

**FRESNO UNIFIED SCHOOL
DISTRICT**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2000**

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

FRESNO UNIFIED SCHOOL DISTRICT

OF FRESNO COUNTY

FRESNO, CALIFORNIA

JUNE 30, 2000

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
David D. Wright	President	2000
Raymond C. Baker	Clerk	2002
Ronald Dangaran, Ed.D.	Member	2002
Sara Hedgpeth-Harris	Member	2002
Manual Nunez	Member	2000
Michael E. O'Hare	Member	2000
Bill Riddlesprigger	Member	2002

ADMINISTRATION

Carlos Arturo Garcia	Superintendent
Karen L. Willett	Chief Business Official/Chief Financial Officer
Florentino Noreiga	Associate Superintendent/Educational Services
Richard Firpo	Assistant Superintendent/ Support Services Division
Dolphas Trotter	Assistant Superintendent/Secondary Division
Carlos Encinas	Assistant Superintendent/Elementary Division
Sandra Carsten	Assistant Superintendent/Instructional Services Division
William F. Hausman	Assistant Superintendent/Operational Services
Gordon Lindberg	Interim Assistant Superintendent/Human Resources
Carol Bloesser	Administrator to the Superintendent
Leticia A. Allen	Administrator, Fiscal Services
Marguerite McMenamin	Administrator, State and Federal
Larry Zander	Interim Director
Jill Marmalejo	Information Officer

ORGANIZATION

The Fresno Unified School District was organized July 1, 1948, following annexation of the Calwa District to the Fresno City District. The District currently operates sixty-three elementary, thirteen middle and eight high schools as well as five continuation high schools. In addition, adult school classes are conducted throughout the District and an opportunity school and vocational training school are maintained. With over 10,000 full-time and part-time employees and eighty schools, Fresno Unified School District is the fourth largest public school district in the State of California.

FRESNO UNIFIED SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Fresno Unified School District
Fresno, California

We have audited the accompanying general-purpose and combining financial statements of the Fresno Unified School District, as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Standards and Procedures for Audits of California K-12 Local Educational Agencies*, prescribed by the State Controller. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In common with other school districts, the District has not maintained a complete historical cost record of its general fixed assets and, accordingly, the financial statements do not include the general fixed assets group of accounts required by generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group relates to historical data that is not currently available.

In our opinion, except for the effect on the financial statements of the omission of the general fixed asset group of accounts, the general-purpose and combining financial statements referred to above present fairly, in all material respects, the financial position of the Fresno Unified School District at June 30, 2000, and the results of its operations and the cash flows of its proprietary funds and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2000, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial and statistical information listed in the table of contents, including the Schedule of Expenditures of Federal Awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose and combining financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general-purpose and combining financial statements taken as a whole.

Vavrinek, Mine, Day & Co., LLP

Fresno, California
October 6, 2000

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FRESNO UNIFIED SCHOOL DISTRICT

**ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash	\$ 110,100	\$ 5,000	\$ 9	
Investments	49,146,207	10,740,605	30,462,193	\$ 97,665,528
Accounts receivable	23,993,470	1,391,449	255,120	1,869,086
Due from other funds	7,319,257	562,820		5,080,096
Stores inventory	1,694,798	79,739		
Prepaid expenditures	68,085	100		
General fixed assets				
Amount available for the retirement of general long-term debt				
Amount to be provided for the retirement of general long-term debt				
Total Assets	<u>\$ 82,331,917</u>	<u>\$ 12,779,713</u>	<u>\$ 30,717,322</u>	<u>\$ 104,614,710</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	39,367,280	2,352,182		6,233,210
Due to other funds	3,770,352	1,358,172		4,163,823
Deferred revenue	10,688,370	8,257		24,574,701
Due to student groups				
General long-term debt				
Total Liabilities	<u>53,826,002</u>	<u>3,718,611</u>		<u>34,971,734</u>
FUND EQUITY				
Retained earnings				
Fund balances				
Reserved	7,182,498	79,839		
Unreserved				
Designated	12,434,064	8,981,263		
Undesignated	<u>8,889,353</u>		<u>30,717,322</u>	<u>69,642,976</u>
Total Fund Equity	<u>28,505,915</u>	<u>9,061,102</u>	<u>30,717,322</u>	<u>69,642,976</u>
Total Liabilities and Fund Equity	<u>\$ 82,331,917</u>	<u>\$ 12,779,713</u>	<u>\$ 30,717,322</u>	<u>\$ 104,614,710</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Group	Total
Enterprise	Internal Service	Trust and Agency	General Long-Term Debt	(Memorandum Only)
\$ 618	\$ 1,500,000	\$ 1,690,613		\$ 3,306,340
15,110,349	20,897,338	4,009,112		228,031,332
3,718,178	237,499	85,061		31,549,863
126,455	561,582			13,650,210
1,762,193		34,127		3,570,857
11,100	575,333			654,618
1,239,753				1,239,753
			\$ 30,717,322	30,717,322
			<u>247,193,042</u>	<u>247,193,042</u>
<u>\$ 21,968,646</u>	<u>\$ 23,771,752</u>	<u>\$ 5,818,913</u>	<u>\$ 277,910,364</u>	<u>\$ 559,913,337</u>
1,379,562	14,907,484	57,921		64,297,639
1,126,421	3,231,442			13,650,210
				35,271,328
		580,482		580,482
			<u>277,910,364</u>	<u>277,910,364</u>
<u>2,505,983</u>	<u>18,138,926</u>	<u>638,403</u>	<u>277,910,364</u>	<u>391,710,023</u>
19,462,663	5,632,826			25,095,489
				7,262,337
				21,415,327
		<u>5,180,510</u>		<u>114,430,161</u>
<u>19,462,663</u>	<u>5,632,826</u>	<u>5,180,510</u>		<u>168,203,314</u>
<u>\$ 21,968,646</u>	<u>\$ 23,771,752</u>	<u>\$ 5,818,913</u>	<u>\$ 277,910,364</u>	<u>\$ 559,913,337</u>

FRESNO UNIFIED SCHOOL DISTRICT

**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES				
Revenue Limit Sources				
State apportionments	\$ 231,633,966	\$ 7,941,860		
Local sources	70,727,904			
Total Revenue Limit Sources	302,361,870	7,941,860		
Federal revenues	50,333,805	1,116,785		
Other state revenues	115,112,761	6,797,042	\$ 565,794	
Other local revenues	11,612,498	1,545,987	17,489,539	\$ 6,745,736
Tuition and transfers	1,971,644			
Total Revenues	481,392,578	17,401,674	18,055,333	6,745,736
EXPENDITURES				
Current Expenditures				
Certificated salaries	251,618,062	6,300,653		
Classified salaries	74,559,272	2,399,063		
Employee benefits	79,304,665	1,810,796		
Books and supplies	27,566,625	1,042,837		202,288
Services and other operating expenditures	33,835,568	4,670,416	162,669	2,806,107
Other outgo	7,499,699	830,252		
Capital outlay	13,515,646	1,764,242		60,950,796
Debt service	308,576		21,399,768	
Total Expenditures	488,208,113	18,818,259	21,562,437	63,959,191
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(6,815,535)	(1,416,585)	(3,507,104)	(57,213,455)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	1,997,286	1,812,423	11,383,968	50,157,320
Operating transfers out	(7,341,954)	(659,357)	(8,856,702)	(48,492,984)
Other sources		553,919	326,250	79,194,974
Total Other Financing Sources/(Uses)	(5,344,668)	1,706,985	2,853,516	80,859,310
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(12,160,203)	290,400	(653,588)	23,645,855
FUND BALANCE, BEGINNING OF YEAR	40,666,118	8,770,702	31,370,910	45,997,121
FUND BALANCE, END OF YEAR	\$ 28,505,915	\$ 9,061,102	\$ 30,717,322	\$ 69,642,976

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

Fiduciary Fund Types	Total (Memorandum Only)
	\$ 239,575,826
	<u>70,727,904</u>
	310,303,730
	51,450,590
	122,475,597
\$ 5,440,810	42,834,570
	<u>1,971,644</u>
<u>5,440,810</u>	<u>529,036,131</u>
	257,918,715
	76,958,335
	81,115,468
	28,811,750
6,418,456	47,893,216
	8,329,951
	76,230,684
	<u>21,708,344</u>
<u>6,418,456</u>	<u>598,966,463</u>
(977,646)	(69,930,332)
	65,350,997
	(65,350,997)
	<u>80,075,143</u>
	<u>80,075,143</u>
(977,646)	10,144,811
<u>6,158,156</u>	<u>132,963,007</u>
<u>\$ 5,180,510</u>	<u>\$ 143,107,818</u>

FRESNO UNIFIED SCHOOL DISTRICT

**ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Revenue Limit Sources			
State apportionments	\$ 232,263,908	\$ 231,633,966	\$ (629,942)
Local sources	69,539,751	70,727,904	1,188,153
Total Revenue Limit Sources	301,803,659	302,361,870	558,211
Federal revenues	53,657,605	50,333,805	(3,323,800)
Other state revenues	124,689,053	115,112,761	(9,576,292)
Other local revenues	10,913,099	11,612,498	699,399
Tuition and transfers	1,809,773	1,971,644	161,871
Total Revenues	492,873,189	481,392,578	(11,480,611)
EXPENDITURES			
Current Expenditures			
Certificated salaries	252,533,785	251,618,062	915,723
Classified salaries	76,093,759	74,559,272	1,534,487
Employee benefits	80,897,435	79,304,665	1,592,770
Books and supplies	37,857,592	27,566,625	10,290,967
Services and operating expenditures	39,117,511	33,835,568	5,281,943
Other outgo	7,456,956	7,499,699	(42,743)
Capital outlay	18,517,966	13,515,646	5,002,320
Debt service	308,576	308,576	
Total Expenditures	512,783,580	488,208,113	24,575,467
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(19,910,391)	(6,815,535)	13,094,856
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	33,750	1,997,286	1,963,536
Operating transfers out	(7,423,102)	(7,341,954)	81,148
Other sources			
Total Other Financing Sources/(Uses)	(7,389,352)	(5,344,668)	2,044,684
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(27,299,743)	(12,160,203)	15,139,540
FUND BALANCE, BEGINNING OF YEAR	40,666,118	40,666,118	
FUND BALANCE, END OF YEAR	\$ 13,366,375	\$ 28,505,915	\$ 15,139,540

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

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 7,682,474	\$ 7,941,860	\$ 259,386			
7,682,474	7,941,860	259,386			
1,471,209	1,116,785	(354,424)			
7,403,450	6,797,042	(606,408)	\$ 80,000	\$ 565,794	\$ 485,794
1,398,276	1,545,987	147,711	16,639,128	17,489,539	850,411
17,955,409	17,401,674	(553,735)	16,719,128	18,055,333	1,336,205
6,431,324	6,300,653	130,671			
2,568,798	2,399,063	169,735			
2,066,889	1,810,796	256,093			
1,995,491	1,042,837	952,654			
9,770,694	4,670,416	5,100,278		162,669	(162,669)
947,307	830,252	117,055			
3,010,218	1,764,242	1,245,976			
666,898		666,898	9,767,248	21,399,768	(11,632,520)
27,457,619	18,818,259	8,639,360	9,767,248	21,562,437	(11,795,189)
(9,502,210)	(1,416,585)	8,085,625	6,951,880	(3,507,104)	(10,458,984)
1,812,423	1,812,423			11,383,968	11,383,968
	(659,357)	(659,357)	(9,300,715)	(8,856,702)	444,013
650,000	553,919	(96,081)	326,250	326,250	
2,462,423	1,706,985	(755,438)	(8,974,465)	2,853,516	11,827,981
(7,039,787)	290,400	7,330,187	(2,022,585)	(653,588)	1,368,997
8,770,702	8,770,702		31,370,910	31,370,910	
\$ 1,730,915	\$ 9,061,102	\$ 7,330,187	\$ 29,348,325	\$ 30,717,322	\$ 1,368,997

FRESNO UNIFIED SCHOOL DISTRICT

**ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

	Capital Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Revenue Limit Sources			
State apportionments			
Local Sources			
Total Revenue Limit			
Federal revenues			
Other state revenues			
Other local revenues	\$ 2,151,255	\$ 6,745,736	\$ 4,594,481
Tuition and transfers			
Total Revenues	<u>2,151,255</u>	<u>6,745,736</u>	<u>4,594,481</u>
EXPENDITURES			
Current Expenditures			
Certificated salaries			
Classified salaries			
Employee benefits			
Books and supplies	260,661	202,288	58,373
Services and operating expenditures	11,176,214	2,806,107	8,370,107
Other outgo			
Capital outlay	144,571,725	60,950,796	83,620,929
Debt service			
Total Expenditures	<u>156,008,600</u>	<u>63,959,191</u>	<u>92,049,409</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>(153,857,345)</u>	<u>(57,213,455)</u>	<u>96,643,890</u>
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	50,021,090	50,157,320	136,230
Operating transfers out	(50,226,135)	(48,492,984)	1,733,151
Other sources	113,871,809	79,194,974	(34,676,835)
Total Other Financing Sources/(Uses)	<u>113,666,764</u>	<u>80,859,310</u>	<u>(32,807,454)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	<u>(40,190,581)</u>	<u>23,645,855</u>	<u>63,836,436</u>
FUND BALANCE, BEGINNING OF YEAR	<u>45,997,121</u>	<u>45,997,121</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,806,540</u>	<u>\$ 69,642,976</u>	<u>\$ 63,836,436</u>

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

Total (Memorandum Only)

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 239,946,382	\$ 239,575,826	\$ (370,556)
69,539,751	70,727,904	1,188,153
309,486,133	310,303,730	817,597
55,128,814	51,450,590	(3,678,224)
132,172,503	122,475,597	(9,696,906)
31,101,758	37,393,760	6,292,002
1,809,773	1,971,644	161,871
529,698,981	523,595,321	(6,103,660)
258,965,109	257,918,715	1,046,394
78,662,557	76,958,335	1,704,222
82,964,324	81,115,468	1,848,856
40,113,744	28,811,750	11,301,994
60,064,419	41,474,760	18,589,659
8,404,263	8,329,951	74,312
166,099,909	76,230,684	89,869,225
10,742,722	21,708,344	(10,965,622)
706,017,047	592,548,007	113,469,040
(176,318,066)	(68,952,686)	107,365,380
51,867,263	65,350,997	13,483,734
(66,949,952)	(65,350,997)	1,598,955
114,848,059	80,075,143	(34,772,916)
99,765,370	80,075,143	(19,690,227)
(76,552,696)	11,122,457	87,675,153
126,804,851	126,804,851	
<u>\$ 50,252,155</u>	<u>\$ 137,927,308</u>	<u>\$ 87,675,153</u>

FRESNO UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES

IN RETAINED EARNINGS

FOR THE YEAR ENDED JUNE 30, 2000

	Cafeteria Enterprise	Internal Service	Total (Memorandum Only)
OPERATING REVENUE			
Federal revenues	\$ 20,027,652		\$ 20,027,652
Other state revenues	1,379,194		1,379,194
Other local revenues	3,023,550	\$ 60,607,577	63,631,127
Tuition and transfers		3,180,134	3,180,134
Total Operating Revenue	<u>24,430,396</u>	<u>63,787,711</u>	<u>88,218,107</u>
OPERATING EXPENSES			
Classified salaries	7,086,537	568,406	7,654,943
Employee benefits	2,792,660	124,433	2,917,093
Books and supplies	10,815,201	42,248	10,857,449
Services and other operating expenses	1,043,205	58,951,153	59,994,358
Other outgo	321,839	58,304	380,143
Total Operating Expenses	<u>22,059,442</u>	<u>59,744,544</u>	<u>81,803,986</u>
OPERATING INCOME	<u>2,370,954</u>	<u>4,043,167</u>	<u>6,414,121</u>
NONOPERATING REVENUES/(EXPENSES)			
Interest income	792,432	586,267	1,378,699
Total Nonoperating Revenues	<u>792,432</u>	<u>586,267</u>	<u>1,378,699</u>
NET INCOME/(LOSS)			
BEFORE OPERATING TRANSFERS	3,163,386	4,629,434	7,792,820
Transfers in		415,744	415,744
Transfers out		(415,744)	(415,744)
NET INCOME	<u>3,163,386</u>	<u>4,629,434</u>	<u>7,792,820</u>
RETAINED EARNINGS, BEGINNING OF YEAR	<u>16,299,277</u>	<u>1,003,392</u>	<u>17,302,669</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 19,462,663</u>	<u>\$ 5,632,826</u>	<u>\$ 25,095,489</u>

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

FRESNO UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUND TYPES
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000**

	Cafeteria Enterprise	Internal Service	Total (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 2,370,954	\$ 4,043,167	\$ 6,414,121
Adjustments to reconcile operating income to net cash flows from operating activities	257,318		
Changes in assets and liabilities (Increase)/decrease in:			
Accounts receivable	(141,036)	(18,211)	(159,247)
Due from other funds	570	(512,943)	(512,373)
Prepaid	(482)	(14,166)	(14,648)
Inventory	(39,730)		(39,730)
Increase/(decrease) in:			
Accounts payable	267,947	333,370	601,317
Due to other funds	299,242	396,555	695,797
Net Cash Flows From/(Used by) Operating Activities	<u>3,014,783</u>	<u>4,227,772</u>	<u>7,242,555</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	<u>(120,788)</u>		<u>(120,788)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in investments	(3,686,427)	(4,814,039)	(8,500,466)
Interest income	792,432	586,267	1,378,699
Net Cash Flows From/(Used by) Investing Activities	<u>(2,893,995)</u>	<u>(4,227,772)</u>	<u>(7,121,767)</u>
NET DECREASE IN CASH	0	0	0
CASH, BEGINNING OF YEAR	618	1,500,000	1,500,618
CASH, END OF YEAR	<u>\$ 618</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,618</u>

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

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Fresno Unified School District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Public Accountants, except that a complete historical cost record of fixed assets has not been maintained. The Fresno Unified School District accounts for its financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

A. Financial Reporting Entity

The District includes all funds, account groups, and other entities that are controlled by or dependent on the District's governing board for financial reporting purposes. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in generally accepted accounting principles. For financial reporting purposes the component unit discussed below is reported in the District's financial statements because of the significance of its relationship with the District. The component unit, although a legally separate entity, is reported in the financial statements as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the benefit of the District.

The Fresno Unified Facilities Corporation's financial activity is presented in the financial statements as the Facilities Corporation Capital Projects Fund and the COP/CFD - Debt Service Fund. Certificates of participation issued by the Corporation are included in the General Long-Term Debt Account Group. Individually-prepared financial statements are not prepared for Fresno Unified Facilities Corporation.

The following are those aspects of the relationship between the District and the Corporation which satisfy GASB Codification Section 2100 criteria.

Manifestations of Oversight

- The Corporation's Board of Directors were appointed by the District's Board of Education.
- The Corporation has no employees. The District's superintendent and chief financial officer function as agents of the Corporation. Neither individual receives additional compensation for work performed in this capacity.
- The District exercises significant influence over operations of the Corporation as it is anticipated that the District will be sole lessee of all facilities owned by the Corporation.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

Accountability for Fiscal Matters

- All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
- Any deficits incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period.
- It is anticipated that the District's lease payments will be the sole revenue source of the Corporation.
- The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

Scope of Public Service

- The Corporation was created for the sole purpose of financially assisting the District.
- The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State on March 23, 1978. The Corporation was formed to provide financing assistance to the District by financing and constructing public school building and facilities for the District. Upon completion, the District intends to occupy all Corporation facilities under lease-purchase agreements effective through the year 2011. At the end of the lease term, title of all Corporation property will pass to the District for no additional consideration.
- The Corporation's financial activity is presented in the financial statements as the Corporation Building Fund and the Corporation Debt Service Fund. Certificates of Participation issued by the Corporation are included in the General Long-Term Debt Account Group.

B. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District accounts are organized into fund types and account groups as follows:

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

Governmental Funds

- General Fund is 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.
- Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for specific purposes.
- Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.
- Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets.

Proprietary Funds

- Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.
- Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the District.

Fiduciary Funds

- Expendable Trust Funds are used to account for the District student body funds.

Account Group

The accounting and reporting treatment applied to the long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheet. Their reported fund balance is considered a measure of "available spendable resources." Thus, the long-term liabilities associated with governmental funds and expendable trust funds are accounted for in the account group of the District.

- The General Long-Term Debt Account Group is used to account for long-term liabilities expected to be financed from governmental funds.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt, which is recognized when due.

Fiduciary fund assets and liabilities are also accounted for on the modified accrual basis.

Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

D. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except for those funds associated with the District's component unit. The District's governing board adopts an operating budget no later than July 1 in accordance with state law. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. It is this final revised budget that is presented in these financial statements. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account. A public hearing must be conducted to receive comments prior to adoption. The District's Board of Education satisfied these requirements:

E. Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

F. Stores Inventory

Inventory is valued at the lower-of-cost or market utilizing the weighted average method. Inventory in the applicable Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are withdrawn from the stores inventory for consumption. Reported inventories are equally offset by a fund balance reserve which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

G. Prepaid Expenditures

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefitting period. The District has chosen to report the expenditures when incurred.

H. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The amount of the liability expected to be paid from current resources is recognized at year end in the governmental fund that will pay the benefit. The noncurrent portion of the liability is recognized in the general long-term debt account group.

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

I. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not available for appropriation or amounts legally segregated for a specific future use.

Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

J. Property Tax

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on January 1 and March 1. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes for the District. The District recognizes tax revenues when received.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

K. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the enterprise and internal service funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

L. Deferred Revenue

Deferred revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

N. Total (Memorandum Only) Columns on Combined Statements

The Combined Financial Statements include total columns captioned as "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

FRESNO UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #2 - CASH

Cash at June 30, 2000, is presented below and categorized separately to give an indication of the level of risk assessment with each deposit:

	Bank Balance - Category *			Total	Carrying Amount
	1	2	3		
Cash on hand and in banks	\$ 721,117		\$2,189,718	\$2,910,835	\$ 3,206,331
Cash with fiscal agent			9	9	9
Cash in revolving fund	100,000		4,036	104,036	100,000
Total	<u>\$ 821,117</u>		<u>\$2,193,763</u>	<u>\$3,014,880</u>	<u>\$ 3,306,340</u>

*These categories are as follows:

Category 1: Insured or collateralized with securities held by the District or by its agent in the District's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Category 3: Uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name.

NOTE #3 - INVESTMENTS

Investments at June 30, 2000, held on behalf of the Fresno Unified School District are presented below:

	Reported Amount	Fair Value
Uncategorized:		
U.S. Treasury Notes ¹	\$ 8,036,909	\$ 8,036,909
First American Treasury Obligations ¹	5,926,258	5,926,258
Money Market Investment Accounts	172,656	172,656
Deposits with County Treasurer	213,895,509	213,895,509
	<u>\$ 228,031,332</u>	<u>\$ 228,031,332</u>

¹ U.S. Government securities are not required to be categorized, since they are backed by the full credit of the United States Government.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

A. Authorized Investments

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

B. Deposits with County Treasurer

Deposits with county treasurer is an external investment pool sponsored by the County of Fresno. School districts are required to deposit all receipts and collections of moneys with their county treasurer (Education Code Section 41001). Therefore, the District is considered to be an involuntary participant in an external investment pool. County deposits are not required to be categorized. The pool sponsor provided the fair value for these deposits.

FRESNO UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #4 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2000, consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Federal Government				
Categorical aid	\$ 6,479,114	\$ 90,311		
State Government				
Apportionment	813,776	503,366		
Categorical aid	9,720,911	13,053		
Other Local Sources	6,979,669	784,719	\$ 255,120	\$ 1,869,086
Total	<u>\$ 23,993,470</u>	<u>\$ 1,391,449</u>	<u>\$ 255,120</u>	<u>\$ 1,869,086</u>

	<u>Proprietary Fund Types</u>		<u>Fund Type</u>	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Expendable Trusts</u>	<u>Total</u>
Federal Government				
Categorical aid	\$ 3,091,644			\$ 9,661,069
State Government				
Apportionment				1,317,142
Categorical aid	341,384			10,075,348
Other Local Sources	285,150	\$ 237,499	\$ 85,061	10,496,304
Total	<u>\$ 3,718,178</u>	<u>\$ 237,499</u>	<u>\$ 85,061</u>	<u>\$ 31,549,863</u>

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE #5 - INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2000, are as follows:

Funds	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 7,319,257	\$ 3,770,352
Special Revenue		
Adult	526,792	583,261
Child Development	36,028	731,336
Deferred Maintenance		43,575
Total Special Revenue	<u>562,820</u>	<u>1,358,172</u>
Capital Projects		
Building	3,401,785	1,842,721
Capital Facilities	7,100	31,618
County School Facility	1,671,211	2,153,242
State School Building		136,242
Total Capital Projects	<u>5,080,096</u>	<u>4,163,823</u>
Internal Service		
Cafeteria Enterprise	126,455	1,126,421
Property and Liability	788	12,775
Workers' Compensation	421,765	27,307
Health Benefits	58,242	3,191,360
Defined Benefits	80,787	
Total Internal Service	<u>561,582</u>	<u>3,231,442</u>
Total	<u>\$ 13,650,210</u>	<u>\$ 13,650,210</u>

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

B. Operating Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2000, are as follows:

The General Fund transferred to the Building Fund for building project costs.	\$ 3,243,340
The General Fund transferred to the County Schools Facility Fund for the building project costs.	500,000
The General Fund transferred to the Deferred Maintenance Fund for the required state match.	1,730,705
The General Fund transferred to the COP/CFD-Debt Service Fund for the payment of the Districts certificates of participation.	1,867,909
The Adult Fund transferred to the COP/CFD-Debt Service Fund for the funds portion of payments on the Districts certificates of participation.	659,357
The Tax Override Fund transferred to the COP/CFD-Debt Service Fund for the majority of payments due on the Districts certificates of participation.	8,856,702
The Building Fund transferred to the County Schools Facility Fund for construction projects.	29,070,356
The Building Fund-1995 Measure A Series C Fund transferred to the Deferred Maintenance Fund for the required state match.	81,718
The Capital Facilities-Developer Fees Fund transferred to the General Fund for reimbursement of costs.	31,320
The Capital Facilities Fund transferred to the State School Building Fund for construction on growth projects.	293,500
The State School Building Fund transferred to the Capital Facilities Fund for reimbursement of costs.	368,785
The State School Building Fund transferred to the County Schools Facility Fund for reimbursement of costs.	16,265
The State School Building Fund transferred to the Building Fund to reimburse costs.	1,521,078
The County Schools Facility Fund transferred to the Building Fund for construction projects.	13,869,823
The County Schools Facility Fund transferred to the General Fund for reimbursement of costs.	1,965,966
The County School Facility Fund transferred to the Capital Facilities Fund for reimbursement of costs.	1,274,173
Total-Governmental Fund Types	<u>65,350,997</u>
The Health Benefits-Internal Service Fund transferred to the Workers Compensation Fund-Internal Service Fund to adjust reserves.	415,744
Total-All Fund Types	<u>\$ 65,766,741</u>

FRESNO UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2000, consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Vendor invoices	\$ 17,364,049	\$ 1,148,282		\$ 6,233,210
Accrued payroll	6,898,415	1,198,989		
Deferred compensation	15,104,816	4,911		
Incurred but not reported (IBNR)				
Total	<u>\$ 39,367,280</u>	<u>\$ 2,352,182</u>		<u>\$ 6,233,210</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Fiduciary</u>	<u>Total</u>
Vendor invoices	\$ 823,218	\$ 3,534,640	\$ 57,921	\$ 29,161,320
Accrued payroll	556,344	3,648,644		12,302,392
Deferred compensation				15,109,727
Incurred but not reported (IBNR)		7,724,200		7,724,200
Total	<u>\$ 1,379,562</u>	<u>\$ 14,907,484</u>	<u>\$ 57,921</u>	<u>\$ 64,297,639</u>

NOTE #7 - DEFERRED REVENUE

Deferred revenue at June 30, 2000, consists of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Federal financial assistance	\$ 2,307,844			\$ 2,307,844
State categorical aid	7,032,613	\$ 8,257		7,040,870
Other state			\$ 24,574,701	24,574,701
Other local	1,347,913			1,347,913
Total	<u>\$ 10,688,370</u>	<u>\$ 8,257</u>	<u>\$ 24,574,701</u>	<u>\$ 35,271,328</u>

FRESNO UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #8 - FUND BALANCES

A. Components of Fund Balances

Fund balances are composed of the following elements:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary</u>
Reserved					
Revolving cash	\$ 100,000				
Stores inventory	1,694,798	\$ 79,739			
Prepaid expenditures	78,085	100			
Restricted programs	5,309,615				
Total Reserved	<u>7,182,498</u>	<u>79,839</u>			
Unreserved					
Designated					
Economic uncertainties	9,911,001				
Other	2,523,063	8,981,263			
Total Designated	<u>12,434,064</u>	<u>8,981,263</u>			
Undesignated	8,889,353		\$ 30,717,322	\$ 69,642,976	\$5,180,510
Total Unreserved	<u>21,323,417</u>	<u>8,981,263</u>	<u>30,717,322</u>	<u>69,642,976</u>	<u>5,180,510</u>
Total	<u>\$28,505,915</u>	<u>\$9,061,102</u>	<u>\$ 30,717,322</u>	<u>\$ 69,642,976</u>	<u>\$5,180,510</u>

B. Prior Period Adjustment

The beginning fund balance of the Building Fund was restated for revisions to the prior year estimates of accrued liabilities. The beginning fund balance was increased by \$6,844,062 for an adjusted beginning fund balance of \$39,161,101.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

NOTE #9 - GENERAL LONG-TERM DEBT

A. Long-term Debt Summary

A schedule of changes in long-term debt for the year ended June 30, 2000, is shown below:

	Balance Beginning of Year	Additions and Adjustments	Deductions	Balance End of Year
General obligation bonds	\$ 113,548,240	\$ 40,640,000	\$ 46,449,498	\$ 107,738,742
State school building loans	2,703	87	946	1,844
Educational Facilities Corporation	111,985,000		5,990,000	105,995,000
Accumulated vacation - net	1,858,260		880,705	977,555
Capital leases	639,580	5,908,402	1,097,232	5,450,750
Bond Anticipation Note		45,000,000		45,000,000
Lease Revenue Bonds - 1998, Series A		4,306,857	307,633	3,999,224
Workers' compensation Liability for claims - Long-term portion (See Note #11)	152,702	8,594,547		8,747,249
Totals	<u>\$228,186,485</u>	<u>\$104,449,893</u>	<u>\$ 54,726,014</u>	<u>277,910,364</u>
Amount currently available and reserved for retirement of general long-term debt				
Bond interest and redemption			10,152,346	
Tax override			6,469,160	
Facilities corporation			<u>14,095,816</u>	<u>30,717,322</u>
Amount to be provided for retirement of general long-term debt				<u>\$247,193,042</u>

B. Bonded Debt

On May 1, 1996, the District issued \$32,000,000 in general obligation bonds, 1995, Series B. Interest on the \$32,000,000 Series B Bonds issued on May 1, 1996, accrues from February 1, 1996, and is payable semi-annually on February 1 and August 1 of each year commencing February 1, 1997, and have yields ranging from 3.75 percent to 5.9 percent. The Bonds have maturities beginning August 1, 1997, through August 1, 2020. An amount equal to 62.91 percent of the outstanding bonds have been defeased with a portion of the 1998 Series A Bonds. The outstanding portion for which the District has debt service obligations for equals 37.09 percent of the total outstanding bonds.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

On May 15, 1998, the District issued \$45,000,000 in general obligation bonds, 1995, Series D. Interest on the \$45,000,000 Series D Bonds issued May 15, 1998, accrues from May 15, 1998, and is payable semi-annually on February 1 and August 1 of each year commencing February 1, 1999, and have a yield ranging from 4.50 percent to 6.00 percent. The bonds have maturities beginning February 1, 1999, through August 1, 2022. The Bonds were issued for the purpose of financing the construction of new schools and for the alterations and additions to existing schools. These bonds have been defeased with the issuance of the general obligation bonds, 1999, Series C, described below. The proceeds of the bond issuance have been placed in an escrow account for the sole purpose of retiring the 1995, Series D, General Obligation Bonds when they mature.

On February 2, 1998, the District issued \$33,235,000 in general obligation refunding bonds, Series A. The bonds were issued to defease the 1995 Series A and an amount equal to 62.91 percent of the 1995 Series B general obligation bonds. The bond proceeds were placed in an escrow account to retire the 1995 Series A and applicable portion of the 1995 Series B Bonds upon maturity. Interest on the 1998 Series A bonds accrues from February 10, 1998, and is payable semi-annually on February 1 and August 1 of each year commencing on August 1, 1998, and have yields ranging from 4.8 percent to 6.15 percent. The bonds have maturities ranging from August 1, 1998, through August 1, 2013.

On August 1, 1998, the Golden West Schools Financing Authority issued \$47,951,524 in 1998 Revenue Bonds, Series A, of which \$26,998,742 were issued to purchase 1998 general obligation refunding bonds, Series B, on behalf of the Fresno Unified School District. The proceeds from the 1998, general obligation refunding bonds, Series B were placed in an escrow account to retire the 1995 Series C upon maturity. Interest on the \$24,095,000 1998, Series B current interest bonds accrues from August 1, 1998, and is payable semi-annually on February 1 and August 1 of each year commencing on February 1, 1999. The current interest bonds have yields ranging from 5.55 percent to 6.6 percent and have maturities ranging from February 1, 1999, through August 1, 2016. Interest on the \$2,903,742 capital appreciation bonds accretes from August 6, 1998, and is compounded on February 1, 1999, and on each August 1 and February 1 thereafter and is payable at maturity. The capital appreciation bonds have yields ranging from 6.4 percent to 6.95 percent and have maturities ranging from February 1, 2003 through August 1, 2021.

On October 1, 1999, the District issued \$40,640,000 in general obligation refunding bonds, 1999, Series C. Interest on the bonds accrues from October 1, 1999, and is payable semiannually on February 1 and August 1 of each year along with a predetermined amount of principal. The bonds have yields that range from 4.6% to 5.8%. The bond proceeds were placed in an escrow account which, along with interest earnings, will be used to retire the 1995, Series D, General Obligation Bonds when they mature.

The Board of Supervisors of Fresno County are empowered and obligated to levy ad valorem taxes, without limitation of rate or amount, upon all property with the District subject to taxation by the District, for the payment of interest and principal of the bonds when due.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

The outstanding general obligation bonded debt is as follows:

Issue Date	Issue	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Defeased/ Redeemed	Bonds Outstanding End of Year
05/01/96	95B	08/01/2020	5.5-7.50%	\$32,000,000	\$ 11,579,498		\$ 269,498	\$ 11,310,000
05/15/98	95D	08/01/2022	4.5-6.00%	45,000,000	43,600,000		43,600,000	
02/10/98	98A	08/01/2013	4.8-6.15%	33,235,000	31,880,000		755,000	31,125,000
08/06/98	98B	08/01/2022	5.5-6.95%	26,998,742	26,488,742		780,000	25,708,742
10/01/99	99C	10/01/2023	4.5-5.125%	40,640,000		\$40,640,000	1,045,000	39,595,000
					<u>\$113,548,240</u>	<u>\$40,640,000</u>	<u>\$46,449,498</u>	<u>\$107,738,742</u>

Debt Service Requirements to Maturity

1995 Series B Fiscal Year	Principal	Interest to Maturity	Total
2001	\$ 285,000	\$ 641,246	\$ 926,246
2002	300,000	617,846	917,846
2003	320,000	596,046	916,046
2004	335,000	577,871	912,871
2005	365,000	560,621	925,621
Thereafter	9,705,000	5,178,121	14,883,121
Total	<u>\$ 11,310,000</u>	<u>\$ 8,171,751</u>	<u>\$ 19,481,751</u>

1998 Series A Fiscal Year	Principal	Interest to Maturity	Total
2001	\$ 800,000	\$ 1,903,933	\$ 2,703,933
2002	830,000	1,861,008	2,691,008
2003	870,000	1,815,678	2,685,678
2004	920,000	1,766,929	2,686,929
2005	980,000	1,714,396	2,694,396
Thereafter	26,725,000	15,520,557	42,245,557
Total	<u>\$ 31,125,000</u>	<u>\$ 24,582,501</u>	<u>\$ 55,707,501</u>

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

1998 Series B		Principal	Interest to	Total
Fiscal Year			Maturity	
	2001	\$ 805,000	\$ 1,459,423	\$ 2,264,423
	2002	850,000	1,411,120	2,261,120
	2003	900,000	1,357,928	2,257,928
	2004	935,000	1,301,083	2,236,083
	2005	990,000	1,241,190	2,231,190
	Thereafter	21,228,742	24,255,496	45,484,238
	Total	\$ 25,708,742	\$ 31,026,240	\$ 56,734,982

1999 Series C		Principal	Interest to	Total
Fiscal Year			Maturity	
	2001	\$ 875,000	\$ 2,255,850	\$ 3,130,850
	2002	930,000	2,212,885	3,142,885
	2003	990,000	2,165,273	3,155,273
	2004	1,050,000	2,113,510	3,163,510
	2005	1,115,000	2,058,049	3,173,049
	Thereafter	34,635,000	21,266,538	55,901,538
	Total	\$ 39,595,000	\$ 32,072,105	\$ 71,667,105

C. State and Public School Building Loans

State school building loans outstanding as of June 30, 2000, are as follows:

Year Disbursed	Interest Rate	Outstanding Beginning of Year	Interest Charge	Repayment and State Credit Current Year	Outstanding End of Year
1980-81	4.9%	\$ 2,442	\$ 78	\$ 854	\$ 1,666
1980-81	5.3%	261	9	92	178
		\$ 2,703	\$ 87	\$ 946	\$ 1,844

The State and Public School Building Loans are secured by all sites purchased and improved, all equipment purchased, and all buildings constructed, reconstructed, altered, or added to through the expenditure of such funds in accordance with Section 16019 of the Education Code.

Annual repayment is determined by the State Controller in accordance with Section 16214 of the Education Code.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

D. Certificates of Participation

The District has issued Certificates of Participation (COP's) through the Fresno Unified School District Educational Facilities Corporation since 1979 as follows:

Series	Issue Date	Amount Issued	Interest Rates	Principal Paid/ Defeased-Current Year	Outstanding End of Year
1992	1991-92	\$ 35,295,000	4.50 - 7.25%	\$ 1,415,000	\$ 15,390,000
1992A	1991-92	5,680,000	6.50 - 7.00%		1,000,000
1993A	1993-94	4,885,000	4.00 - 5.75%	410,000	2,380,000
1993B	1993-94	15,925,000	4.80 - 5.25%	770,000	13,080,000
1995A	1994-95	10,510,000	5.50 - 6.80%	375,000	9,460,000
1997	1997-98	20,840,000	4.00 - 5.00%	1,165,000	18,700,000
1998A	1997-98	51,930,000	4.00 - 4.75%	1,855,000	45,985,000
				<u>\$ 5,990,000</u>	<u>\$ 105,995,000</u>

E. Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2000, amounted to \$977,555.

F. Capital Leases

The District's liability on lease agreements with options to purchase are summarized below:

Balance, Beginning of year	\$ 639,580
Additions and Adjustments	5,908,402
Payments	(1,097,232)
Balance, End of year	<u>\$ 5,450,750</u>

FRESNO UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2001	\$ 1,757,007
2002	1,826,865
2003	1,811,940
2004	129,309
2005	114,995
Thereafter	384,099
Total	<u>6,024,215</u>
Less: Amount Representing Interest	(573,465)
Present Value of Minimum Lease Payments	<u>\$ 5,450,750</u>

G. Bond Anticipation Notes

The District issued Bond Anticipation Notes (BAN) for \$45,000,000 on January 13, 2000. These notes provide interim financing for capital projects and will be redeemed through the issuance of General Obligation Bonds sufficient to cover principal and interest on the \$45,000,000 BAN by February 1, 2001. The notes were issued at a coupon rate of 4.5% and a yield of 3.7%.

H. 1998 Lease Revenue Bonds, Series A (Qualified Zone Academy Bonds) - Center for Advanced Research and Technology

The District entered into an agreement to issue \$12,000,000 in lease revenue bonds (Qualified Zone Academy Bonds) with Clovis Unified School District to finance the rehabilitation of the Center for Advanced Research and Technology. The bonds do not bear interest. In lieu of periodic interest payments to purchasers of the bonds, the bonds qualify for an annual Federal income tax credit to the purchasers.

Lease payments will be made by both Districts for an equal (50%) share of the funds necessary to repay the principal of the bonds. The Fresno Unified School District's share of the principal amounts to \$6,000,000 with annual required lease payments totaling \$307,632.64 due each July 15 commencing July 15, 1999, and ending July 15, 2012. The lease payments are to be placed in a Guaranteed Investment Contract paying interest at 4.785%. Principal payments and earned interest are projected to be sufficient to retire the bonds principal balance by October 1, 2012. The lease payments outstanding at June 30, 2000 are \$3,999,224.

NOTE #10 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS) and classified employees are members of the Public Employees' Retirement System (PERS).

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

A. PERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary (7 percent of monthly salary over \$133.33 if the member participates in Social Security) and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 1999-2000 was 0.0 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2000, 1999, and 1998 were \$0, \$3,756,602, and \$3,206,939, respectively, and equal 100 percent of the required contributions for each year.

B. STRS

Plan Description

The District contributes to the California State Teachers' Retirement System (STRS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Blvd., Sacramento, CA 95826.

Funding Policy

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by STRS Teachers' Retirement Board. The required employer contribution rate for fiscal 1999-2000 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to STRS for the fiscal years ending June 30, 2000, 1999, and 1998 were \$20,170,046, \$18,330,177, and \$16,726,413, respectively, and equal 100 percent of the required contributions for each year.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

C. On Behalf Payments

The State of California makes contributions to STRS and PERS on behalf of the District. These payments consist of State General Fund contributions to STRS in the amount of \$13,696,072 (5.602 percent of salaries subject to STRS) and \$78,162 (.093 percent of salaries subject to PERS). Under generally accepted accounting principles, these amounts are to be reported as revenues and expenditures, however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the Annual Financial and Budget Report (J-200). These amounts also have not been recorded in these financial statements.

D. PARS

The Board of Trustees has adopted the PARS supplemental benefit plan. The IRS established a maximum contribution rate of 7.5% for the plan. It may be split as negotiated between employee representatives and employer or at employer's option if no labor contract is involved. Active plan members are required to contribute 1.8% of their salary and the District is required to contribute 1.8%.

E. Defined Benefit Plan

As established by Federal law, all public-sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by social security or an alternative plan. The District has elected to use the Defined Benefit Retirement Plan as its alternative plan. Contributions made by the District and the employee vest immediately. The cost of the plan is split evenly between the employees, who are currently required to pay 1.4% of their after tax pay, and the District.

The benefit is available to be paid once an employee reaches age 65 and is equal to 1.5% of the Final Average Pay times Credited Service. Final Average Pay is the monthly average of the employees' last three consecutive complete calendar years of pay. If the employee has worked less than three consecutive years with the District, the Final Average Pay is the monthly average of the employees' pay divided by the credited service. Employees who earn a lump sum benefit of \$3,500 or more can elect to receive their benefit in a lump sum payment or receive a monthly benefit.

NOTE #11 - RISK MANAGEMENT - CLAIMS

Description

The District's risk management activities are recorded in the Self-Insurance Fund. The purpose of the fund is to administer employee health, property and liability and workers' compensation programs of the Fresno Unified School District on a cost-reimbursement basis. This fund accounts for the risk financing activities of the Fresno Unified School District, but does not constitute a transfer of risk from the Fresno Unified School District.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

Significant losses are covered by commercial insurance for all major programs except for workers' compensation, for which the Fresno Unified School District retains risk of loss. For insured programs, there have been no significant reductions in insurance coverage.

Claims Liabilities

The District records an estimated liability for indemnity health care, workers' compensation, torts, and other claims against the Fresno Unified School District. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claim adjustment expenses and an estimate for claims incurred, but not reported based on historical experience.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from June 30, 1998, to June 30, 2000 (in thousands):

	Property and Liability	Workers' Compensation	Health Benefits	Defined Benefits
Liability balance, June 30, 1998	\$ 958	\$ 4,005	\$ 19,338	
Claims and changes in estimates	1,721	4,538	47,565	
Claims payments	1,694	4,094	54,928	
Liability balance, June 30, 1999	985	4,449	11,975	
Claims and changes in estimates	995	5,230	51,390	\$ 300
Claims payments	1,093	5,892	53,131	300
Liability balance, June 30, 2000	\$ 887	\$ 3,787	\$ 10,234	\$ 600
Assets available to pay claims at June 30, 2000	\$ 4,852	\$ 3,287	\$ 12,017	\$ 3,615

Trust Accounts

To facilitate the processing of claims, revolving types of trust bank accounts were established. All claims arising are handled by the District's Independent Administrators, Risk Management Resources and RX Net, who write and issue checks in settlement of claims against the District. The \$1,500,000 trust account is periodically reimbursed by the District.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

Liabilities for Claims - Workers' Compensation

The liability of \$12,534,051 is based upon an actuarial study performed in January 2000. The liability for claims represents an estimate of costs of open claims and an estimate for incurred but not reported claims (IBNR). The District has recorded a portion of the liability for claims in the Workers' Compensation Fund in the amount of \$3,786,802. The balance of the liability for claims of \$8,747,249 has been recorded in the General Long-Term Debt group of accounts since funds are not available in the Internal Service Fund and the ultimate liability for the Long-Term portion will be from the General Fund and applicable Special Revenue Funds.

NOTE #12 - COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards and Grants

The District has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, in the opinion of management any required reimbursements will not be material.

The Federal Government audited selected Federal programs of the District and determined that the District was not in compliance with the Civil Rights Act in regards to bilingual children. The Federal Government determined that the bilingual children did not have access to a basic education due to the language barrier. The Federal Government has required the District to submit a corrective action plan to them by November 1, 1995. Presently, it is unknown if any expenditures will be disallowed or if the District will have any liability from this Federal audit.

B. Postemployment Medical Benefits

The District provides postemployment medical benefits in accordance with District employment contracts. All District employees with a minimum of 16 years of service receive health benefits for life for the employee and their dependents. Currently, former employees and approximately 1,500 dependents are receiving these benefits. The District contributes 100 percent of the premiums. Expenditures for postemployment benefits are recognized on a pay-as-you-go basis as former employees report claims. During the 1999-2000 fiscal year, expenditures of approximately \$6,000,000 were recognized for postemployment medical benefits.

The District obtained an actuarial study of the future liability of post-retirement plan benefits in January 1991. The results of this study estimated the future liability to be \$214,000,000. A new study was undertaken in 1999, but the results are not finalized as of this report.

FRESNO UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

C. Construction Commitments

As of June 30, 2000, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Hoover Events Center	\$ 4,653,862	05/31/01
Terronez Middle School	3,267,124	10/31/00
Webster Elementary	3,146,285	01/31/01
Fresno High Restroom	55,614	10/31/00
Cambridge Continuation High School	753,723	09/30/00
Ewing Elementary	1,651,354	06/30/01
C.A.R.T. Charter School	7,197,776	09/30/00
	<u>\$ 20,725,738</u>	

NOTE #13 - EXPENDITURES (BUDGET VERSUS ACTUAL)

Budgets were not prepared for the Facilities Corporation's COP/CFD - Debt Service or the Facilities Corporation - Capital Projects Fund.

NOTE #14 - DEFICIT RETAINED EARNINGS

The Workers' Compensation and Health Benefits Funds ended the fiscal year with deficit retained earnings of \$526,789 and \$1,407,906, respectively.

NOTE #15 - DEFERRED COMPENSATION PLAN

The District, through an agreement with Fresno County Schools, provides a funded deferred compensation plan in compliance with Internal Revenue Code 457. Employees of the District can reduce current taxable compensation by investing in the deferred compensation plan. Deferred compensation funds are invested with Great Western Bank through an agreement with Fresno County Schools.

FRESNO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

NOTE #16 – NEW ACCOUNTING PRONOUNCEMENTS

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement of Financial Accounting Standard No. 34 "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*" This Statement establishes financial reporting standards for state and local governments, including states, cities, towns, villages, and special-purpose governments such as school districts and public utilities. Specifically, the basic financial statements and required supplementary information (RSI) for general-purpose governments should consist of:

A. Management's Discussion and Analysis (MD&A)

B. Basic Financial Statements which include:

- Government-wide financial statements prepared using the economic measurement focus and the accrual basis of accountings.
- Fund financial statements prepared using the current financial resources measurement focus and the modified accrual basis of accounting.
- Required supplementary information

C. The requirements of this statement are effective in three phases based on a government's total annual revenues for the year ended June 30, 1999, with earlier application encouraged. These phases are as follows:

Phase I: Districts with total revenue of \$100 million or more are required to implement for the year ending June 30, 2002.

Phase II: Districts with total revenue of at least \$10 million but less than \$100 million are required to implement for the year ending June 30, 2003.

Phase III: Districts with total revenue of less than \$10 million are required to implement for the year ending June 30, 2004.

Based on the above criteria, the District expects to adopt the provisions of this statement for the fiscal year ending June 30, 2002. While the District believes the adoption of this statement will have a significant impact on how the District's financial position and results of operations is presented in its annual financial statements, the District has not determined the full impact of the adoption.

FRESNO UNIFIED SCHOOL DISTRICT

**GENERAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
ASSETS			
Cash	\$ 110,100		\$ 110,100
Investments	43,836,592	\$ 5,309,615	49,146,207
Accounts receivable	23,993,470		23,993,470
Due from other funds	7,319,257		7,319,257
Stores inventory	1,694,798		1,694,798
Prepaid expenditures	68,085		68,085
Total Assets	<u>\$ 77,022,302</u>	<u>\$ 5,309,615</u>	<u>\$ 82,331,917</u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	39,367,280		39,367,280
Due to other funds	3,770,352		3,770,352
Deferred revenue	10,688,370		10,688,370
Total Liabilities	<u>53,826,002</u>		<u>53,826,002</u>
 FUND EQUITY			
Fund balances			
Reserved	1,872,883	5,309,615	7,182,498
Unreserved			
Designated	12,434,064		12,434,064
Undesignated	8,889,353		8,889,353
Total Fund Equity	<u>23,196,300</u>	<u>5,309,615</u>	<u>28,505,915</u>
Total Liabilities and Fund Equity	<u>\$ 77,022,302</u>	<u>\$ 5,309,615</u>	<u>\$ 82,331,917</u>

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

FRESNO UNIFIED SCHOOL DISTRICT

GENERAL FUND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

	Unrestricted		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Revenue Limit Sources			
State apportionments	\$ 232,263,908	\$ 231,633,966	\$ (629,942)
Local sources	60,138,809	61,306,386	1,167,577
Total Revenue Limit Sources	292,402,717	292,940,352	537,635
Federal revenues	241,246	239,352	(1,894)
Other state revenues	42,980,337	42,891,033	(89,304)
Other local revenues	9,233,916	9,721,498	487,582
Tuition and transfers		247,866	247,866
Total Revenues	344,858,216	346,040,101	1,181,885
EXPENDITURES			
Current Expenditures			
Certificated salaries	196,973,713	196,949,093	24,620
Classified salaries	41,497,813	41,472,558	25,255
Employee benefits	59,131,901	59,056,900	75,001
Books and supplies	10,328,372	8,521,632	1,806,740
Services and operating expenditures	21,402,277	20,587,216	815,061
Other outgo	(169,935)	8,961	(178,896)
Capital outlay	7,577,300	6,234,269	1,343,031
Debt service	308,576	308,576	
Total Expenditures	337,050,017	333,139,205	3,910,812
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	7,808,199	12,900,896	5,092,697
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	33,750	1,997,286	1,963,536
Operating transfers out	(2,449,057)	(2,367,909)	81,148
Contributions to restricted programs	(14,441,687)	(23,858,538)	(9,416,851)
Total Other Financing Sources/(Uses)	(16,856,994)	(24,229,161)	(7,372,167)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(9,048,795)	(11,328,265)	(2,279,470)
FUND BALANCE, BEGINNING OF YEAR	34,524,565	34,524,565	
FUND BALANCE, END OF YEAR	\$ 25,475,770	\$ 23,196,300	\$ (2,279,470)

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

Restricted			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$ 232,263,908	\$ 231,633,966	\$ (629,942)
\$ 9,400,942	\$ 9,421,518	\$ 20,576	69,539,751	70,727,904	1,188,153
9,400,942	9,421,518	20,576	301,803,659	302,361,870	558,211
53,416,359	50,094,453	(3,321,906)	53,657,605	50,333,805	(3,323,800)
81,708,716	72,221,728	(9,486,988)	124,689,053	115,112,761	(9,576,292)
1,679,183	1,891,000	211,817	10,913,099	11,612,498	699,399
1,809,773	1,723,778	(85,995)	1,809,773	1,971,644	161,871
148,014,973	135,352,477	(12,662,496)	492,873,189	481,392,578	(11,480,611)
55,560,072	54,668,969	891,103	252,533,785	251,618,062	915,723
34,595,946	33,086,714	1,509,232	76,093,759	74,559,272	1,534,487
21,765,534	20,247,765	1,517,769	80,897,435	79,304,665	1,592,770
27,529,220	19,044,993	8,484,227	37,857,592	27,566,625	10,290,967
17,715,234	13,248,352	4,466,882	39,117,511	33,835,568	5,281,943
7,626,891	7,490,738	136,153	7,456,956	7,499,699	(42,743)
10,940,666	7,281,377	3,659,289	18,517,966	13,515,646	5,002,320
			308,576	308,576	
175,733,563	155,068,908	20,664,655	512,783,580	488,208,113	24,575,467
(27,718,590)	(19,716,431)	8,002,159	(19,910,391)	(6,815,535)	13,094,856
(4,974,045)	(4,974,045)		33,750	1,997,286	1,963,536
14,441,687	23,858,538	9,416,851	(7,423,102)	(7,341,954)	81,148
9,467,642	18,884,493	9,416,851	(7,389,352)	(5,344,668)	2,044,684
(18,250,948)	(831,938)	17,419,010	(27,299,743)	(12,160,203)	15,139,540
6,141,553	6,141,553		40,666,118	40,666,118	
\$ (12,109,395)	\$ 5,309,615	\$ 17,419,010	\$ 13,366,375	\$ 28,505,915	\$ 15,139,540

FRESNO UNIFIED SCHOOL DISTRICT

SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2000

	Adult Education	Child Development	Deferred Maintenance	Total
ASSETS				
Cash	\$ 5,000			\$ 5,000
Investments	3,489,315	\$ 1,467,981	\$ 5,783,309	10,740,605
Accounts receivable	893,411	401,194	96,844	1,391,449
Due from other funds	526,792	36,028		562,820
Stores inventory	79,739			79,739
Prepaid expenditures		100		100
Total Assets	\$ 4,994,257	\$ 1,905,303	\$ 5,880,153	\$ 12,779,713
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	1,076,089	632,023	644,070	2,352,182
Deferred revenue		8,257		8,257
Due to other funds	583,261	731,336	43,575	1,358,172
Total Liabilities	1,659,350	1,371,616	687,645	3,718,611
FUND EQUITY				
Fund balances				
Reserved	79,739	100		79,839
Unreserved				
Designated	3,255,168	533,587	5,192,508	8,981,263
Total Fund Equity	3,334,907	533,687	5,192,508	9,061,102
Total Liabilities and Fund Equity	\$ 4,994,257	\$ 1,905,303	\$ 5,880,153	\$ 12,779,713

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

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FRESNO UNIFIED SCHOOL DISTRICT

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2000

	Adult Education		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Revenue Limit Sources			
State apportionments	\$ 7,682,474	\$ 7,941,860	\$ 259,386
Federal revenues	873,026	589,145	(283,881)
Other state revenues	378,140	378,140	
Other local revenues	1,266,892	1,100,524	(166,368)
Total Revenues	<u>10,200,532</u>	<u>10,009,669</u>	<u>(190,863)</u>
EXPENDITURES			
Current Expenditures			
Certificated salaries	4,360,933	4,245,800	115,133
Classified salaries	1,239,133	1,168,762	70,371
Employee benefits	1,276,767	1,088,013	188,754
Books and supplies	520,581	322,245	198,336
Services and operating expenditures	1,888,076	1,652,658	235,418
Other outgo	1,251,203	503,884	747,319
Capital outlay	2,194,063	1,153,054	1,041,009
Total Expenditures	<u>12,730,756</u>	<u>10,134,416</u>	<u>2,596,340</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>(2,530,224)</u>	<u>(124,747)</u>	<u>2,405,477</u>
OTHER FINANCING SOURCES/(USES)			
Operating transfers in			
Operating transfers out		(659,357)	(659,357)
Other sources			
Total Other Financing Sources/(Uses)		<u>(659,357)</u>	<u>(659,357)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(2,530,224)	(784,104)	1,746,120
FUND BALANCE, BEGINNING OF YEAR	4,119,011	4,119,011	
FUND BALANCE, END OF YEAR	<u>\$ 1,588,787</u>	<u>\$ 3,334,907</u>	<u>\$ 1,746,120</u>

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

Child Development			Deferred Maintenance		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 598,183	\$ 527,640	\$ (70,543)	\$ 1,800,000	\$ 1,903,515	\$ 103,515
5,225,310	4,515,387	(709,923)	100,000	332,426	232,426
31,384	113,037	81,653	1,900,000	2,235,941	335,941
<u>5,854,877</u>	<u>5,156,064</u>	<u>(698,813)</u>			
2,070,391	2,054,853	15,538			
1,329,665	1,230,301	99,364			
790,122	722,783	67,339			
1,287,917	600,246	687,671	186,993	120,346	66,647
315,769	239,384	76,385	7,566,849	2,778,374	4,788,475
363,002	326,368	36,634			
814,050	610,528	203,522	2,105	660	1,445
<u>6,970,916</u>	<u>5,784,463</u>	<u>1,186,453</u>	<u>7,755,947</u>	<u>2,899,380</u>	<u>4,856,567</u>
<u>(1,116,039)</u>	<u>(628,399)</u>	<u>487,640</u>	<u>(5,855,947)</u>	<u>(663,439)</u>	<u>5,192,508</u>
			1,812,423	1,812,423	
<u>650,000</u>	<u>553,919</u>	<u>(96,081)</u>			
<u>650,000</u>	<u>553,919</u>	<u>(96,081)</u>	<u>1,812,423</u>	<u>1,812,423</u>	
(466,039)	(74,480)	391,559	(4,043,524)	1,148,984	5,192,508
608,167	608,167		4,043,524	4,043,524	
<u>\$ 142,128</u>	<u>\$ 533,687</u>	<u>\$ 391,559</u>	<u>\$</u>	<u>\$ 5,192,508</u>	<u>\$ 5,192,508</u>

FRESNO UNIFIED SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

	Total		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Revenue Limit Sources			
State apportionments	\$ 7,682,474	\$ 7,941,860	\$ 259,386
Federal revenues	1,471,209	1,116,785	(354,424)
Other state revenues	7,403,450	6,797,042	(606,408)
Other local revenues	1,398,276	1,545,987	147,711
Total Revenues	<u>17,955,409</u>	<u>17,401,674</u>	<u>(553,735)</u>
EXPENDITURES			
Current Expenditures			
Certificated salaries	6,431,324	6,300,653	130,671
Classified salaries	2,568,798	2,399,063	169,735
Employee benefits	2,066,889	1,810,796	256,093
Books and supplies	1,995,491	1,042,837	952,654
Services and operating expenditures	9,770,694	4,670,416	5,100,278
Other outgo	1,614,205	830,252	783,953
Capital outlay	3,010,218	1,764,242	1,245,976
Total Expenditures	<u>27,457,619</u>	<u>18,818,259</u>	<u>8,639,360</u>
 EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	 <u>(9,502,210)</u>	 <u>(1,416,585)</u>	 <u>8,085,625</u>
 OTHER FINANCING SOURCES/(USES)			
Operating transfers in	1,812,423	1,812,423	
Operating transfers out		(659,357)	(659,357)
Other sources	650,000	553,919	(96,081)
Total Other Financing Sources/(Uses)	<u>2,462,423</u>	<u>1,706,985</u>	<u>(755,438)</u>
 EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	 <u>(7,039,787)</u>	 <u>290,400</u>	 <u>7,330,187</u>
FUND BALANCE, BEGINNING OF YEAR	<u>8,770,702</u>	<u>8,770,702</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,730,915</u>	<u>\$ 9,061,102</u>	<u>\$ 7,330,187</u>

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

FRESNO UNIFIED SCHOOL DISTRICT

**DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000**

	Bond Anticipation Note Repayment	Bond Interest and Redemption	Tax Override	COP CFD	Total
ASSETS					
Cash				\$ 9	\$ 9
Investments	\$ 329,487	\$ 9,684,244	\$ 6,352,655	14,095,807	30,462,193
Accounts receivable	5,202	133,413	116,505		255,120
Total Assets	\$ 334,689	\$ 9,817,657	\$ 6,469,160	\$ 14,095,816	\$ 30,717,322
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Total Liabilities					
FUND EQUITY					
Fund balances					
Undesignated	334,689	9,817,657	6,469,160	14,095,816	30,717,322
Total Fund Equity	334,689	9,817,657	6,469,160	14,095,816	30,717,322
Total Liabilities and Fund Equity	\$ 334,689	\$ 9,817,657	\$ 6,469,160	\$ 14,095,816	\$ 30,717,322

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

FRESNO UNIFIED SCHOOL DISTRICT

**DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2000**

	Bond Anticipation Note Repayment		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Other state revenues			
Other local revenues		\$ 8,439	\$ 8,439
Total Revenues		<u>8,439</u>	<u>8,439</u>
EXPENDITURES			
Current Expenditures			
Services and operating expenditures			
Debt service			
Total Expenditures			
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES		<u>8,439</u>	<u>8,439</u>
OTHER FINANCING SOURCES/(USES)			
Operating transfers in			
Operating transfers out			
Other sources	\$ 326,250	326,250	
Total Other Financing Sources/(Uses)	<u>326,250</u>	<u>326,250</u>	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	326,250	334,689	8,439
FUND BALANCE, BEGINNING OF YEAR			
FUND BALANCE, END OF YEAR	<u>\$ 326,250</u>	<u>\$ 334,689</u>	<u>\$ 8,439</u>

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

Bond Interest and Redemption			Tax Override		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
	\$ 400,152	\$ 400,152	\$ 80,000	\$ 165,642	\$ 85,642
\$ 11,518,041	10,874,719	(643,322)	5,121,087	5,835,404	714,317
11,518,041	11,274,871	(243,170)	5,201,087	6,001,046	799,959
9,767,248	9,756,437	10,811			
9,767,248	9,756,437	10,811			
1,750,793	1,518,434	(232,359)	5,201,087	6,001,046	799,959
			(9,300,715)	(8,856,702)	444,013
			(9,300,715)	(8,856,702)	444,013
1,750,793	1,518,434	(232,359)	(4,099,628)	(2,855,656)	1,243,972
8,299,223	8,299,223		9,324,816	9,324,816	
\$ 10,050,016	\$ 9,817,657	\$ (232,359)	\$ 5,225,188	\$ 6,469,160	\$ 1,243,972

FRESNO UNIFIED SCHOOL DISTRICT

DEBT SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

	COP/CFD		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Other state revenues			
Other local revenues		\$ 770,977	\$ 770,977
Total Revenues		770,977	770,977
EXPENDITURES			
Current Expenditures			
Services and operating expenditures		162,669	(162,669)
Debt service		11,643,331	(11,643,331)
Total Expenditures		11,806,000	(11,806,000)
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES		(11,035,023)	(11,035,023)
OTHER FINANCING SOURCES/(USES)			
Operating transfers in		11,383,968	11,383,968
Operating transfers out			
Other sources			
Total Other Financing Sources/(Uses)		11,383,968	11,383,968
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES		348,945	348,945
FUND BALANCE, BEGINNING OF YEAR		13,746,871	13,746,871
FUND BALANCE, END OF YEAR		\$ 14,095,816	\$ 14,095,816

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

Total		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 80,000	\$ 565,794	\$ 485,794
16,639,128	17,489,539	850,411
<u>16,719,128</u>	<u>18,055,333</u>	<u>1,336,205</u>
	162,669	(162,669)
9,767,248	21,399,768	(11,632,520)
<u>9,767,248</u>	<u>21,562,437</u>	<u>(11,795,189)</u>
<u>6,951,880</u>	<u>(3,507,104)</u>	<u>(10,458,984)</u>
	11,383,968	11,383,968
(9,300,715)	(8,856,702)	444,013
326,250	326,250	
<u>(8,974,465)</u>	<u>2,853,516</u>	<u>11,827,981</u>
(2,022,585)	(653,588)	1,368,997
31,370,910	31,370,910	
<u>\$ 29,348,325</u>	<u>\$ 30,717,322</u>	<u>\$ 1,368,997</u>

FRESNO UNIFIED SCHOOL DISTRICT

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000**

	Building	Capital Facilities	Special Reserve	County Schools Facility
ASSETS				
Investments	\$ 39,889,719	\$ 3,552,008	\$ 4,918,392	\$ 24,554,450
Accounts receivable	938,646	44,331	471,937	414,172
Due from other funds	3,401,785	7,100		1,671,211
Total Assets	<u>\$ 44,230,150</u>	<u>\$ 3,603,439</u>	<u>\$ 5,390,329</u>	<u>\$ 26,639,833</u>
 LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	3,893,196	459,318		1,880,696
Due to other funds	1,842,721	31,618		2,153,242
Deferred revenue				
Total Liabilities	<u>5,735,917</u>	<u>490,936</u>		<u>4,033,938</u>
 FUND EQUITY				
Fund balances				
Undesignated	<u>38,494,233</u>	<u>3,112,503</u>	<u>5,390,329</u>	<u>22,605,895</u>
Total Liabilities and Fund Equity	<u>\$ 44,230,150</u>	<u>\$ 3,603,439</u>	<u>\$ 5,390,329</u>	<u>\$ 26,639,833</u>

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

<u>Facilities Corporation</u>	<u>State School Building</u>	<u>Total</u>
\$ 40,016	\$ 24,710,943	\$ 97,665,528
		1,869,086
		5,080,096
<u>\$ 40,016</u>	<u>\$ 24,710,943</u>	<u>\$ 104,614,710</u>

		6,233,210
	136,242	4,163,823
	24,574,701	24,574,701
	<u>24,710,943</u>	<u>34,971,734</u>

<u>40,016</u>		<u>69,642,976</u>
<u>\$ 40,016</u>	<u>\$ 24,710,943</u>	<u>\$ 104,614,710</u>

FRESNO UNIFIED SCHOOL DISTRICT

CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

	Building		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Other local revenues	\$ 780,735	\$ 3,242,973	\$ 2,462,238
EXPENDITURES			
Current Expenditures			
Books and supplies	260,661	202,288	58,373
Services and operating expenditures	10,580,877	2,305,275	8,275,602
Capital outlay	61,715,530	35,884,445	25,831,085
Total Expenditures	72,557,068	38,392,008	34,165,060
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(71,776,333)	(35,149,035)	36,627,298
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	18,498,011	18,634,241	136,230
Operating transfers out	(30,882,779)	(29,152,074)	1,730,705
Other sources	45,000,000	45,000,000	
Total Other Financing Sources/(Uses)	32,615,232	34,482,167	1,866,935
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(39,161,101)	(666,868)	38,494,233
FUND BALANCE, BEGINNING OF YEAR	39,161,101	39,161,101	
FUND BALANCE, END OF YEAR	\$	\$ 38,494,233	\$ 38,494,233

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

Capital Facilities			Special Reserve		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,200,000	\$ 1,200,763	\$ 763	\$ 170,520	\$ 1,552,143	\$ 1,381,623
284,181	270,942	13,239			
3,431,527	2,095,134	1,336,393			
3,715,708	2,366,076	1,349,632			
(2,515,708)	(1,165,313)	1,350,395	170,520	1,552,143	1,381,623
1,642,958	1,642,958				
(327,250)	(324,820)	2,430			
1,315,708	1,318,138	2,430			
(1,200,000)	152,825	1,352,825	170,520	1,552,143	1,381,623
2,959,678	2,959,678		3,838,186	3,838,186	
\$ 1,759,678	\$ 3,112,503	\$ 1,352,825	\$ 4,008,706	\$ 5,390,329	\$ 1,381,623

FRESNO UNIFIED SCHOOL DISTRICT

CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

	County Schools Facility		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Other local revenues		\$ 747,997	\$ 747,997
EXPENDITURES			
Current Expenditures			
Books and supplies			
Services and operating expenditures	\$ 311,156	229,890	81,266
Capital outlay	79,424,668	22,971,217	56,453,451
Total Expenditures	79,735,824	23,201,107	56,534,717
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(79,735,824)	(22,453,110)	57,282,714
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	29,586,621	29,586,621	
Operating transfers out	(17,109,978)	(17,109,962)	16
Other sources	67,259,181	32,582,346	(34,676,835)
Total Other Financing Sources/(Uses)	79,735,824	45,059,005	(34,676,819)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES		22,605,895	22,605,895
FUND BALANCE, BEGINNING OF YEAR			
FUND BALANCE, END OF YEAR	\$	\$ 22,605,895	\$ 22,605,895

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

Facilities Corporation			State School Building		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
	\$ 1,860	\$ 1,860			
	1,860	1,860			
			\$ 293,500	\$ 293,500	
			(1,906,128)	(1,906,128)	
			1,612,628	1,612,628	
	1,860	1,860			
\$ 38,156	38,156				
\$ 38,156	\$ 40,016	\$ 1,860	\$	\$	

FRESNO UNIFIED SCHOOL DISTRICT

CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

	Total		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Other local revenues	\$ 2,151,255	\$ 6,745,736	\$ 4,594,481
EXPENDITURES			
Current Expenditures			
Books and supplies	260,661	202,288	58,373
Services and operating expenditures	11,176,214	2,806,107	8,370,107
Capital outlay	144,571,725	60,950,796	83,620,929
Total Expenditures	156,008,600	63,959,191	92,049,409
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(153,857,345)	(57,213,455)	96,643,890
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	50,021,090	50,157,320	136,230
Operating transfers out	(50,226,135)	(48,492,984)	1,733,151
Other sources	113,871,809	79,194,974	(34,676,835)
Total Other Financing Sources/(Uses)	113,666,764	80,859,310	(32,807,454)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(40,190,581)	23,645,855	63,836,436
FUND BALANCE, BEGINNING OF YEAR	45,997,121	45,997,121	
FUND BALANCE, END OF YEAR	\$ 5,806,540	\$ 69,642,976	\$ 63,836,436

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

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FRESNO UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUNDS - INTERNAL SERVICE
COMBINING BALANCE SHEET
JUNE 30, 2000**

	<u>Property and Liability</u>	<u>Workers' Compensation</u>	<u>Health Benefits</u>
ASSETS			
Cash			\$ 1,500,000
Investments	\$ 4,209,924	\$ 2,825,970	10,342,208
Accounts receivable	68,614	39,585	113,956
Due from other funds	788	421,765	58,242
Prepaid expenditures	572,683		2,650
Total Assets	<u>\$ 4,852,009</u>	<u>\$ 3,287,320</u>	<u>\$ 12,017,056</u>
 LIABILITIES AND RETAINED EARNINGS			
LIABILITIES			
Accounts payable	887,080	3,786,802	10,233,602
Due to other funds	12,775	27,307	3,191,360
Total Liabilities	<u>899,855</u>	<u>3,814,109</u>	<u>13,424,962</u>
 RETAINED EARNINGS/(DEFICIT)	 <u>3,952,154</u>	 <u>(526,789)</u>	 <u>(1,407,906)</u>
Total Liabilities and Retained Earnings/(Deficit)	<u>\$ 4,852,009</u>	<u>\$ 3,287,320</u>	<u>\$ 12,017,056</u>

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

<u>Defined Benefits</u>	<u>Total</u>
	\$ 1,500,000
\$ 3,519,236	20,897,338
15,344	237,499
80,787	561,582
	<u>575,333</u>
<u>\$ 3,615,367</u>	<u>\$ 23,771,752</u>

	14,907,484
	<u>3,231,442</u>
	<u>18,138,926</u>
<u>3,615,367</u>	<u>5,632,826</u>
<u>\$ 3,615,367</u>	<u>\$ 23,771,752</u>

FRESNO UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUNDS - INTERNAL SERVICE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Property and Liability</u>	<u>Workers' Compensation</u>	<u>Health Benefits</u>
OPERATING REVENUE			
Other local revenues	\$ 1,711,451	\$ 5,307,499	\$ 52,853,112
Tuition and transfers			
	<u>1,711,451</u>	<u>5,307,499</u>	<u>52,853,112</u>
OPERATING EXPENSES			
Classified salaries	130,587	237,566	200,253
Employee benefits	25,930	48,439	50,064
Books and supplies	3,542	25,098	13,608
Services and other operating expenditures	1,751,367	5,287,225	51,612,279
Other outgo	9,322	26,007	22,975
Total Operating Expenses	<u>1,920,748</u>	<u>5,624,335</u>	<u>51,899,179</u>
OPERATING INCOME/(LOSS)	<u>(209,297)</u>	<u>(316,836)</u>	<u>953,933</u>
NONOPERATING REVENUES/(EXPENSES)			
Interest income	255,951	164,552	165,764
Total Nonoperating Revenues	<u>255,951</u>	<u>164,552</u>	<u>165,764</u>
NET INCOME/(LOSS) BEFORE OPERATING TRANSFERS	46,654	(152,284)	1,119,697
Operating transfers in		415,744	
Operating transfers out			(415,744)
NET INCOME	<u>46,654</u>	<u>263,460</u>	<u>703,953</u>
RETAINED EARNINGS, BEGINNING OF YEAR	<u>3,905,500</u>	<u>(790,249)</u>	<u>(2,111,859)</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 3,952,154</u>	<u>\$ (526,789)</u>	<u>\$ (1,407,906)</u>

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

<u>Defined Benefits</u>	<u>Total</u>
\$ 735,515	\$ 60,607,577
<u>3,180,134</u>	<u>3,180,134</u>
3,915,649	63,787,711
	568,406
	124,433
	42,248
300,282	58,951,153
	<u>58,304</u>
<u>300,282</u>	<u>59,744,544</u>
<u>3,615,367</u>	<u>4,043,167</u>
	<u>586,267</u>
	<u>586,267</u>
3,615,367	4,629,434
	415,744
	<u>(415,744)</u>
<u>3,615,367</u>	<u>4,629,434</u>
	<u>1,003,392</u>
<u>\$ 3,615,367</u>	<u>\$ 5,632,826</u>

FRESNO UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUND TYPES
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000**

	Property and Liability	Workers' Compen- sation	Health Benefits	Defined Benefits	Total
CASH FLOWS FROM/(USED BY)					
OPERATING ACTIVITIES					
Operating income/(loss)	\$(209,297)	\$ (316,836)	\$ 953,933	\$3,615,367	\$4,043,167
Changes in assets and liabilities					
(Increase)/decrease in accounts receivable	(8,106)	3,882	1,357	(15,344)	(18,211)
(Increase) in due from other funds	(125)	(418,093)	(13,938)	(80,787)	(512,943)
Increase in prepaid expenditures	(11,906)		(2,260)		(14,166)
Increase/(decrease) in accounts payable	(82,526)	(99,570)	515,466		333,370
Increase/(decrease) in due to other funds	(2,509)	(535,646)	934,710		396,555
Net Cash Flows From/(Used by) Operating Activities	(314,469)	(1,366,263)	2,389,268	3,519,236	4,227,772
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in		415,744			415,744
Transfers out			(415,744)		(415,744)
Net Cash Flows From/(Used by) Financing Activities		415,744	(415,744)		
CASH FLOWS FROM/(USED BY) INVESTING ACTIVITIES					
Increase in investments	58,518	785,967	(2,139,288)	(3,519,236)	(4,814,039)
Interest income	255,951	164,552	165,764		586,267
Net Cash Flows From/(Used by) Investing Activities	314,469	950,519	(1,973,524)	(3,519,236)	(4,227,772)
NET DECREASE IN CASH					
CASH, BEGINNING OF YEAR			1,500,000		1,500,000
CASH, END OF YEAR	\$ 0	\$ 0	\$1,500,000	\$ 0	\$1,500,000

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

FRESNO UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUND TYPE
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000**

	Student Body Funds	Retirees Benefits	Total
ASSETS			
Cash	\$ 1,690,613		\$ 1,690,613
Investments		\$ 4,009,112	4,009,112
Accounts receivable	22,004	63,057	85,061
Stores inventory	34,127		34,127
Total Assets	<u>\$ 1,746,744</u>	<u>\$ 4,072,169</u>	<u>\$ 5,818,913</u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	57,921		57,921
Due to student groups	580,482		580,482
Total Liabilities	<u>638,403</u>		<u>638,403</u>
 FUND EQUITY			
Fund balances			
Unreserved			
Undesignated	1,108,341	4,072,169	5,180,510
Total Fund Equity	<u>1,108,341</u>	<u>4,072,169</u>	<u>5,180,510</u>
Total Liabilities and Fund Equity	<u>\$ 1,746,744</u>	<u>\$ 4,072,169</u>	<u>\$ 5,818,913</u>

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

FRESNO UNIFIED SCHOOL DISTRICT

FIDUCIARY FUND TYPE

EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2000

	<u>Student Body Funds</u>	<u>Retirees Benefits</u>	<u>Total</u>
REVENUES			
Other local revenues	\$ 5,170,433	\$ 270,377	\$ 5,440,810
EXPENDITURES			
Current Expenditures			
Services and other operating expenditures	<u>5,173,145</u>	<u>1,245,311</u>	<u>6,418,456</u>
EXCESS OF EXPENDITURES OVER REVENUES	(2,712)	(974,934)	(977,646)
FUND BALANCE, BEGINNING OF YEAR	1,111,053	5,047,103	6,158,156
FUND BALANCE, END OF YEAR	<u>\$ 1,108,341</u>	<u>\$ 4,072,169</u>	<u>\$ 5,180,510</u>

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

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FRESNO UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUND TYPE
STUDENT BODY FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>High Schools</u>	<u>Middle Schools</u>	<u>Elementary Schools</u>
ASSETS			
CASH ON HAND AND IN BANKS			
Cash in checking	\$ 239,474	\$ 214,212	\$ 590,568
Cash in savings	564,275	43,163	
Cash on hand	50		
Total Cash	<u>803,799</u>	<u>257,375</u>	<u>590,568</u>
ACCOUNTS RECEIVABLE	22,004		
INVENTORY - at cost	21,762	12,365	
Total Assets	<u>\$ 847,565</u>	<u>\$ 269,740</u>	<u>\$ 590,568</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	<u>57,921</u>		
TRUST FUNDS			
Balance, Beginning of Year	528,845	48,211	
Receipts	1,302,601	219,111	
Transfers-in	60,101	9,457	
Disbursements	(1,302,913)	(212,999)	
Transfers-out	<u>(60,601)</u>	<u>(11,331)</u>	
Balance, End of Year	<u>528,033</u>	<u>52,449</u>	
FUND BALANCE	<u>261,611</u>	<u>217,291</u>	<u>590,568</u>
Total Liabilities and Fund Balance	<u>\$ 847,565</u>	<u>\$ 269,740</u>	<u>\$ 590,568</u>

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

<u>Career and Vocational Education</u>	<u>Special Education</u>	<u>Adult School ASB</u>	<u>Student Body Concession Account</u>	<u>Total</u>
\$ 2,967	\$ 7,330	\$ 22,071 1,013	\$ 5,490	\$ 1,082,112 608,451 50
<u>2,967</u>	<u>7,330</u>	<u>23,084</u>	<u>5,490</u>	<u>1,690,613</u> 22,004 34,127
<u>\$ 2,967</u>	<u>\$ 7,330</u>	<u>\$ 23,084</u>	<u>\$ 5,490</u>	<u>\$ 1,746,744</u>
				<u>57,921</u>
				577,056 1,521,712 69,558 (1,515,912) (71,932) 580,482
<u>2,967</u>	<u>7,330</u>	<u>23,084</u>	<u>5,490</u>	<u>1,108,341</u>
<u>\$ 2,967</u>	<u>\$ 7,330</u>	<u>\$ 23,084</u>	<u>\$ 5,490</u>	<u>\$ 1,746,744</u>

FRESNO UNIFIED SCHOOL DISTRICT

FIDUCIARY FUND TYPE

STUDENT BODY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2000

	High Schools	Middle Schools	Elementary Schools
REVENUES			
ASB general	\$ 476,266	\$ 281,572	\$2,556,580
Athletics	636,997	23,249	
Fundraisers	12,939	11,827	
Interest	11,418	829	
PE clothes	27,044	67,329	
Scholarships	9,678		
Special events	3,773	52,307	
Student store	184,414	138,525	
Vending machines	39,117	66,537	
Yearbooks	225,392	35,976	
Transfers-in	133,315	99,848	
Total Revenues	<u>1,760,353</u>	<u>777,999</u>	<u>2,556,580</u>
EXPENDITURES			
ASB general	557,534	362,212	2,493,380
Athletics	670,742	21,728	
Fundraisers	11,856	10,383	
PE clothes	21,513	70,961	
Scholarships	12,600		
Special events	6,966	54,298	
Student store	162,144	102,552	
Vending machines	12,957	51,570	
Yearbooks	223,088	31,193	
Transfers-out	126,430	97,974	
Total Expenditures	<u>1,805,830</u>	<u>802,871</u>	<u>2,493,380</u>
INCREASE/(DECREASE)			
IN FUND BALANCE	(45,477)	(24,872)	63,200
FUND BALANCE, BEGINNING OF YEAR	<u>307,088</u>	<u>242,163</u>	<u>527,368</u>
FUND BALANCE, END OF YEAR	<u>\$ 261,611</u>	<u>\$ 217,291</u>	<u>\$ 590,568</u>

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

<u>Career and Vocational Education</u>	<u>Special Education</u>	<u>Adult School ASB</u>	<u>Student Body Concession Account</u>	<u>Total</u>
\$ 1,918	\$ 9,709	\$ 26,976	\$ 36,898	\$3,389,919
				660,246
				24,766
				12,247
				94,373
				9,678
				56,080
				322,939
				105,654
				261,368
				233,163
<u>1,918</u>	<u>9,709</u>	<u>26,976</u>	<u>36,898</u>	<u>5,170,433</u>
2,328	8,637	26,595	33,504	3,484,190
				692,470
				22,239
				92,474
				12,600
				61,264
				264,696
				64,527
				254,281
				224,404
<u>2,328</u>	<u>8,637</u>	<u>26,595</u>	<u>33,504</u>	<u>5,173,145</u>
(410)	1,072	381	3,394	(2,712)
3,377	6,258	22,703	2,096	1,111,053
<u>\$ 2,967</u>	<u>\$ 7,330</u>	<u>\$ 23,084</u>	<u>\$ 5,490</u>	<u>\$ 1,108,341</u>

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SUPPLEMENTARY INFORMATION

FRESNO UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

PROGRAM	Federal Catalog Number	Pass-Through Entity Identifying Number	Program Entitlements		
			Current Year	Prior Year	Total Entitlement
FEDERAL					
U.S. DEPARTMENT OF EDUCATION					
Passed through the California					
Department of Education:					
Adult Basic Education-321 Grant	84.002	03802	\$ 167,010		\$ 167,010
AP Fees	NA	NA	22,684		22,684
Charter Schools	84.282	03721	225,000		225,000
Drug-Free Schools	84.184	03453	770,595	\$ 47,773	818,368
Eisenhower Math and Science Elementary and Secondary Education Act	84.024	03207	623,152	44,690	667,842
Title I - Basic [2]	84.010	03797	24,733,491	1,347,194	26,080,685
Title I - Capital Expenditures [2]	84.010	03797	178,517	224,761	403,278
Title I - Program Improvement [2]	84.010	03797	151,500	21,349	172,849
Title VI	84.298	03073	765,795	202,863	968,658
Class Size Reduction [2]	84.390	03340	2,899,354		2,899,354
Bilingual Education					
Comprehensive School	84.290U	10008	660,082	161,207	821,289
Student Success	84.290U	10008	201,750		201,750
Emergency Immigrant Education	84.162	03159	392,404	59,110	451,514
Indian Education	84.014	10011	111,573	9,744	121,316
Migrant Education					
Regular	84.011	03174	3,336,055		3,336,055
Special Education - State Grants					
Idea Preschool	84.027	03379	854,818		854,818
Local Assistance	84.027	03379	5,556,176		5,556,176
Goals 2000	84.276A	03155		83,152	83,152
Staff Development K-3	84.276	03155	44,200		44,200
Staff Development 4-8	84.276	03155	1,015,770		1,015,770
Thematic Schools Project	84.156A	04052		50,071	50,071
Lit Tech Ch.	84.303	03285	1,063,378	444,336	1,507,714
Vocational Educational Grants					
Career Path	84.048	03569		5,471	5,471
C.Perkins	84.048	03569	1,030,089	116,022	1,146,111
Regular	84.048	03569	254,050		254,050
Subtotal					

¹ Negative revenues reflected for reallocation from grant closeout.

[1] Entitlement column not applicable. Maximum revenues based upon level of service, ADA or other criteria.

[2] Major program.

See accompanying note to supplementary information.

Program Revenues				
Cash Received	Accounts Receivable	Deferred Revenue	Total Revenue	Program Expenditures
\$ (28,960) ¹			\$ (28,960)	\$ (28,960)
22,684			22,684	22,684
225,000			225,000	225,000
356,011	\$ 433,583		789,594	789,594
659,511		\$ 129,793	529,718	529,718
26,080,685		1,618,435	24,462,250	24,462,250
365,916		186,852	179,064	179,064
135,837	8,682		144,519	144,519
968,658		169,859	798,799	798,799
2,319,483	576,493		2,895,976	2,895,976
563,304	102,452		665,756	665,756
136,982	43,177		180,159	180,159
451,341			451,341	451,341
98,887	22,429		121,316	121,316
1,799,961	480,470		2,280,431	2,280,431
249,988	577,730		827,718	827,718
4,167,132	1,389,044		5,556,176	5,556,176
50,185	32,967		83,152	83,152
33,150	2,220		35,370	35,370
761,828	146,663		908,491	908,491
49,071	119		49,190	49,190
1,507,714		202,886	1,304,828	1,304,828
832		19	813	813
116,022	856,196		972,218	972,218
254,050			254,050	254,050
<u>41,345,272</u>	<u>4,672,225</u>	<u>2,307,844</u>	<u>43,709,653</u>	<u>43,709,653</u>

FRESNO UNIFIED SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

PROGRAM	Federal Catalog Number	Pass-Through Entity Identifying Number	Program Entitlements		
			Current Year	Prior Year	Total Entitlement
NATIONAL SCIENCE FOUNDATION					
Teacher Education for Student Success [2]	47.076	NA	\$ 1,194,162	\$ 7,065	\$ 1,201,227
National Science Foundation Award [2]	47.076	NA	2,634,729	605,027	3,239,756
Subtotal					
U.S. DEPARTMENT OF AGRICULTURE					
Passed through the California					
Department of Education:					
Children's Center Food Program					
Child Development Center	10.558	03755			[1]
Food Distribution Program [2]	10.550	03755			[1]
National School Lunch Program [2]	10.555	03755			[1]
Subtotal					
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through the California					
Department of Education:					
Medi-Cal Option Billing	93.767	10013			[1]
Family Preservation and Support Services	93.556	10039	383,967		383,967
Subtotal					
U.S. DEPARTMENT OF LABOR					
Passed through the California					
Department of Education:					
Adult JTPA	17.250	03770	451,966		451,966
Academic Enrichment	17.250	03770	102,529		102,529
Center for Independence	17.247	03770	210,993		210,993
JTPA School Year	17.250	03770	9,751		9,751
Summer Re-Entry	17.247	03770	7,457		7,457
System Orientation	17.250	03770	52,007		52,007
WIA-Youth College	17.250	03770	437,791		437,791
Subtotal					

Total Federal amounts per schedule

Immaterial difference between financial statements and schedule due to inclusion of
Food Distribution (Commodities) fair market value on schedule and not on financials.
Total Federal revenues per financial statements including Cafeteria Enterprise Fund

[1] Entitlement column not applicable. Maximum revenues based upon level of service, ADA or other criteria.

[2] Major program.

See accompanying note to supplementary information.

Program Revenues

Cash Received	Accounts Receivable	Deferred Revenue	Total Revenue	Program Expenditures
\$ 594,002	\$ 515,569		\$ 1,109,571	\$ 1,109,571
<u>1,617,579</u>	<u>1,152,317</u>		<u>2,769,896</u>	<u>2,769,896</u>
<u>2,211,581</u>	<u>1,667,886</u>		<u>3,879,467</u>	<u>3,879,467</u>
376,065	151,575		527,640	527,640
1,270,099			1,270,099	1,270,099
<u>16,936,008</u>	<u>3,091,644</u>		<u>20,027,652</u>	<u>20,027,652</u>
<u>18,582,172</u>	<u>3,243,219</u>		<u>21,825,391</u>	<u>21,825,391</u>
2,316,131			2,316,131	2,316,131
<u>217,246</u>	<u>58,576</u>		<u>275,822</u>	<u>275,822</u>
<u>2,533,377</u>	<u>58,576</u>		<u>2,591,953</u>	<u>2,591,953</u>
364,055			364,055	364,055
95,331			95,331	95,331
202,883	5,049		207,932	207,932
9,654			9,654	9,654
6,748	1		6,749	6,749
44,043			44,043	44,043
	<u>14,113</u>		<u>14,113</u>	<u>14,113</u>
<u>722,714</u>	<u>19,163</u>		<u>741,877</u>	<u>741,877</u>
<u>\$ 65,395,116</u>	<u>\$ 9,661,069</u>	<u>\$ 2,307,844</u>	72,748,341	<u>\$ 72,748,341</u>
			<u>(1,270,099)</u>	
			<u>\$ 71,478,242</u>	

FRESNO UNIFIED SCHOOL DISTRICT

**SCHEDULE OF ACTUAL AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Second Period Report</u>	<u>Annual Report</u>
ELEMENTARY		
Kindergarten	5,731	5,775
First through third	18,404	18,450
Fourth through sixth	17,028	17,042
Seventh and eighth	10,429	10,392
Opportunity schools	69	73
Home and hospital	16	19
Special education	1,627	1,630
Total Elementary	<u>53,304</u>	<u>53,381</u>
SECONDARY		
Regular classes	17,080	16,850
Continuation education	742	737
Opportunity schools	47	46
Home and hospital	22	25
Special education	822	809
Students 21 and over and 19 or older not continuously enrolled since their 18th birthday, enrolled in K-12 through independent study	224	239
Total Secondary	<u>18,937</u>	<u>18,706</u>
Total K-12	<u>72,241</u>	<u>72,087</u>
REGIONAL OCCUPATIONAL PROGRAM CLASSES FOR ADULTS		
Concurrently enrolled	130	136
Not concurrently enrolled	3,281	3,519
Adults in correctional facilities	5	4
Total Classes for Adults	<u>3,416</u>	<u>3,659</u>
Grand Total	<u>75,657</u>	<u>75,746</u>
		<u>Hours of Attendance</u>
SUMMER SCHOOL		
Elementary		768,220
High School		574,446
Optional Programs for Students at Risk of Retention		133,015
Total Hours		<u>1,475,681</u>

See accompanying note to supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT

**SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2000**

<u>Grade Level</u>	<u>1986-87 Minutes Requirement</u>	<u>1982-83 Actual Minutes</u>	<u>1999-00 Actual Minutes</u>	<u>Status</u>
Kindergarten	36,000	31,680	36,000	Complied
Grades 1 - 3	50,400	43,095	50,400	Complied
Grades 4 - 6	54,000	54,000	54,010	Complied
Grades 7 - 8	54,000	54,000	54,977	Complied
Grades 9 - 12	64,800	54,560	64,805	Complied

See accompanying note to supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000**

Summarized below are the fund balance reconciliations between the Annual Financial and Budget Report (J-200) and the audited financial statements.

	<u>General Long- Term Debt Account Group</u>
June 30, 2000, Annual Financial and Budget Report (Form J-249) Total Liabilities	\$ 207,551,792
Adjustments and Reclassifications	
Increase/(Decrease) in Total Liabilities	
Bond anticipation notes understated	45,000,000
General obligation bond understated	3,946,939
State school building understated	87
Certificates of participation understated	4,734,608
Accumulated vacation overstated	(880,705)
Lease revenue bonds understated	3,999,224
Workers' Compensation understated	8,747,249
Capital leases understated	4,811,170
Net Adjustment and Reclassifications	<u>70,358,572</u>
June 30, 2000, Audited Financial Statement, General Long-Term Debt Total Liabilities	<u>\$ 277,910,364</u>

See accompanying note to supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2000

	(Budget)			
	2001 ¹	2000	1999	1998
GENERAL FUND				
Revenues	\$ 504,879,022	\$ 481,392,578	\$ 447,400,980	\$ 424,608,211
Other sources	36,150	1,997,286	523,760	248,398
Total Revenues and Other Sources	<u>504,915,172</u>	<u>483,389,864</u>	<u>447,924,740</u>	<u>424,856,609</u>
Expenditures	(505,867,329)	(488,208,113)	(442,621,453)	(411,817,001)
Other uses and transfers out	(2,986,033)	(7,341,954)	(1,542,435)	(1,966,047)
Total Expenditures and Other Uses	<u>(508,853,362)</u>	<u>(495,550,067)</u>	<u>(444,163,888)</u>	<u>(413,783,048)</u>
INCREASE/(DECREASE) IN FUND BALANCE	<u>\$ (3,938,190)</u>	<u>\$ (12,160,203)</u>	<u>\$ 3,760,852</u>	<u>\$ 11,073,561</u>
ENDING FUND BALANCE	<u>\$ 24,567,725</u>	<u>\$ 28,505,915</u>	<u>\$ 40,666,118</u>	<u>\$ 36,905,266</u>
AVAILABLE RESERVES ²	<u>\$ 19,208,304</u>	<u>\$ 18,800,354</u>	<u>\$ 22,234,926</u>	<u>\$ 15,222,254</u>
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	<u>3.77%</u>	<u>3.79%</u>	<u>5.01%</u>	<u>3.68%</u>
LONG-TERM DEBT	<u>Not available</u>	<u>\$ 277,910,364</u>	<u>\$ 228,186,485</u>	<u>\$ 241,534,089</u>
AVERAGE DAILY ATTENDANCE AT P-2 ³	<u>72,241</u>	<u>72,241</u>	<u>72,588</u>	<u>71,525</u>

The general fund balance has decreased by \$8,399,351 over the past two years. The fiscal year 2000-2001 budget projects a decrease of \$3,938,190 (13.8 percent). For a district this size, the State recommends available reserves of at least 2 percent of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in one of the past three years, and anticipates incurring an operating deficit during the 2000-2001 fiscal year. Total long-term debt has increased by \$36,376,275 over the past two years.

Average daily attendance has decreased by 347 over the past year.

¹ Budget 2001 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the general fund.

³ Excludes Adult Education ADA.

See accompanying note to supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT

**EARLY RETIREMENT INCENTIVE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2000**

The District has not adopted an early retirement incentive program, pursuant to Education Code Section 22714 and 44929, whereby the service credit to eligible employees is increased by two years.

See accompanying note to supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT

**GENERAL FUND SELECTED FINANCIAL INFORMATION
THREE-YEAR SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000**

(Amounts in thousands)

	Actual Results for the Years					
	1999-00		1998-99		1997-98	
	Amount	Percent of Revenue	Amount	Percent of Revenue	Amount	Percent of Revenue
REVENUES						
Federal revenue	\$ 50,334	10.5	\$ 45,268	10.1	\$ 41,275	9.7
State and local revenue included in revenue limit	302,362	62.8	286,533	64.0	280,080	66.0
Other state revenue	115,113	23.9	102,711	23.0	92,681	21.8
Other local revenue	13,584	2.8	12,889	2.9	10,572	2.5
Total Revenues	<u>481,393</u>	<u>100.0</u>	<u>447,401</u>	<u>100.0</u>	<u>424,608</u>	<u>100.0</u>
EXPENDITURES						
Salaries and Benefits						
Certificated salaries	251,618	52.3	228,312	51.0	206,207	48.6
Classified salaries	74,559	15.5	68,603	15.3	63,032	14.8
Employee benefits	79,305	16.5	73,885	16.5	67,055	15.8
Total Salaries and Benefits	405,482	84.2	370,800	82.9	336,294	79.2
Books and supplies	27,566	5.7	20,891	4.7	22,380	5.3
Contracts and operating expenses	33,836	7.0	32,543	7.3	33,394	7.9
Capital outlay	13,516	2.8	11,016	2.5	15,550	3.7
Debt service	308	0.1	249	0.1	1,845	0.4
Other	7,500	1.6	7,122	1.6	2,354	0.6
Total Expenditures	<u>488,208</u>	<u>101.4</u>	<u>442,621</u>	<u>98.9</u>	<u>411,817</u>	<u>97.0</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(6,815)</u>	<u>(1.4)</u>	<u>4,780</u>	<u>1.1</u>	<u>12,791</u>	<u>3.0</u>
OTHER FINANCING SOURCES/(USES)						
Operating transfers in	1,997	0.4	123	0.0	248	0.1
Operating transfers out	(7,342)	(1.5)	(1,542)	(0.3)	(1,966)	(0.5)
Other sources			400	0.1		
Total Other Financing Sources/(Uses)	<u>(5,345)</u>	<u>(1.1)</u>	<u>(1,019)</u>	<u>(0.2)</u>	<u>(1,718)</u>	<u>(0.4)</u>
INCREASE/DECREASE IN FUND BALANCE	<u>(12,160)</u>	<u>(2.5)</u>	<u>3,761</u>	<u>0.8</u>	<u>11,073</u>	<u>2.6</u>
FUND BALANCE, BEGINNING	<u>40,666</u>		<u>36,905</u>		<u>25,832</u>	
FUND BALANCE, ENDING	<u>\$ 28,506</u>		<u>\$ 40,666</u>		<u>\$ 36,905</u>	

See accompanying note to supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT

**CAFETERIA ACCOUNT SELECTED FINANCIAL INFORMATION
THREE-YEAR SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000**

(Amounts in thousands)

	Actual Results for the Years					
	1999-00		1998-99		1997-98	
	Amount	Percent of Revenue	Amount	Percent of Revenue	Amount	Percent of Revenue
REVENUES						
Federal - NSLP	\$ 20,028	79.4	\$ 19,436	80.6	\$ 17,784	80.9
State meal program	1,379	5.5	1,355	5.6	1,210	5.5
Food sales	3,024	12.0	2,513	10.4	2,355	10.7
Other	792	3.1	819	3.4	644	2.9
Total Revenues	<u>25,223</u>	<u>100.0</u>	<u>24,124</u>	<u>100.0</u>	<u>21,993</u>	<u>100.0</u>
EXPENDITURES						
Salaries and employee benefits	9,880	39.2	9,308	38.6	8,902	40.5
Food	10,758	42.7	10,520	43.6	9,645	43.9
Supplies	57	0.2	51	0.2	40	0.2
Other	1,364	5.4	1,441	6.0	1,445	6.6
Total Expenditures	<u>22,059</u>	<u>87.5</u>	<u>21,320</u>	<u>88.4</u>	<u>20,032</u>	<u>91.1</u>
INCREASE IN FUND BALANCE	<u>3,164</u>	<u>12.5</u>	<u>2,804</u>	<u>11.6</u>	<u>1,961</u>	<u>8.9</u>
FUND BALANCE, BEGINNING	<u>16,299</u>		<u>13,496</u>		<u>11,535</u>	
FUND BALANCE, ENDING	<u>\$ 19,463</u>		<u>\$ 16,299</u>		<u>\$ 13,496</u>	

* * * * *

TYPE 'A' LUNCH/BREAKFAST PARTICIPATION

	1999-00		1998-99		1997-98	
	Amount	Percent	Amount	Percent	Amount	Percent
TYPE 'A' LUNCHES						
Paid	965,895	11.2	948,178	11.0	910,767	11.3
Reduced price	770,871	8.9	722,424	8.4	600,927	7.4
Free	6,901,604	79.9	6,946,657	80.6	6,582,867	81.3
Total Lunches	<u>8,638,370</u>	<u>100.0</u>	<u>8,617,259</u>	<u>100.0</u>	<u>8,094,561</u>	<u>100.0</u>
BREAKFAST						
Paid	3,297	7.8				
Reduced price	4,403	10.5				
Free	34,336	81.7				
Total Breakfast	<u>42,036</u>	<u>100.0</u>				
NEEDY BREAKFAST						
Paid	237,539	6.4	236,890	6.3	202,611	5.7
Reduced price	289,049	7.8	272,588	7.2	211,582	6.0
Free	3,180,125	85.8	3,265,480	86.5	3,118,470	88.3
Total Breakfast	<u>3,706,713</u>	<u>100.0</u>	<u>3,774,958</u>	<u>100.0</u>	<u>3,532,663</u>	<u>100.0</u>
MEAL SUPPLEMENT						
Free	<u>186,835</u>	<u>100.0</u>				

See accompanying note to supplementary information.

FRESNO UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2000

NOTE #1 - PURPOSE OF SCHEDULES

A. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

B. Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionment's 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.

C. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirement, whichever is greater, as required by Education Code Section 46201.

D. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form J-200 to the audited financial statements.

E. 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.

FRESNO UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2000

F. Early Retirement Incentive Program

This schedule provides information required by the State Controller's Audit Guide for Local Educational Agencies K-12 for those agencies adopting an early retirement incentive program pursuant to Education Code Sections 22714 and 44929.

G. General Fund Selected Financial Information

This schedule provides a comparison of revenues and expenditures as a percentage of total revenue for the general fund for the past three years.

H. Cafeteria Account Selected Financial Information

This schedule provides a comparison of revenues and expenditures as a percentage of total revenue for the cafeteria account for the past three years.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Fresno Unified School District
Fresno, California

We have audited the financial statements of Fresno Unified School District as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. In our report, our opinion was qualified because Fresno Unified School District did not maintain a general fixed asset group of accounts. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Fresno Unified School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fresno Unified School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Fresno Unified School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of financial statements findings as items 2000-1 through 2000-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Trustees, Management, the California Department of Education, the State Controller's Office, and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Vavrinek, Stein, Day & Co., LLP

Fresno, California
October 6, 2000



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Fresno Unified School District
Fresno, California

Compliance

We have audited the compliance of Fresno Unified School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. Fresno Unified School District's major federal programs are identified in the Summary of Auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Fresno Unified School District's management. Our responsibility is to express an opinion on Fresno Unified School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fresno Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Fresno Unified School District's compliance with those requirements.

In our opinion, Fresno Unified School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Fresno Unified School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Fresno Unified School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Trustees, Management, the California Department of Education, the State Controller's Office, and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Navinnek, Mine, Day & Co., LLP
Fresno, California
October 6, 2000



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
 Fresno Unified School District
 Fresno, California

We have audited the financial statements of the Fresno Unified School District as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. In our report, our opinion was qualified because Fresno Unified School District did not maintain a general fixed asset group of accounts. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Standards and Procedures for Audits of California K-12 Local Educational Agencies*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

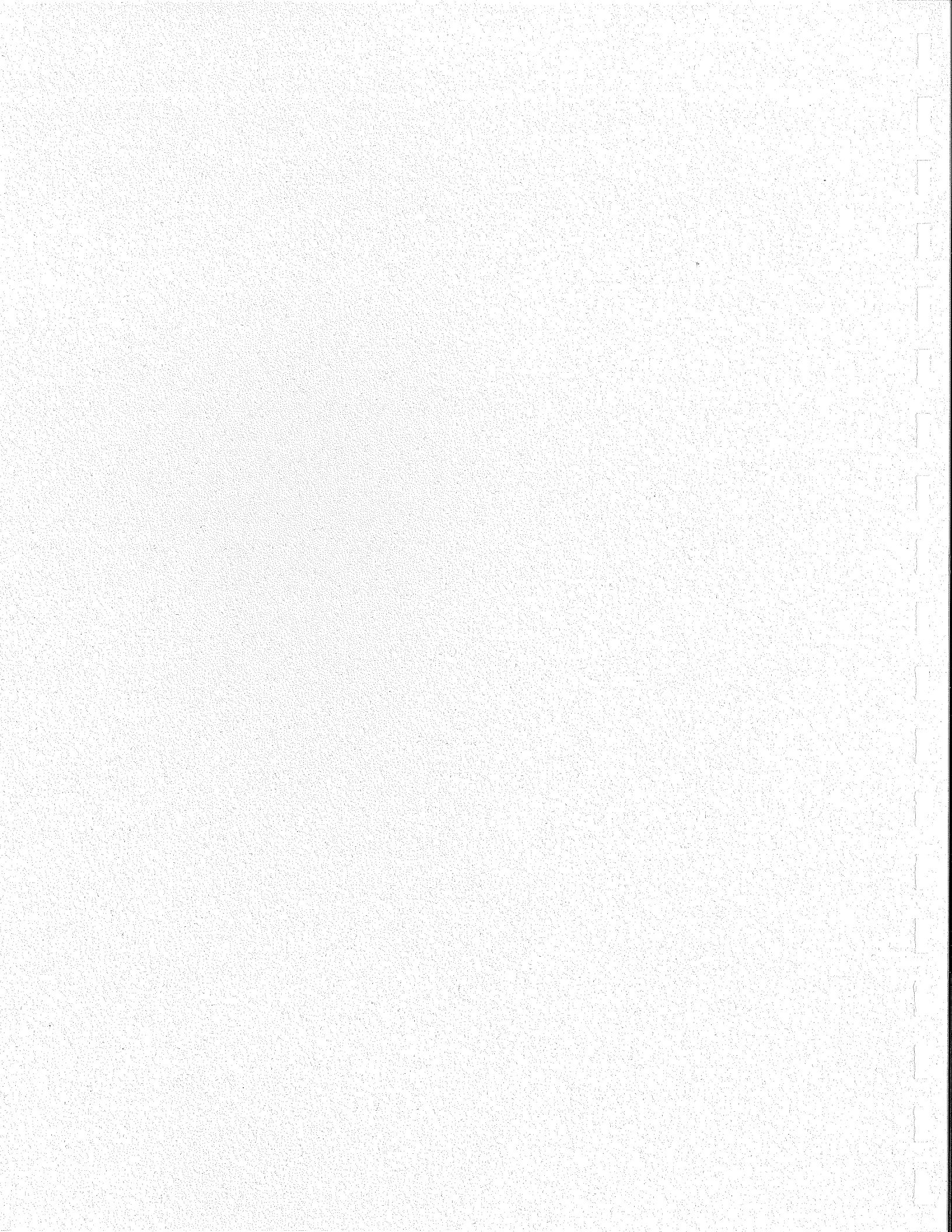
The management of Fresno Unified School District is responsible for compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine Fresno Unified School District's compliance with the laws and regulations of the following items:

	Procedures in Controller's Audit Guide	Procedures Performed
Attendance accounting		
Attendance reporting	4	Yes
Staff development days:		Yes
Kindergarten enrollment	4	Yes
Independent study	13	Yes
Continuation education	13	Yes
Adult education	8	Yes
Regional occupational centers/programs	5	Not Applicable
County Office of Education programs	9	Not Applicable
Incentives for longer instructional day:		
School districts	3	Yes
County offices of education	3	Not Applicable

	Procedures in Controller's Audit Guide	Procedures Performed
GANN limit calculation	2	Yes
Early retirement incentive program	5	Not Applicable
Community day schools	8	Not Applicable
Class size reduction program:		
Option one classes	12	Yes
Option two classes	11	Not Applicable
Both options one and two classes	17	Not applicable
Reduce class size in two courses in grade 9	8	Yes
State instructional materials fund	8	Yes
Schiff-Bustamante standards-based instructional materials	4	Yes
Digital High School Education Technology Grant Program	5	Yes
Office of Criminal Justice Planning	-	Not applicable

Based on our audit, we found that, for the items tested, the Fresno Unified School District complied with the state laws and regulations referred to above, except as described in the schedule of State award findings and questioned costs included in this report. Further, based on our audit, for items not tested, nothing came to our attention to indicate that the Fresno Unified School District had not complied with the laws and regulations.

Vavinek, Gino, Day & Co., LLP
 Fresno, California
 October 6, 2000



FRESNO UNIFIED SCHOOL DISTRICT

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2000**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Qualified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weakness identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>No</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I - Cluster
10.555	National School Lunch Program - Cluster
84.340	Title VI - Class Size Reduction
47.076	National Science Institute

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 2,002,474</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over state programs:	
Material weakness identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Qualified</u>

FRESNO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

The following findings represent reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with generally accepted government audit standards. The findings have been coded as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

ASSOCIATED STUDENT BODY

Internal Control and Financial Reporting

2000-1 Finding (30000)

All findings and recommendations for these accounts are presented in the Fresno Unified Student Body Funds Annual Financial Report for the year ended June 30, 2000.

Site Discretionary Accounts

2000-2 Finding (30000)

As noted in prior years, numerous expenditures were found to have been made from the Principals Discretionary Accounts that went against established and updated District policy. Examples of unallowable expenditures that were made included numerous donations to other entities, clothing purchased for students, and raffle prizes. In addition to unallowable purchases, general control issues were noted such as bank reconciliation's being performed incorrectly (such as the reconciliation section being used to recap the bank statement), numerous checks issued without evidence of supporting receipt/invoice, and overdraft problems causing deposits to be made.

Recommendation

District administration should reassert the intended use and documented restrictions on the discretionary accounts to site personnel and principals and obtain written certification from all responsible parties at the sites as to their understanding and agreement of this information. Periodic reviews should be made of these accounts due to their continued improper usage.

District Response

The District will reinforce the guidelines to all principals and obtain written certification of the rules. In addition, the District will follow-up with the individual school sites to ensure the procedures are understood and followed.

FRESNO UNIFIED SCHOOL DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2000**

There were no findings representing reportable conditions, material weaknesses, nor instances of noncompliance including questioned costs that are required to be reported by OMB Circular A-133.

FRESNO UNIFIED SCHOOL DISTRICT

STATE AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2000

The following findings represent instances of noncompliance and questioned costs relating to state program laws and regulations.

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
40000	State Compliance

2000-3 Finding (40000)

The Form J-9MH-A report for the Program to Reduce Class Size in Two Courses in Grade 9 included some classes whose average enrollment exceeded 22.4 students making those classes ineligible for funding. Based on our review 10 classes (7 Math/Algebra and 3 English) were found to be ineligible, which represented a total of 92.68 FYEE (Full Year Enrollment Equivalents). The funding impact was \$15,292 that was claimed in excess of that allowable under the rules for reporting based on the enrollment information provided at the time of our initial audit.

Recommendation

The District should review the report and its supporting documentation and remove classes whose current average enrollment is in excess of 22.4. A revised report should be sent to the state and a liability for the forfeited funds should be accrued.

District Response

The form J-9MH-A, which was originally filed, has been reviewed and amended for the condition noted. All eligible classes were removed and replaced with classes that did not exceed the 22.4 student cap for average enrollment. Based on this revision, the allowable funding is \$1,339,860, which is \$2,970 less than the original filing of form J-9MH-A. A revised copy has been submitted to the auditors and to the California Department of Education in November 2000. The auditors have reviewed the amendment and agree.

FRESNO UNIFIED SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of financial statement findings.

ASSOCIATED STUDENT BODY

REVENUE POTENTIAL FORMS

1999-1 Finding (30000)

All findings and recommendations for these accounts are presented in the Fresno Unified Student Body Funds Annual Financial Report for the year ended June 30, 1999.

GENERAL INTERNAL CONTROLS

PERSONNEL

1999-2 Finding (30000)

During our testing of payroll information, we noted that a number of items were missing from the personnel files that were obtained for the employees being reviewed. In three instances, current contracts were unavailable for examination. In one instance, an employee's W-4 form could not be located. These documents could not be found due to a computer system failure in which certain items could not be retrieved, nor could the hardcopies of these documents be located.

Recommendation

A backup system should be implemented in order for the District to ensure that personnel files are properly maintained and critical information accessible such as employment contracts and federal/state forms.

Current Status

Implemented.

FRESNO UNIFIED SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

SITE DISCRETIONARY ACCOUNTS

1999-3 Finding (30000)

As noted in prior years, numerous expenditures were found to have been made from the Principals Discretionary Accounts that went against established and updated District policy. Examples of unallowable expenditures that were made included numerous donations to other entities, clothing purchased for students, and raffle prizes. In addition to unallowable purchases, general control issues were noted such as bank reconciliation's being performed incorrectly (such as the reconciliation section being used to recap the bank statement), numerous checks issued without evidence of supporting receipt/invoice, and overdraft problems causing deposits to be made.

Recommendation

District administration should reassert the intended use and documented restrictions on the discretionary accounts to site personnel and principals and obtain written certification from all responsible parties at the sites as to their understanding and agreement of this information. Periodic reviews should be made of these accounts due to their continued improper usage.

Current Status

Partially implemented. See current year findings and recommendations.

ATTENDANCE

Burroughs Elementary School, Carver Middle School, and Kirk Elementary

ENROLLMENT RECONCILIATION

1999-4 Finding (10000)

In testing the sites procedures for reconciling enrollment activity between the manual add and drop logs to the attendance computer system enrollment activity summary, we noted that students found on the computer summary were not recorded in the log. The general procedure based on inquiry with site staff is that the names are traced from the computer summary into the log; any names not found on the appropriate log are then added.

FRESNO UNIFIED SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

Recommendation

In order for the reconciliation to serve its purpose of ensuring that all enrollment activity is reflected in the computer system, all enrollment activity must be recorded at the time of the activity on the add and drop logs maintained at the site. An efficient way to reconcile enrollment to the computer system is to tally the ending enrollment per the manual logs and compare this total to the computer system total enrollment. The prior attendance month's enrollment is used as a starting point. The total adds from the log during the appropriate attendance month are added to this figure and the total drops are subtracted giving the site a manual enrollment total as of the last day of the attendance month. The computer systems ending enrollment can be compared to this figure. If the numbers agree, there is no more work that needs to be done. If there is a difference then the site must check the logs to the computer summary in more detail.

Current Status

Implemented.

Kirk Elementary School

KINDERGARTEN RETENTION

1999-5 Finding (10000)

All four students tested that were retained in kindergarten beyond their one year anniversary date did not have a "Permission to Retain" form, signed by the parent/guardian, on file at the site as required by California Educational Code Section 46300 (g).

Recommendation

In order to claim the apportionment attendance credit for a kindergarten student who has been retained beyond his or her one year anniversary date must have a "Permission to Retain" form on file. California Educational Code Section 46300 (g) states, "In computing the average daily attendance of a school district, there shall be included the attendance of pupils in kindergarten after they have completed one school year in kindergarten only if the school district has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the State Department of Education and signed by the pupil's parent or guardian, that the pupil may continue in kindergarten for not more than an additional year." The attendance for the students who were retained in kindergarten without having the

Current Status

Implemented.

FRESNO UNIFIED SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

required retention form on file will be immaterial and no amendment is warranted of the attendance reports filed if the site immediately has the form completed and on file.

ATTENDANCE DATA FLOW

1999-6 Finding (10000)

Numerous discrepancies were noted when comparing attendance information between the source document (teachers attendance register) and the "Accumulative Attendance Report" generated from the information input into the Districts attendance accounting system. The following errors were noted:

- Absences marked in the teacher's attendance register were not reflected on the attendance accounting system.
- Absences marked on specific days in the teacher's register were not reflected on the corresponding day on the attendance accounting systems report.
- Absences were noted on the attendance accounting system report's which were not reflected in the teachers attendance register.

Recommendation

As the teachers register is the certified source document for all attendance accounting information, the data contained on the register must be accurately transferred to the attendance accounting system that is used to file the district's attendance reports from which the district receives its main revenue source. The site should use greater care when inputting attendance information into the attendance system. As the errors noted caused both overstatements and understatements of attendance information, we feel the impact of ADA on the district would be less than one and no amendments to the attendance reports filed are necessary. The district should reevaluate this condition in the near future to ensure the problem has been corrected.

Current Status

Implemented.

FRESNO UNIFIED SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

Starr Elementary School and Birney Elementary School

INDEPENDENT STUDY CONTRACT

1999-7 Finding (10000)

In our review of the independent study program at Starr Elementary School, the site is not using the independent study master agreement which contains the majority of the State required information for the program to be eligible for attendance credit but only the assignment contract. Also, the master agreement used by Birney Elementary School is not the Fresno Unified standard contract packet. The document being used at the site does not have all the required elements as outlined in the California Code of Regulations Title V (5CCR) Section 11702 and the California Education Code Section 51747.

Recommendation:

These school sites should use the master agreement packet which includes the master agreement and the assignment contract provided by the District Office which meets all the State required elements in order for all attendance generated by the Independent Study program to be allowable.

Current Status

Implemented.