflow of resources (expense/expenditures) in the future. District contributions subsequent to the measurement date related to pension plans, are reported as deferred outflows of resources in the government-wide statement of net position. District contributions subsequent to the measurement date will be amortized during the next fiscal year.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and would only be recognized as an inflow of resources (revenue) at that time.

Changes in proportion and differences between the District's contributions and proportionate share of pension contributions, the District's proportionate share of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the differences between the District's expected and actual experience, are reported as deferred inflows of resources or deferred outflows of resources in the government-wide statement of net position. These amounts are amortized over the estimated service lives of the pension plan participants.

Changes in assumptions and the differences between the District's expected and actual experience of the District's Postemployment Health Care Pension Plan (other pension) are reported as deferred inflows of resources or deferred outflows of resources in the government-wide statement of net position. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided other pension benefits through the other pension plan.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Leases

Lessee The District recognizes lease liabilities for equipment with an initial, individual value of \$15,000 or more, and \$50,000 for buildings and improvements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain indirect costs. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the asset's useful life or the life of the lease.

Key estimates and judgments related to leases include how the District determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and the lease payments. The District uses the following key estimates and assumptions:

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt in the government-wide statement of net position.

Equity Classifications

Government-Wide Statements Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, leases, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, laws or regulations of other governments, or laws through constitutional provisions or enabling legislation.

Unrestricted Net Position: Consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Fund Statements Governmental fund equity is classified as fund balance. Fund balance is further classified and displayed in five components:

Nonspendable Fund Balance: Consists of 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 Fund Balance: Consists of amounts that can be spent only for specific purposes because of constraints that are externally imposed by groups such as creditors, grantors, contributors, laws or regulations of other governments, or because of laws through constitutional provisions or enabling legislation.

Committed Fund Balance: Consists of amounts that can be used only for specific purposes determined by a formal action of the District's Board of Trustees. The District's Board of Trustees is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or budget adoption approved by the District's Board of Trustees.

Assigned Fund Balance: Consists of amounts that the District intends to use for specific purposes. Assignments may be established either by the District's Board of Trustees or a designee of the District's Board of Trustees.

Unassigned Fund Balance: Consists of the residual balance in the General Fund that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's minimum fund balance policy requires a reserve for economic uncertainties, consisting of unassigned amounts, equal to at least 5% of General Fund expenditures and other financing uses. In the event that the balance drops below the established minimum level, the District's Board of Trustees will develop a plan to replenish the fund balance to the established minimum level.

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 District's Board of Trustees has provided otherwise in its commitment or assignment actions.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Local Control Funding Formula Grant and Property Tax

The District's local control funding formula (LCFF) grant is received from a combination of local property taxes and state apportionments.

Shasta County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the County. Secured property taxes attach as an enforceable lien on property as of January 1. Property taxes on the secured roll are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively.

Secured property taxes are recorded as revenue when apportioned in the fiscal year of the levy. The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the *California Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year.

Property taxes are recorded as LCFF sources by the District. The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the state's General Fund and is referred to as the state apportionment. The District's LCFF provides a base grant per average daily attendance (ADA), which varies by grade span, plus supplemental and concentration grants that reflect student demographic factors and categorical programs.

Revenue – Nonexchange Transactions

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Expenditures and Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental funds – by character:

Current (further classified by function)

Debt service

Capital outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

Pensions

Deferred outflows of resources/deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and California Public Employees' Retirement System (CalPERS), and additions to/deductions from STRP's and CalPERS's fiduciary net position have been determined on the same basis as they are reported by California State Teachers' Retirement System (CalSTRS) and CalPERS for purposes of measuring the net pension liability. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable with the benefit terms. Investments are reported at fair value.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Fall River Joint Unified School District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2. CASH AND INVESTMENTS

The following is a summary of cash and investments:

June 30, 2022	Maturities	Fair Value
Deposits (1)	\$	137,463
Investments That Are Not Securities (2)		
County treasurer's investment pool	21.8 months average	7,551,175
Total Cash and Investments Per Government-Wide Statement of Net Position		\$ 7,688,638

- (1) **Deposits** The carrying amount of deposits includes checking accounts, savings accounts, nonnegotiable certificates of deposits, and money market accounts at financial institutions, if any.
- (2) **Investments That Are Not Securities** A “security” is a transferable financial instrument that evidences ownership or creditorship, whether in physical or book-entry form. Investments that are not securities do not have custodial credit risk because they do not involve a transferable financial instrument. Thus, they are not categorized into custodial credit risk categories.

Credit Risk – Investments

California Government Code, Section 53601, limits investments in commercial paper to “prime” quality of the highest ranking or of the highest letter and numerical rating as provided by nationally recognized statistical rating organizations (NRSRO), and limits investments in medium-term notes to a rating of A or better. The District has no investment policy that would further limit its investment choices. The District’s investment in the County investment pool is unrated.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2022:

- County treasurer's investment pool of \$7,551,175 is valued using quoted prices for similar instruments in active markets and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Concentration of Credit Risk – Investments

California Government Code, Section 53635, places the following concentration limits on the County investment pool:

No more than 40% may be invested in eligible commercial paper and no more than 10% may be invested in the outstanding commercial paper of any single issuer.

California Government Code, Section 53601, places the following concentration limits on the District's investments:

No more than 10% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises and where otherwise noted; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 40% may be invested in bankers' acceptances and no more than 30% may be invested in bankers' acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% may be invested in reverse repurchase agreements; no more than 30% may be invested in medium-term notes; no more than 20% may be invested in mortgage passthrough and related securities; and no more than 30% may be invested in certain unsecured, unsubordinated obligations.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

		General		Other
		Fund		Funds
June 30, 2022				
Interest	\$	717	\$	-
Other		20,066		8,127
Total	\$	20,783	\$	8,127

Fall River Joint Unified School District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following:

June 30, 2022	General Fund	Other Governmental Funds
Due From		
Federal government	\$ 1,145,871	\$ 129,715
State government	947,455	6,019
Local governments	12,886	2,122
Total	\$ 2,106,212	\$ 137,856

5. INTERFUND TRANSFERS

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

Interfund transfers are as follows:

Interfund Transfer Out	Interfund Transfer In	
General	Cafeteria Special Revenue	\$ 139,000

Transfers are used for the following:

To move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and

To use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

There were no transfers that were not routine or inconsistent with the activities of the funds making the transfer.

Fall River Joint Unified School District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. CAPITAL ASSETS

Capital assets activity is as follows:

Year Ended June 30, 2022	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Nondepreciated Capital Assets				
Land	\$ 33,418	\$ -	\$ -	\$ 33,418
Construction in progress	-	66,130	-	66,130
Total Nondepreciated Capital Assets	33,418	66,130	-	99,548
Depreciated Capital Assets				
Buildings	21,297,976	113,349	-	21,411,325
Site improvements	777,944	-	-	777,944
Equipment and vehicles	4,688,365	165,264	68,230	4,785,399
Total Depreciated Capital Assets	26,764,285	278,613	68,230	26,974,668
Totals at Historical Cost	26,797,703	344,743	68,230	27,074,216
Less: Accumulated Depreciation				
Buildings	11,885,633	524,970	-	12,410,603
Site improvements	228,523	46,825	-	275,348
Equipment and vehicles	2,855,481	320,870	68,230	3,108,121
Total Accumulated Depreciation	14,969,637	892,665	68,230	15,794,072
Total Depreciated Capital Assets - Net	11,794,648	(614,052)	-	11,180,596
Leased Asset				
Equipment	-	296,984	-	296,984
Less: Accumulated amortization	-	59,397	-	59,397
Total Leased Asset - Net	-	237,587	-	237,587
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS - NET	\$ 11,828,066	\$ (310,335)	\$ -	\$ 11,517,731

Fall River Joint Unified School District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Depreciation and amortization expense was charged to governmental activities as follows:

Year Ended June 30, 2022

Governmental Activities			
Instruction		\$	524,611
Instruction-related services			36,987
Pupil services			261,016
Ancillary services			17,436
General administration			92,422
Plant services			19,590
Total Depreciation/Amortization Expense - Governmental Activities		\$	952,062

7. ACCOUNTS PAYABLE

Accounts payable consisted of the following:

		General Fund	Other Governmental Funds
June 30, 2022			
Vendors	\$	243,265	\$ 3,288
Salaries and benefits		50,777	168
Other		1,115	-
Total	\$	295,157	\$ 3,456

8. DUE TO OTHER GOVERNMENTS

Due to other governments consisted of the following:

		General Fund
June 30, 2022		
Due To		
State government	\$	614,659

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

9. BONDED DEBT

The outstanding general obligation bonded debt is as follows:

Issue Date	Interest Rate	Maturity Date	Amount of Original Issue	Outstanding July 1, 2021	Redeemed Current Year	Outstanding June 30, 2022
2015	0.6-2.3%	2031	\$ 3,405,000	\$ 2,350,000	\$ 225,000	\$ 2,125,000

The amount of interest cost incurred during the year ended June 30, 2022, was \$64,544, all of which was charged to expenses.

The annual requirements to amortize the general obligation bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 230,000	\$ 60,456	\$ 290,456
2024	235,000	53,481	288,481
2025	240,000	46,357	286,357
2026	245,000	39,081	284,081
2027	250,000	31,656	281,656
2028-2031	925,000	50,123	975,123
Total	\$ 2,125,000	\$ 281,154	\$ 2,406,154

10. LEASE LIABILITY

The District entered into a lease agreement with terms in excess of one year as lessee for the acquisition and use of copiers. An initial lease liability was recorded in the amount of \$296,984 as of July 1, 2021. At June 30, 2022, the value of the lease liability was \$241,052. The District is required to make monthly principal and interest payments of \$5,400. The lease has an interest rate of 3.60%. The agreement does not contain a purchase option. Conditions of the lease do not provide for variable payments or residual value guarantees. The equipment has a five-year estimated useful life. The value of the right-to-use assets as of June 30, 2022, was \$237,587, net of accumulated amortization. The amount of interest cost incurred during the year ended June 30, 2022, was \$8,869, all of which was charged to expenses. There were no variable or other payments recognized for the year ended June 30, 2022, that were not previously included in the measurement of the lease liability.

Fall River Joint Unified School District
NOTES TO THE FINANCIAL STATEMENTS
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The future lease payments are as follows:

Year Ending June 30	Principal		Interest		Total
2023	\$	57,058	\$	7,743	\$ 64,801
2024		59,146		5,654	64,800
2025		61,311		3,489	64,800
2026		63,537		1,245	64,782
Total	\$	241,052	\$	18,131	\$ 259,183

11. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt:

Year Ended June 30, 2022	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Compensated absences	\$ 253,902	\$ 58,244	\$ -	\$ 312,146	\$ -
General obligation bonds	2,350,000	-	225,000	2,125,000	230,000
Bond issuance premiums	11,983	-	5,660	6,323	3,804
Lease payable	-	296,984	55,932	241,052	57,058
Total other pension liability	1,495,890	-	355,817	1,140,073	-
Net pension liability	16,808,318	-	7,437,884	9,370,434	-
Total	\$ 20,920,093	\$ 355,228	\$ 8,080,293	\$ 13,195,028	\$ 290,862

Fall River Joint Unified School District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

12. FUND BALANCES COMPONENTS

Fund balances are composed of the following:

June 30, 2022	General Fund	Other Governmental Funds
Nonspendable		
Reserved for:		
Revolving cash	\$ 3,500	\$ -
Inventories	-	11,581
Prepaid expenditures	49,259	-
Total Nonspendable	\$ 52,759	\$ 11,581
Restricted		
Restricted for:		
Capital projects	\$ -	\$ 133,047
Debt service	-	388,865
Student activities	-	131,588
Federal and state categoricals	886,654	152,365
Total Restricted	\$ 886,654	\$ 805,865
Assigned		
Assigned for:		
Board priorities	\$ 5,396,434	\$ -
Capital projects	-	32,401
Total Assigned	\$ 5,396,434	\$ 32,401
Unassigned		
Designated for economic uncertainties	\$ 935,000	\$ -

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

13. JOINT POWERS AUTHORITIES

The District participates in joint ventures under joint powers agreements with the following joint powers authorities (JPAs): Northern California Schools Insurance Group (NCSIG), Shasta-Trinity Schools Insurance Group (STSIG), Schools Excess Liability Fund (SELF), and Self-Insured Schools of California – Health and Welfare Benefits Program (SISC III). The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs arrange for and provide property, liability, workers' compensation, health care, and excess liability coverage for their members. Each JPA is governed by a board consisting of representatives from the members. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. The District's share of year-end assets, liabilities, or fund equity is not calculated by the JPAs. Separately issued financial statements can be requested from each JPA.

14. COMMITMENTS AND CONTINGENCIES

Federal and State Allowances, Awards, and Grants

The District received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

COVID-19

The novel coronavirus, COVID-19, was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The ongoing pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. The COVID-19 pandemic remains a rapidly-evolving situation. The impact of the pandemic on the District's operations and financial performance will depend on future developments, including government mandates and duration of the pandemic, all of which are uncertain and difficult to predict. As a result, it is not currently possible to assess the overall impact of COVID-19 on the District's future. However, if the pandemic continues, the disease could have a material adverse effect on the District's results of operations, financial condition, and cash flows. Management is monitoring the situation on a daily basis in order to mitigate the potential impact of COVID-19 on the District's operations and financial performance.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

15. RISK MANAGEMENT

The District is exposed to various risks, including loss or damage to property, general liability, and injuries to employees. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. No significant reductions in insurance coverage from the prior year have been made. As described above, the District participates in risk pools under joint powers agreements for property, liability, workers' compensation, health care, and excess liability coverage.

16. EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under cost-sharing multiple-employer defined benefit pension plans maintained by agencies of the state of California. Certificated employees are members of CalSTRS, and classified employees are members of CalPERS.

Summary

Net pension liability, deferred outflows or resources, deferred inflows of resources, and pension expense are reported as follows:

June 30, 2022	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS State Teachers' Retirement Plan	\$ 5,195,836	\$ 2,530,147	\$ 4,769,017	\$ 237,298
CalPERS School Employer Pool	4,174,598	1,199,850	1,636,035	550,492
Total	\$ 9,370,434	\$ 3,729,997	\$ 6,405,052	\$ 787,790

Net pension liability, deferred outflows of resources, and deferred inflows of resources are reported in the accompanying statement of net position; pension expense is reported in the accompanying statement of activities.

California State Teachers' Retirement System

Plan Description Certificated employees of the District participate in STRP, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. Benefit provisions are established by state statute, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues publicly available financial reports that can be obtained at www.calstrs.com.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Benefits Provided STRP provides retirement, disability, and survivor benefits to beneficiaries. The defined benefit program provides retirement benefits based on members' final compensation, age, and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. The program has two benefit formulas:

- **CalSTRS 2% at 60** CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0% of final compensation multiplied by the number of years of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to a maximum of 2.4% at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2% to the age factor, up to the 2.4% maximum.
- **CalSTRS 2% at 62** CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0% of final compensation multiplied by the number of years of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4% at age 65 or older.

Contributions Required member, employer, and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Active plan members of the CalSTRS 2% at 60 formula are required to contribute 10.25% of their salary. Active plan members of the CalSTRS 2% at 62 formula are required to contribute 10.205% of their salary. The required employer contribution rate for fiscal year 2021-22 was 16.92% of annual payroll. The District's contributions to CalSTRS for the fiscal year ended June 30, 2022, were \$1,017,399.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2022, the District reported a net pension 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:

June 30, 2022

District's proportionate share of the net pension liability	\$	5,195,836
State's proportionate share of the net pension liability associated with the District		2,614,398
Total	\$	7,810,234

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The District's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. 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 employers and the state, actuarially determined. At June 30, 2022, the District's proportion was 0.011%.

State Teachers' Retirement Law also requires the state to contribute 10.828% of the members' creditable earnings from the fiscal year ending in the prior calendar year. For the year ended June 30, 2022, the District recognized pension expense of \$512,301 and revenue of \$512,301 for support provided by the state. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 13,016	\$ 553,054
Net difference between projected and actual earnings on pension plan investments	-	4,110,337
Change in assumptions	735,950	-
Changes in proportion and differences between District contributions and proportionate share of contributions	763,782	105,626
District contributions subsequent to the measurement date	1,017,399	-
Total	\$ 2,530,147	\$ 4,769,017

The \$1,017,399 reported as 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 year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2023	\$ (725,052)
2024	(510,565)
2025	(866,746)
2026	(1,158,130)
2027	5,357
Thereafter	(1,133)
Total	\$ (3,256,269)

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Actuarial Assumptions The total pension liability in the June 30, 2020, actuarial valuation for CalSTRS was determined using the following actuarial assumptions and applied to all periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return	7.10%
Interest on accounts	3.00%
Wage growth	3.50%
Consumer price inflation	2.75%
Post-retirement benefit increases	2.00% simple

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

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2021, are summarized in the following table:

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.80%
Private equity	13%	6.30%
Real estate	15%	3.60%
Inflation sensitive	6%	3.30%
Fixed income	12%	1.30%
Risk mitigating strategies	10%	1.80%
Cash/liquidity	2%	-0.40%
Total	100%	

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 that contributions from plan members and employers were made at statutory contribution rates in accordance with the statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assumes that contributions, benefit payments, and administrative expenses occurred midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as the District's proportionate share of the net pension liability if it was calculated using a discount rate that is one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
June 30, 2022			
District's proportionate share of the net pension liability	\$ 10,576,863	\$ 5,195,836	\$ 729,687

Pension Plan Fiduciary Net Position Detailed information about the pension plan's fiduciary net position is available in CalSTRS' separately issued *Annual Comprehensive Financial Report* (ACFR).

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

California Public Employees' Retirement System

Plan Description Classified employees of the District participate in the School Employer Pool (the Plan) under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by state statute, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a publicly available financial report that can be obtained at www.calpers.ca.gov.

Benefits Provided The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The benefits are based on members' years of service, age, final compensation, and benefit formula. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions Member contribution rates are defined by law. Employer contribution rates are determined by periodic actuarial valuations. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. Active plan members that met the definition of a new member under the Public Employees' Pension Reform Act are required to contribute 7.00% of their salary. Classic employees are required to contribute 7.00% of their salary. The required employer contribution rate for the 2021-22 fiscal year was 22.91%. The District's contributions to CalPERS for the fiscal year ended June 30, 2022, were \$794,777.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2022, the District reported a net pension liability of \$4,174,598 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. 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. At June 30, 2022, the District's proportion was 0.0205%.

For the year ended June 30, 2022, the District recognized pension expense of \$550,492. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 124,622	\$ 9,841
Net difference between projected and actual earnings on pension plan investments	-	1,602,087
Changes in proportion and differences between District contributions and proportionate share of contributions	280,451	24,107
District contributions subsequent to the measurement date	794,777	-
Total	\$ 1,199,850	\$ 1,636,035

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The \$794,777 reported as 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 year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2023	\$ (220,997)
2024	(232,000)
2025	(332,392)
2026	(445,573)
Total	\$ (1,230,962)

Actuarial Assumptions The total pension liability in the June 30, 2020, actuarial valuation for CalPERS was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%

Post-retirement mortality rates are based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 1997, through June 30, 2015.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The tables below reflect long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Assumed Asset Allocation	Real Rate of Return	
		Years 1 - 10	Years 11+
Global equity	50%	4.80%	5.98%
Fixed income	28%	1.00%	2.62%
Inflation assets	0%	0.77%	1.81%
Private equity	8%	6.30%	7.23%
Real estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	100%		

Discount Rate The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members 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 those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as the District's proportionate share of the net pension liability if it was calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

June 30, 2022	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	\$ 7,038,959	\$ 4,174,598	\$ 1,796,564

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

17. EARLY RETIREMENT INCENTIVE PROGRAM

The District did not enter into any early retirement incentive agreements during 2021-22, pursuant to *California Education Code*, Sections 22714 and 44929, whereby the service credit to eligible employees is increased by two years.

18. POSTEMPLOYMENT HEALTH CARE PENSION PLAN

Plan Description and Benefits Provided

The District provides postemployment health care benefits to qualifying employees through a single employer defined benefit health care plan administered by the District. The District provides postemployment health care benefits to all certificated employees and their dependents. Employees who retire from the District on or after attaining the age of 55 with at least 15 years of consecutive service in the District will receive a cash payment of \$8,062, or a pro-rated amount based on the employee's FTE at the time of retirement, to be paid annually for three years. Employees who retire from the District on or after attaining the age of 55 with at least 15 years of full-time service in the District also have the option to sign a consultant agreement to perform mutually agreed-upon services to the District at a maximum of 160 hours each year in exchange for up to \$4,000 of District contribution toward the purchase of medical, dental, and/or vision insurance premiums for a maximum of five years.

The District also provides postemployment health care benefits to all classified employees and their dependents. Employees who retire from the District on or after attaining the age of 55 with at least 15 years of service and were working 6-8 hours per day in the District will receive a cash payment of 13% of their current annual salary for the position held at the time of retirement, to be paid annually for five years. The plan does not issue a separate stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Employees Covered

Employees covered by the benefit terms of the plan consisted of:

June 30, 2022	
Inactive plan members or beneficiaries currently receiving benefit payments	20
Active plan members	174
Total	194

Contributions

The District's agreement with employees is for annual payments to members who meet the eligibility criteria of their collective bargaining agreement and who retire during the term of the contract. The payment requirements of plan members and the District are established and may be amended by the District's Board of Trustees through the collective bargaining process.

Currently, the District's policy is to contribute to the plan on a pay-as-you-go basis. For the fiscal year ended June 30, 2022, the District paid benefits of \$147,462, representing cash payments to retired employees.

Total Other Pension Liability

The District's total other pension liability for the plan is measured as the total pension liability, less the plan's fiduciary net position. The total other pension liability of the plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2022. The June 30, 2022, total other pension liability was based on the actuarial methods and assumptions as shown below.

Actuarial Assumptions

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

Valuation date	June 30, 2022
Measurement date	June 30, 2022
Actuarial cost method	Entry age
Actuarial assumptions:	
Salary increases	2.75%
Consumer price inflation	2.50%
Discount rate	3.54%

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The mortality assumptions used in the June 30, 2022, valuation are as follows:

2020 CalSTRS Mortality	The mortality assumptions are based on the 2020 CalSTRS Mortality table created by CalSTRS. CalSTRS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalSTRS analysis.
2017 CalPERS Active Mortality for Miscellaneous and Schools Employees	The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.
2017 CalPERS Retiree Retiree Mortality for Miscellaneous and Schools Employees	The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Discount Rate

The discount rate used to measure the total other pension liability was 3.54%. The discount rate is based on the Bond Buyer 20 Bond Index.

Fall River Joint Unified School District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Changes in the Total Other Pension Liability

The changes in the total other pension liability for the plan are as follows:

Year Ended June 30, 2022

Total Other Pension Liability		
Service cost	\$	69,908
Interest		31,474
Difference between expected and actual experience		(214,419)
Changes of assumptions		(95,318)
Benefit payments - including refunds of employee contributions		(147,462)
Net Change in Total Other Pension Liability		(355,817)
Total Other Pension Liability - Beginning of Year		1,495,890
Total Other Pension Liability - End of Year	\$	1,140,073
Covered-employee payroll	\$	9,431,218
District's total other pension liability as a percentage of covered-employee payroll		12.09%

Sensitivity of the Total Other Pension Liability to Changes in the Discount Rate

The following presents the District's total other pension liability calculated using the discount rate of 3.54%, as well as the District's total other pension liability if it was calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
June 30, 2022			
Total other pension liability	\$ 1,208,645	\$ 1,140,073	\$ 1,074,558

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Other Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Pensions

For the year ended June 30, 2022, the District recognized other pension expense of \$125,530, related to the health care plan. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to other pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 21,171	\$ -
Change in assumptions	40,523	-
Total	\$ 61,694	\$ -

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

Year Ending June 30

2023	\$ 24,148
2024	24,148
2025	24,148
2026	24,148
2027	24,148
Thereafter	(59,046)
Total	\$ 61,694

Fall River Joint Unified School District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

19. FUTURE GASB IMPLEMENTATION

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This statement improves financial reporting by establishing a definition for SBITA and providing uniform guidance for accounting and financial reporting for transactions that meet this definition. This statement establishes that a SBITA results in a right-to-use asset—an intangible asset—and a corresponding subscription liability. It provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2022, will have on the District's financial statements, if any.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2023, will have on the District's financial statements, if any.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement outlines a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2024, will have on the District's financial statements, if any.

Required Supplementary Information

Fall River Joint Unified School District
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

Year Ended June 30, 2022	Budgeted Amounts		Actual Amounts - GAAP Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 4,921,517	\$ 5,548,095	\$ 5,070,202	\$ (477,893)
Local control funding formula sources	9,137,199	9,544,697	9,376,798	(167,899)
Other state revenue	2,386,473	2,980,092	3,048,319	68,227
Federal revenue	1,630,049	2,252,931	1,830,008	(422,923)
Other local revenue	786,441	887,182	1,050,642	163,460
Total Revenues	18,861,679	21,212,997	20,375,969	(837,028)
Expenditures				
Certificated salaries	6,507,697	6,810,519	6,801,066	9,453
Classified salaries	3,043,050	3,441,226	3,395,856	45,370
Employee benefits	4,555,288	4,825,526	4,699,321	126,205
Books and supplies	713,178	2,608,727	1,492,275	1,116,452
Services and other operating	2,130,725	1,941,275	1,754,544	186,731
Capital outlay	30,000	374,744	344,743	30,001
Other outgo	-	-	8,503	(8,503)
Debt service:				
Principal	-	-	55,932	(55,932)
Interest and other charges	-	-	8,869	(8,869)
Total Expenditures	16,979,938	20,002,017	18,561,109	1,440,908
Excess (Deficiency) of Revenues Over Expenditures	1,881,741	1,210,980	1,814,860	603,880
Other Financing Sources (Uses)				
Interfund transfers out	(170,788)	(186,505)	(139,000)	47,505
Net Change in Fund Balances	1,710,953	1,024,475	1,675,860	651,385
Fund Balances - Beginning of Year	5,594,987	5,594,987	5,594,987	-
Fund Balances - End of Year	\$ 7,305,940	\$ 6,619,462	\$ 7,270,847	\$ 651,385

See the accompanying notes to this budgetary comparison schedule.

Fall River Joint Unified School District
NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's Governing Board annually adopts a budget for the General Fund of the District. The budget is presented on the modified accrual basis of accounting. Accordingly, the accompanying budgetary comparison schedule of the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budget, as amended. Unexpended appropriations on the annual budget lapse at the end of each fiscal year.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations by the following amounts:

June 30, 2022	General Fund	
Other outgo	\$	8,503
Debt service - principal	\$	55,932
Debt service - interest and other charges	\$	8,869

These excess expenditures were offset by unexpended appropriations in other categories.

Fall River Joint Unified School District
SCHEDULE OF CHANGES IN DISTRICT'S TOTAL POSTEMPLOYMENT HEALTH CARE PENSION LIABILITY AND RELATED RATIOS

Years Ended June 30	2022	2021	2020	2019	2018
Total Other Pension Liability					
Service cost	\$ 69,908	\$ 67,615	\$ 61,989	\$ 57,486	\$ 55,947
Interest	31,474	33,278	37,955	37,723	41,660
Changes of benefit terms	-	-	312,515	(3,667)	-
Difference between expected and actual experience	(214,419)	-	-	-	-
Changes of assumptions	(95,318)	5,106	154,236	24,459	-
Benefit payments - including refunds of employee contributions	(147,462)	(177,905)	(104,672)	(122,218)	(109,448)
Net Change in Total Other Pension Liability	(355,817)	(71,906)	462,023	(6,217)	(11,841)
Total Other Pension Liability - Beginning of Year	1,495,890	1,567,796	1,105,773	1,111,990	1,123,831
Total Other Pension Liability - End of Year	\$ 1,140,073	\$ 1,495,890	\$ 1,567,796	\$ 1,105,773	\$ 1,111,990
Covered-employee payroll	\$ 9,431,218	\$ 9,073,558	\$ 8,994,143	\$ 8,421,905	\$ 8,903,653
District's total other pension liability as a percentage of covered-employee payroll	12.09%	16.49%	17.43%	13.13%	12.49%

See the accompanying notes to the required supplementary information.

Fall River Joint Unified School District

SCHEDULE OF DISTRICT'S CONTRIBUTIONS – POSTEMPLOYMENT HEALTH CARE PENSION PLAN

Years Ended June 30	2022	2021	2020	2019	2018
Contractually required contribution	\$ 147,462	\$ 177,905	\$ 104,672	\$ 122,218	\$ 109,448
Contributions in relation to the contractually required contribution	(147,462)	(177,905)	(104,672)	(122,218)	(109,448)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 9,431,218	\$ 9,073,558	\$ 8,994,143	\$ 8,421,905	\$ 8,903,653
Contributions as a percentage of covered-employee payroll	1.56%	1.96%	1.16%	1.45%	1.23%

See the accompanying notes to the required supplementary information.

Fall River Joint Unified School District

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

Years Ended June 30	2022	2021	2020
District's proportion of the net pension liability (asset)	0.011%	0.011%	0.011%
District's proportionate share of the net pension liability (asset)	\$ 5,195,836	\$ 10,698,114	\$ 9,934,760
State's proportionate share of the net pension liability (asset) associated with the District	2,614,398	5,514,834	5,420,119
Total	\$ 7,810,234	\$ 16,212,948	\$ 15,354,879
District's covered-employee payroll	\$ 6,141,362	\$ 5,963,269	\$ 5,886,843
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	84.60%	179.40%	168.76%
Plan fiduciary net position as a percentage of the total pension liability	87.20%	71.80%	72.60%
Years Ended June 30			
District's proportion of the net pension liability (asset)	0.011%	0.010%	0.010%
District's proportionate share of the net pension liability (asset)	\$ 10,109,770	\$ 9,248,000	\$ 8,088,100
State's proportionate share of the net pension liability (asset) associated with the District	5,788,345	5,471,083	4,605,089
Total	\$ 15,898,115	\$ 14,719,083	\$ 12,693,189
District's covered-employee payroll	\$ 5,825,946	\$ 5,421,161	\$ 5,130,979
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.53%	170.59%	157.63%
Plan fiduciary net position as a percentage of the total pension liability	71.00%	69.00%	70.00%

See the accompanying notes to the required supplementary information.

Fall River Joint Unified School District
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

	2022	2021	2020
Years Ended June 30			
Contractually required contribution	\$ 1,017,399	\$ 991,830	\$ 1,019,719
Contributions in relation to the contractually required contribution	(1,017,399)	(991,830)	(1,019,719)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's covered-employee payroll			
Contributions as a percentage of covered-employee payroll	\$ 6,141,362 16.57%	\$ 5,963,269 16.63%	\$ 5,886,843 17.32%
Years Ended June 30			
Contractually required contribution	\$ 958,378	\$ 840,684	\$ 840,684
Contributions in relation to the contractually required contribution	(958,378)	(840,684)	(840,684)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's covered-employee payroll			
Contributions as a percentage of covered-employee payroll	\$ 5,825,946 16.45%	\$ 5,421,161 15.51%	\$ 5,130,979 13.29%
		\$ 5,095,000 10.81%	\$ 4,785,151 9.45%

See the accompanying notes to the required supplementary information.

Fall River Joint Unified School District
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

	2022	2021	2020
Years Ended June 30			
District's proportion of the net pension liability (asset)	0.0205%	0.0199%	0.0190%
District's proportionate share of the net pension liability (asset)	\$ 4,174,598	\$ 6,110,204	\$ 5,535,368
District's covered-employee payroll	\$ 2,960,879	\$ 2,868,283	\$ 2,635,871
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	140.99%	213.03%	210.00%
Plan fiduciary net position as a percentage of the total pension liability	81.00%	70.00%	70.00%
Years Ended June 30	2019	2018	2017
District's proportion of the net pension liability (asset)	0.0193%	0.0188%	0.0189%
District's proportionate share of the net pension liability (asset)	\$ 5,153,987	\$ 4,492,831	\$ 3,732,762
District's covered-employee payroll	\$ 2,555,141	\$ 2,393,505	\$ 2,273,242
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	201.71%	187.71%	164.20%
Plan fiduciary net position as a percentage of the total pension liability	70.80%	71.90%	73.90%

See the accompanying notes to the required supplementary information.

Fall River Joint Unified School District
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Years Ended June 30	2022	2021	2020
Contractually required contribution	\$ 794,777	\$ 612,902	\$ 565,654
Contributions in relation to the contractually required contribution	(794,777)	(612,902)	(565,654)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,960,879	\$ 2,868,283	\$ 2,635,871
Contributions as a percentage of covered-employee payroll	26.84%	21.37%	21.46%
Years Ended June 30	2019	2018	2017
Contractually required contribution	\$ 476,091	\$ 396,839	\$ 332,410
Contributions in relation to the contractually required contribution	(476,091)	(396,839)	(332,410)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,555,141	\$ 2,393,505	\$ 2,273,242
Contributions as a percentage of covered-employee payroll	18.63%	16.58%	14.62%
			\$ 2,079,662
			12.95%
			\$ 2,001,603
			12.23%

See the accompanying notes to the required supplementary information.

1. TOTAL OTHER PENSION LIABILITY

Changes in Benefit Terms

There were no significant changes in benefit terms during the measurement period ended June 30, 2022.

Changes in Assumptions

For the measurement period ended June 30, 2022, the discount rate changed from 2.16% to 3.54% due to changes in the Bond Buyer 20 Bond Index.

Assets to Pay Related Benefits

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 as of June 30, 2022.

2. PENSION – CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

Changes in Benefit Terms

There were no significant changes of benefit terms during the measurement period ended June 30, 2021.

Changes in Assumptions

There were no significant changes in assumptions during the measurement period ended June 30, 2021.

3. PENSION – CALIFORNIA STATE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Changes in Benefit Terms

There were no significant changes of benefit terms during the measurement period ended June 30, 2021.

Changes in Assumptions

There were no significant changes of assumptions during the measurement period ended June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION SECTION

Fall River Joint Unified School District

LOCAL EDUCATIONAL AGENCY ORGANIZATION STRUCTURE

June 30, 2022

The Fall River Joint Unified School District (the District) is located in Shasta County and was established in 1911. There were no changes in the boundaries of the District during the current year. The District is currently operating two elementary schools, two junior-senior high schools, one community day school, and two continuation high schools, and one special education center.

GOVERNING BOARD

Name	Office	Term Expires
Ignacio Venegas	President	2022
Richard Dougherty	Clerk	2022
Megan Estes	Trustee	2024
John Hamilton	Trustee	2022
Jack Hathaway	Trustee	2024

ADMINISTRATION

Merrill M. Grant, Ed.D.
Superintendent

Teresea Spooner
Chief Business Official

Fall River Joint Unified School District
SCHEDULE OF CHARTER SCHOOLS
Year Ended June 30, 2022

The District is not the sponsoring local educational agency for any charter schools.

See the accompanying note to the other supplementary information.

Fall River Joint Unified School District
SCHEDULE OF AVERAGE DAILY ATTENDANCE
Year Ended June 30, 2022

	Originally Reported		Final	
	Second Period Report	Annual Report	Second Period Report	Annual Report
ELEMENTARY				
Regular ADA*				
Transitional kindergarten/ kindergarten through grade 3	311	316	310	314
Grades 4 through 6	227	230	224	228
Grades 7 through 8	162	163	160	161
Extended-Year Special Education				
Transitional kindergarten/ kindergarten through grade 3	1	1	1	1
Grades 4 through 6	1	1	1	1
Community Day School				
Grades 7 through 8	3	3	3	3
ELEMENTARY TOTALS	705	714	699	708
HIGH SCHOOL				
Regular ADA**				
Grades 9 through 12	294	292	289	287
Extended-Year Special Education				
Grades 9 through 12	1	1	1	1
Community Day School				
Grades 9 through 12	5	4	5	4
HIGH SCHOOL TOTALS	300	297	295	292
ADA Totals	1,005	1,011	994	1,000

* Includes opportunity classes, home and hospital, and special day classes.

** Includes opportunity classes, home and hospital, special day classes, and continuation education.

See the accompanying note to the other supplementary information.

Fall River Joint Unified School District
SCHEDULE OF INSTRUCTIONAL TIME
Year Ended June 30, 2022

	Minutes Requirement	Days Requirement	Actual Minutes Offered	Actual J-13A Days Offered	Approved J-13A Minutes*	Approved Days*	Total		Status	
							Traditional Calendar Minutes	Traditional Calendar Days		
Kindergarten	36,000	180	57,840	180	-	-	57,840	180	N/A	Complied
Grade 1	50,400	180	52,170	180	-	-	52,170	180	N/A	Complied
Grade 2	50,400	180	52,170	180	-	-	52,170	180	N/A	Complied
Grade 3	50,400	180	52,170	180	-	-	52,170	180	N/A	Complied
Grade 4	54,000	180	54,145	179	325	1	54,470	180	N/A	Complied
Grade 5	54,000	180	54,145	179	325	1	54,470	180	N/A	Complied
Grade 6	54,000	180	54,145	179	325	1	54,470	180	N/A	Complied
Grade 7	54,000	180	64,920	180	-	-	64,920	180	N/A	Complied
Grade 8	54,000	180	64,920	180	-	-	64,920	180	N/A	Complied
Grade 9	64,800	180	64,920	180	-	-	64,920	180	N/A	Complied
Grade 10	64,800	180	64,920	180	-	-	64,920	180	N/A	Complied
Grade 11	64,800	180	64,920	180	-	-	64,920	180	N/A	Complied
Grade 12	64,800	180	64,920	180	-	-	64,920	180	N/A	Complied

*The District received an approved Form J-13A for one emergency closure day, representing the above instructional minutes.

See the accompanying note to the other supplementary information.

Fall River Joint Unified School District
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

Years Ended June 30	(Budget) 2023	2022	2021	2020
General Fund				
Revenues and other financial sources	\$ 18,869,104	\$ 20,375,969	\$ 18,584,692	\$ 16,995,824
Expenditures	18,601,163	18,561,109	17,977,000	16,721,179
Other uses and transfers out	239,351	139,000	151,500	60,500
Total Outgo	18,840,514	18,700,109	18,128,500	16,781,679
Change in Fund Balance	28,590	1,675,860	456,192	214,145
Ending Fund Balance	\$ 7,299,437	\$ 7,270,847	\$ 5,594,987	\$ 5,138,795
Available reserves	\$ 942,026	\$ 935,000	\$ 906,426	\$ 839,084
Designated for economic uncertainties	\$ 942,026	\$ 935,000	\$ 906,426	\$ 839,084
Undesignated fund balance	\$ -	\$ -	\$ -	\$ -
Available reserves as a percentage of total outgo	5%	5%	5%	5%
Total long-term debt	\$ 12,904,166	\$ 13,195,028	\$ 20,920,093	\$ 19,872,349
Average daily attendance at P-2	997	994	1,115 *	1,115

**Pursuant to California Education Code, Section 43502, the District was funded based on 2019-20 ADA.*

The General Fund balance has increased by \$2,132,052 over the past two years. The fiscal year 2022-23 budget projects an increase of \$28,590 (.39%). For a district this size, the state recommends available reserves of at least 4% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has not incurred an operating deficit in any of the past three years and anticipates incurring an operating surplus during the 2022-23 fiscal year. Total long-term debt has decreased by \$6,677,321 over the past two years.

Average daily attendance has decreased by 121 over the past two years. The District anticipates growth in ADA of three during fiscal year 2022-23.

See the accompanying note to the other supplementary information.

Fall River Joint Unified School District
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
Year Ended June 30, 2022

The fund balances for all funds, as reported on the annual financial and budget report, equal the corresponding balances in the audited financial statements.

See the accompanying note to the other supplementary information.

Fall River Joint Unified School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
FEDERAL PROGRAMS			
U.S. Department of Education			
Passed Through California Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	\$ 19
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER) Fund	84.425D	15547	790,138
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER) Fund	84.425D	15559	33,649
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER) Fund: Learning Loss Mitigation	84.425U	10155	22,411
COVID-19 - Expanded Learning Opportunities (ELO) Grant ESSER II State Reserves	84.425D	15618	72,786
COVID-19 - Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	31,838
COVID-19 - Expanded Learning Opportunities (ELO) Grant ESSER III State Reserves, Emergency Needs	84.425U	15620	90,430
Total Education Stabilization Fund			1,041,271
ESEA - Title I, Part A, Basic Grants Low-Income and Neglected	84.010A	14329	275,985
Special Education - IDEA Basic Local Assistance	84.027	13379	286,775
Vocational Programs - Vocational and Applied Technical Secondary IC, Section 131	84.048	14894	2,812
ESEA - Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	38,579
ESEA - Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	10,610
ESEA - Title VI, Part B, Rural and Low Income School	84.358	14356	33,904
Direct Program			
Indian Education - Grants to Local Educational Agencies	84.060		42,398
Total U.S. Department of Education			1,732,334
Subtotal Forward			\$ 1,732,334

See the accompanying note to the other supplementary information.

Fall River Joint Unified School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022
(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Subtotal Brought Forward			\$ 1,732,334
U.S. Department of Agriculture			
Passed Through California Department of Education			
COVID-19-SNP-Emergency Operational Costs Reimbursement (ECR)	10.555	15637	4,634
Child Nutrition Cluster			
School Breakfast	10.553	13390	110,302
National School Lunch	10.555	13391	430,183
Child Nutrition: Supply Chain Assistance (SCA) Funds	10.555	15655	33,487
Nonmonetary Assistance			
Food Donation	10.555		44,082
Total Child Nutrition Cluster			618,054
Passed Through Shasta County Office of Education			
Schools and Roads - Grants to Counties	10.666	10044	74,505
Passed Through Modoc County Office of Education			
Schools and Roads - Grants to Counties	10.666	10044	5,169
Passed Through Lassen County Office of Education			
Schools and Roads - Grants to Counties	10.666	10044	18,000
Total U.S. Department of Agriculture			720,362
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,452,696

See the accompanying note to the other supplementary information.

PURPOSE OF SCHEDULES

Schedule of Charter Schools

This schedule lists all charter schools sponsored by the District and indicates whether or not the charter school is included in the audit of the District.

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

The District received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District met or exceeded its local funding formula target. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *California Education Code*, Sections 46200 through 46208.

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.

Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of each fund, as reported in the annual financial and budget report, to the audited financial statements.

Schedule of Expenditures of Federal Awards

This schedule includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

Expenditures reported on this schedule are reported on the modified basis of accounting. 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.

The District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER REPORTS SECTION



INDEPENDENT AUDITORS' 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 Board of Trustees
Fall River Joint Unified School District
Burney, 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 of America, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fall River Joint Unified School District (the District) as of and for the year ended June 30, 2022; 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 30, 2022.

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

**INDEPENDENT AUDITORS' 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**


(Continued)

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.



December 30, 2022
Chico, California



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

To the Board of Trustees
Fall River Joint Unified School District
Burney, California

Opinion on Each Major Federal Program

We have audited Fall River Joint Unified Schools District's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (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, 2022. The District's major federal programs are identified in the summary of auditors' 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; 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* (the Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' 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 reasonable 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 provision of contracts or grant agreements applicable to the District's federal programs.

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

(Continued)

Auditors' 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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

(Continued)


Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 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 Auditors' 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 have not been 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.



December 30, 2022
Chico, California

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER STATE COMPLIANCE

To the Board of Trustees
Fall River Joint Unified School District
Burney, California

Report on Compliance

Opinion on State Compliance

We have audited the Fall River Joint Unified School District's (the District) compliance with the requirements specified in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, applicable to the District's state program requirements identified below for the year ended June 30, 2022.

In our opinion, the District complied, in all material respects, with the laws and regulations of the state programs noted on pages 89 and 90 for the year ended June 30, 2022.

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; and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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.

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER STATE COMPLIANCE

(Continued)

Auditors' 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 *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 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 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 *2021-22 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 control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

**INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON
INTERNAL CONTROL OVER STATE COMPLIANCE**

(Continued)

June 30, 2022		Procedures Performed
Local Education Agencies Other than Charter Schools:		
A.	Attendance	Yes
B.	Teacher certification and misassignments	Yes
C.	Kindergarten continuance	Yes
D.	Independent study	Yes
E.	Continuation education	Yes
F.	Instructional time	Yes
G.	Instructional materials	Yes
H.	Ratios of administrative employees to teachers	Yes
I.	Classroom teacher salaries	Yes
J.	Early retirement incentive	No
K.	Gann limit calculation	Yes
L.	School accountability report card	Yes
M.	Juvenile court schools	Not applicable
N.	Middle and early college high schools	No
O.	K-3 grade span adjustment	Yes
P.	Transportation maintenance of effort	Yes
Q.	Apprenticeship: Related and supplemental instruction	No
R.	Comprehensive school safety plan	Yes
S.	District of choice	No
School Districts, County Offices of Education, and Charter Schools:		
T.	California Clean Energy Jobs Act	No
U.	After/Before school education and safety program:	
	After school	No
	Before school	No
	General requirements	No
V.	Proper expenditure of education protection account funds	Yes
W.	Unduplicated local control funding formula pupil counts	Yes
X.	Local control and accountability plan	Yes
Y.	Independent study-course based	No
Z.	Immunizations	No
AZ.	Educator effectiveness	Yes
BZ.	Expanded learning opportunities grant (ELO-G)	Yes
CZ.	Career technical education incentive grant	Yes
DZ.	In-person instruction grant	Yes

**INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON
INTERNAL CONTROL OVER STATE COMPLIANCE**

(Continued)

June 30, 2022	Procedures Performed
Charter schools:	
AA. Attendance	No
BB. Mode of instruction	No
CC. Nonclassroom-based instruction/independent study	No
DD. Determination of funding for nonclassroom-based instruction	No
EE. Annual instructional minutes – classroom based	No
FF. Charter school facility grant program	No

Since the District did not participate in the following programs during 2021-22 or the program is not applicable to school districts, all steps related to them were not performed:

- J. Early retirement incentive
- M. Juvenile court schools
- N. Middle and early college high schools
- Q. Apprenticeship: Related and supplemental instruction
- U. After/Before school education and safety program
- Y. Independent study-course based

District of choice (S) steps 2 and 3 were not performed because the board of the District did not elect to operate as a school district of choice. California Clean Energy Jobs Act (T) steps 1 and 2 were not performed because the District did not have any expenditures during 2021-22 from California Clean Energy Jobs Act funds. California Clean Energy Jobs Act (T) step 4 was not performed because the District had no final completion reports due during 2021-22. Testing for immunizations (Z) was not performed because the District did not include any schools that did not submit immunization assessment reports to the California Department of Public Health or that reported a high number of conditionally enrolled students.

Since the District did not sponsor any charter schools during 2021-22, all steps related to the following were not performed:

- AA. Attendance
- BB. Mode of instruction
- CC. Nonclassroom-based instruction/independent study
- DD. Determination of funding for nonclassroom-based instruction
- EE. Annual instructional minutes – classroom based
- FF. Charter school facility grant program

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER STATE COMPLIANCE

(Continued)

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-003. Our opinion on state compliance is not modified with respect to these matters.

The District's Response to Findings

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

Report on Internal Control Over Compliance

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


Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON
INTERNAL CONTROL OVER STATE COMPLIANCE**

(Continued)

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



December 30, 2022
Chico, California

FINDINGS AND QUESTIONED COSTS SECTION

Fall River Joint Unified School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

SECTION I
SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Is any noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
AL No. 84.425 COVID-19 – Education Stabilization Fund (ESF)	
Threshold for distinguishing types A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Internal control over state programs:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for state programs:	Unmodified

Fall River Joint Unified School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022
(Continued)

SECTION II FINDINGS
FINANCIAL STATEMENTS AUDIT

None.

SECTION III FINDINGS
FEDERAL AWARDS AUDIT

None.

Fall River Joint Unified School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2022
 (Continued)

SECTION IV FINDINGS
STATE AWARDS AUDIT

STATE COMPLIANCE (Independent Study)
 40000 (2022-001)

State Compliance

Condition Four of six long-term independent study agreements selected for testing did not include all the required elements; the learning agreements were not signed or dated by all required parties. Upon further review of 100% of the long-term independent study agreements, it was discovered that 37 of 45 learning agreements were not signed and dated by either the student, parent, or educator (or combination thereof).

Criteria *California Education Code*, Section 51747 requires that learning agreements and supporting documents must be completely filled out, and be signed and dated by the required parties within the required timeframes.

Effect As a result of the missing signatures, average daily attendance (ADA) in the Second Period Report of Attendance (P-2) was overstated by 10.62 and ADA in the Annual Report of Attendance was overstated by 11.04. The P-2 and Annual Reports of Attendance will be amended to remove the disallowed ADA. There was no fiscal impact to these changes as the prior-year Second Period ADA was greater than the current-year ADA; therefore, pursuant to *California Education Code*, Section 42238.5, prior year Second Period ADA was utilized in calculating the entitlement under the Local Control Funding Formula.

Grade Span	TK/K-3	4-6	7-8	9-12	Totals
Second Period Report	1.83	2.85	1.58	4.36	10.62
Annual Report	1.61	2.44	1.91	5.08	11.04
Derived value of ADA by grade span	\$ 10,346.95	\$ 9,513.18	\$ 9,794.58	\$ 11,646.26	
Calculated derived value of ADA	\$ 18,935	\$ 27,113	\$ 15,475	\$ 50,778	\$ 112,301

Cause Lack of signatures was due to a misunderstanding of the requirement.

Context The disallowance noted above relates to testing 100% of the population. Based the prevalence of the noncompliance, this appears to be a systematic issue due to the misunderstanding of the requirement.

Repeat Finding No, this is not a repeat finding.

Recommendation We recommend that the District amend the P-2 and Annual Attendance School District reports to exclude the ADA noted above, and implement policies and procedures to comply with the provisions of *California Education Code*, Section 51747.

Fall River Joint Unified School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022
(Continued)

Response The District's administration will seek relief for material noncompliance, as applicable, and implement the following procedures during the 2022-23 fiscal year to comply with the recommendation. The District will require that all independent-study contracts, once completed, be routed to the independent-study program secretary for review and signature. In addition, all independent study contracts will be submitted to the Director of Special Projects for a final review, and signature, to ensure accuracy and completeness.

Fall River Joint Unified School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022
(Continued)

LOCAL CONTROL ACCOUNTABILITY PLAN
62000 (2022-002)

State Compliance

Condition The District did not maintain supporting documents that the local control and accountability plan or approved annual update was presented to the parent advisory committee in accordance with *California Education Code*, Section 52062(a)(1) nor was it presented to the English learner parent advisory committee in accordance with *California Education Code*, Section 52062(a)(2).

Criteria *California Education Code*, Section 52062(a)(1) and 52062(a)(2) requires that the school district shall present the local control and accountability plan or approved annual update to the parent advisory and the English learner parent advisory committee, respectively, for review and comment.

Effect The District is not in compliance with the requirements established by *California Education Code*, Section 52062(a)(1) nor 52062(a)(2).

Cause The District could not locate meeting minutes or other supporting documents for the presentation to the parent advisory committee nor the English learner parent advisory committee.

Context This is an annual requirement and it appears that the noncompliance is not pervasive.

Repeat Finding No, this is not a repeat finding.

Recommendation We recommend that the District maintain documentation to support the presentation of the local control and accountability plan or approved annual update to both the parent advisory committee and the English learner parent advisory committee to support compliance with *California Education Code*, Section 52062(a)(1) and Section 52062(a)(2), respectively.

Response The District's administration will adopt procedures during fiscal year 2022-23 to comply with the recommendation.

Fall River Joint Unified School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022
(Continued)

STATE COMPLIANCE (Expanded Learning Opportunities Grant: ELO-G)
40000 (2022-003)

State Compliance

Condition The District's Board of Directors approved the Expanded Learning Opportunities Grant (ELO-G) plan on May 12, 2021. The plan was submitted to the Shasta County Office of Education on May 21, 2021.

Criteria Pursuant to *California Education Code*, Section 43522(e), the District is required to submit the ELO-G plan to the county office of education within five days of adoption.

Effect The District was not in compliance with the provisions of *California Education Code*, Section 43522(e).

Cause The District inadvertently missed the five day timeline to submit the ELO-G plan.

Context As this was a one-time requirement, there are no on-going implications.

Repeat Finding No, this is not a repeat finding.

Recommendation No action is required as the District has already submitted the ELO-G plan, albeit a few days late. We recommend that the District closely monitor compliance requirements, particularly with new funding sources.

Response The District's management will implement procedures during the 2022-23 fiscal year to comply with the recommendation.

Fall River Joint Unified School District

CORRECTIVE ACTION PLAN

June 30, 2022

Not applicable: there are no current-year findings related to federal awards.

Fall River Joint Unified School District
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2022

INTERNAL CONTROL (Student Body)
30000 (2021-001)

Significant Deficiency

Condition Our tests over student body accounts resulted in the following:

One of five disbursements tested at Burney High School was approved by the District official, but there were no evidence of approval by the student council representative or student body adviser.

Criteria Internal controls should be in place to provide for the following:

Cash disbursements should be approved prior to incurring expenses by the student council representative, the student body adviser, and a District official.

Effect Without strengthening internal controls over cash, student body assets may not be properly safeguarded, and may be susceptible to misappropriations.

Cause Due to the decentralized nature of student body account management, accounting policies and procedures were not strictly followed.

Repeat Finding No, this is not a repeat finding.

Recommendation We recommend that procedures be enforced to strengthen internal controls over student body funds.

Current Status Fully implemented.