Financial Statements
June 30, 2022

Etiwanda School District

EideBailly

Independent Auditor's Report ... 1

Management's Discussion and Analysis ... 5

Government Wide Financial Statements

Statement of Net Position ... 14
Statement of Activities ... 15

Government Fund Financial Statements

Balance Sheet – Governmental Funds ... 16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position ... 17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds ... 18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities ... 19

Fiduciary Fund Financial Statements

Statement of Net Position – Fiduciary Funds ... 21
Statement of Changes in Net Position – Fiduciary Funds ... 22

Notes to Financial Statements ... 23

Required Supplementary Information

Budgetary Comparison Schedule – General Fund ... 65
Schedule of Changes in the District's Total OPEB Liability and Related Ratios ... 66
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program ... 67
Schedule of District Proportionate Share of the Net Pension Liability ... 68
Schedule of the District's Contributions ... 69
Notes to Required Supplementary Information ... 70

Supplementary Information

Schedule of Expenditures of Federal Awards ... 72
Local Education Agency Organization Structure ... 73
Schedule of Average Daily Attendance ... 74
Schedule of Instructional Time ... 75
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements ... 76
Schedule of Financial Trends and Analysis ... 77
Combining Balance Sheet – Non-Major Governmental Funds ... 78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds ... 79
Notes to Supplementary Information ... 80

Independent Auditor's Reports

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ... 82

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance ... 84

Independent Auditor's Report on State Compliance ... 87

Schedule of Findings and Questioned Costs

Summary of Auditor's Results ... 92
Financial Statement Findings ... 93
Federal Awards Findings and Questioned Costs ... 94
State Compliance Findings and Questioned Costs ... 95
Summary Schedule of Prior Audit Findings ... 96

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Independent Auditor's Report

Governing Board
Etiwanda School District
Etiwanda, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Etiwanda School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 1 and Note 19 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 2, 2022

Charlayne Sprague
Superintendent
Douglas M. Claflin
Assistant Superintendent of Business Services
Laura Rowland
Assistant Superintendent of Personnel Services
Jeannie Tavolazzi
Assistant Superintendent of Instruction and Pupil Services
Elizabeth Freer
Executive Director of Special Education

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This section of Etiwanda School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022, with comparative information for the year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental and fiduciary.

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

- The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

The Primary unit of the government is the Etiwanda School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activity as follows:

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our funds for Debt Service Special Tax Bonds. The District's fiduciary activities are reported in the separate Statements of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $181,525,330 for the fiscal year ended June 30, 2022. Of this amount, $(97,300,053) was an unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants, grantors, constitutional provisions, and enabling legislation that limit the School District's ability to use those net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2022	2021 as restated
Assets		
Current and other assets	$ 219,180,127	$ 228,853,839
Capital assets	254,841,086	239,837,996
Total assets	474,021,213	468,691,835
Deferred outflows of resources	38,126,031	49,084,583
Liabilities		
Current liabilities	30,015,582	27,927,236
Long-term liabilities	227,515,687	310,323,954
Total liabilities	257,531,269	338,251,190
Deferred inflows of resources	73,090,645	9,254,870
Net Position		
Net investment in capital assets	186,662,659	184,776,167
Restricted	92,162,724	79,622,065
Unrestricted deficit	(97,300,053)	(94,127,874)
Total net position	$ 181,525,330	$ 170,270,358

The $(97,300,053) in unrestricted deficit net position of governmental activities represents the accumulated results of all past years' operations.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 15. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2022	2021*
Revenues		
Program revenues		
Charges for services and sales	$ 3,287,596	$ (1,890,578)
Operating grants and contributions	44,480,874	45,746,188
Capital grants and contributions	-	18,621,704
General revenues		
Federal and State aid not restricted	110,035,862	104,153,342
Property taxes	32,572,735	31,555,518
Other general revenues	1,665,152	5,873,608
Total revenues	192,042,219	204,059,782
Expenses		
Instruction-related	131,988,611	145,531,123
Pupil services	19,286,303	16,484,841
Administration	7,415,901	7,628,498
Plant services	12,052,543	11,311,410
All other services	10,043,889	11,562,535
Total expenses	180,787,247	192,518,407
Change in Net Position	$ 11,254,972	$ 11,541,375

* The revenues and expenses for fiscal year 2021 were not restated to show the effects of GASB 87 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was $180,787,247. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $32,572,735.

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

Table 3

	Total Cost of Services		Net Cost of Services	
	2022	2021*	2022	2021*
Instruction-related	$ 131,988,611	$ 145,531,123	$ (98,005,773)	$ (88,865,966)
Pupil services	19,286,303	16,484,841	(9,629,586)	(12,250,648)
Administration	7,415,901	7,628,498	(6,912,780)	(6,557,156)
Plant services	12,052,543	11,311,410	(11,940,187)	(10,131,392)
All other services	10,043,889	11,562,535	(6,530,451)	(12,235,931)
Total	$ 180,787,247	$ 192,518,407	$ (133,018,777)	$ (130,041,093)

* The total and net cost of services for fiscal year 2021 were not restated to show the effects of GASB 87 for comparative purposes.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $165,512,211 which is a decrease of $9,931,996 from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2021	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2022
General	$ 64,969,379	$ 183,875,812	$ 186,332,563	$ 62,512,628
Building	32,882,697	(309,681)	16,598,033	15,974,983
Special Reserve Fund for Capital Outlay Projects	62,303,553	8,343,705	7,177,013	63,470,245
Student Activity	160,157	790,609	640,498	310,268
Cafeteria	600,976	6,715,791	4,637,919	2,678,848
Capital Facilities	374,119	4,723,329	203,602	4,893,846
County School Facilities	25,780	(247)	2,103	23,430
Combined Community Facilities District Capital	8,015,571	2,418,777	370,949	10,063,399
Bond Interest and Redemption	5,138,519	3,835,993	4,363,475	4,611,037
Debt Service Fund for Blended Component Units	973,456	2,494,240	2,494,169	973,527
Total	$ 175,444,207	$ 212,888,328	$ 222,820,324	$ 165,512,211

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on September 8, 2022. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 65.)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had a carrying value of $254,841,086 in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of $15,003,090, or 6.3%, from last year (Table 5).

Table 5

	Governmental Activities	
	2022	2021
Land and construction in progress	$ 52,073,673	$ 47,668,342
Buildings and improvements	199,334,448	188,150,177
Equipment	3,432,965	4,019,477
Total	$ 254,841,086	$ 239,837,996

We present more detailed information regarding our capital assets in Note 6 of the financial statements.

Long-Term Liabilities

At the end of this year, the District had $227,515,687 in long-term liabilities outstanding versus $310,323,954 last year.

Table 6

	Governmental Activities	
	2022	2021
Long-Term Liabilities		
General obligation bonds	$ 89,097,789	$ 89,706,778
Unamortized debt premiums	7,120,049	7,390,849
ESD Public Financing Authority (PFA) local agency bonds	24,555,000	26,395,000
Compensated absences	601,961	611,122
Aggregate net OPEB liability	19,806,656	21,726,070
Aggregate net pension liabilities	86,334,232	164,494,135
Total	$ 227,515,687	$ 310,323,954

We present more detailed information regarding our long-term liabilities in Note 11, Note 12, and Note 16 of the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2021-2022 ARE NOTED BELOW:

- The District operated thirteen K-5 elementary schools and four 6-8 middle schools for a total of seventeen schools during the year. The District also had in operation the following programs: community day school, preschool, and home school. The District also provides childcare services at seventeen school sites.
- Voters approved Measure I in November 2016, a $137 million General Obligation Bond for the repair and upgrade of neighborhood schools.
  - Numerous capital/technological improvements and repairs at multiple school sites were completed in 2021-2022 utilizing funds from the passage of Measure I.
- Chromebooks are supplied for all Transitional Kindergarten through 8th grade classrooms and students.
- Construction began on a new District Operations Center.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2022-2023 year, the District Board and management used the following criteria:

The key assumptions in our revenue projections are:

- LCFF gap funding at 100%.
- ADA of 12,795 was used as an estimate for P-2.
- Lottery revenues were estimated to come in at $3,046,992 per prior year annual ADA.
- Interest earnings are expected to be lower than prior years.
- Developer fee collections are based on approximate new housing units to be constructed and are remaining flat.

Expenditures are based on the following projections:

- COLA of 6.56% for 2022-2023 with an additional 3.00% augmentation.
- Certificated salary step/column average of 1.2% for 2022-2023.
- Historical trends predict 5.78% increase to supplies/services.
- Classified salary step average of 2.1% for 2022-2023.
- Employee benefit increase.
- Employee benefits no longer provide for remaining cash back.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Doug Claflin, Assistant Superintendent of Business Services, at Etiwanda School District, 6061 East Avenue, Etiwanda, California 91739, or e-mail at doug_claflin@etiwanda.k12.ca.us.

	Governmental Activities
Assets	
Deposits and investments	$ 182,821,072
Receivables	11,357,606
Prepaid expense	58,164
Long-term receivables	24,555,000
Stores inventories	148,285
Lease receivable	240,000
Capital assets not depreciated	52,073,673
Capital assets, net of accumulated depreciation	202,767,413
Total assets	474,021,213
Deferred Outflows of Resources	
Deferred outflows of resources related to OPEB	4,720,184
Deferred outflows of resources related to pensions	33,405,847
Total deferred outflows of resources	38,126,031
Liabilities	
Accounts payable	26,335,605
Interest payable	1,142,666
Unearned revenue	2,537,311
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	3,685,000
Long-term liabilities other than OPEB and pensions due in more than one year	117,689,799
Aggregate net other postemployment benefits (OPEB) liability	19,806,656
Aggregate net pension liabilities	86,334,232
Total liabilities	257,531,269
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	7,334,857
Deferred inflows of resources related to pensions	65,515,788
Deferred inflows of resources related to leases	240,000
Total deferred inflows of resources	73,090,645
Net Position	
Net investment in capital assets	186,662,659
Restricted for	
Debt service	4,441,898
Capital projects	68,387,521
Educational programs	16,451,851
Other activities	2,881,454
Unrestricted deficit	(97,300,053)
Total net position	$ 181,525,330

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 116,889,799	$ 9,304	$ 27,723,064	$ -	$ (89,157,431)
Instruction-related activities					
Supervision of instruction	4,577,065	-	5,042,553	-	465,488
Instructional library, media, and technology	1,995,638	-	34,137	-	(1,961,501)
School site administration	8,526,109	-	1,173,780	-	(7,352,329)
Pupil services					
Home-to-school transportation	3,047,310	-	-	-	(3,047,310)
Food services	4,551,320	(10,809)	6,605,482	-	2,043,353
All other pupil services	11,687,673	90,759	2,971,285	-	(8,625,629)
Administration					
Data processing	1,357,977	-	3,143	-	(1,354,834)
All other administration	6,057,924	38,169	461,809	-	(5,557,946)
Plant services	12,052,543	19,394	92,962	-	(11,940,187)
Ancillary services	640,498	-	790,609	-	150,111
Community services	5,013,460	-	38,215	-	(4,975,245)
Interest on long-term liabilities	4,117,917	-	-	-	(4,117,917)
Other outgo	272,014	3,140,779	(456,165)	-	2,412,600
Total governmental activities	$ 180,787,247	$ 3,287,596	$ 44,480,874	$ -	(133,018,777)
General Revenues and Subventions					
Property taxes, levied for general purposes					20,572,603
Property taxes, levied for debt service					3,900,348
Taxes levied for other specific purposes					8,099,784
Federal and State aid not restricted to specific purposes					110,035,862
Interest and investment earnings					(504,346)
Interagency revenues					1,261,401
Miscellaneous					908,097
Subtotal, general revenues and subventions					144,273,749
Change in Net Position					11,254,972
Net Position - Beginning					170,270,358
Net Position - Ending					$ 181,525,330

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 77,497,724	$ 18,013,470	$ 64,312,346	$ 22,997,532	$ 182,821,072
Receivables	10,521,266	49,130	132,156	655,054	11,357,606
Due from other funds	73,076	-	-	-	73,076
Prepaid expenditures	56,445	1,719	-	-	58,164
Stores inventories	40,623	-	-	107,662	148,285
Lease receivable	240,000	-	-	-	240,000
Total assets	$ 88,429,134	$ 18,064,319	$ 64,444,502	$ 23,760,248	$ 194,698,203
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 23,213,546	$ 2,089,336	$ 974,220	$ 58,503	$ 26,335,605
Due to other funds	-	-	37	73,039	73,076
Unearned revenue	2,462,960	-	-	74,351	2,537,311
Total liabilities	25,676,506	2,089,336	974,257	205,893	28,945,992
Deferred Inflows of Resources					
Deferred inflows of resources related to leases	240,000	-	-	-	240,000
Fund Balances					
Nonspendable	122,068	1,719	-	107,662	231,449
Restricted	16,451,851	15,973,264	63,470,245	23,446,693	119,342,053
Committed	23,024,991	-	-	-	23,024,991
Assigned	12,785,209	-	-	-	12,785,209
Unassigned	10,128,509	-	-	-	10,128,509
Total fund balances	62,512,628	15,974,983	63,470,245	23,554,355	165,512,211
Total liabilities, deferred inflows of resources, and fund balances	$ 88,429,134	$ 18,064,319	$ 64,444,502	$ 23,760,248	$ 194,698,203

Total Fund Balance - Governmental Funds		$ 165,512,211
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 371,486,178	
Accumulated depreciation is	(116,645,092)	
Net capital assets		254,841,086
Receivables related to Etiwanda School District Public Financing Authority are not received in the near term (within a a year) and therefore, are not reported as receivables in the governmental funds. Current year collections totaling $1,840,000 were received, leaving a balance of $24,555,000.		24,555,000
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(1,142,666)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Aggregate net OPEB liability	4,720,184	
Aggregate net pension liabilities	33,405,847	
Total deferred outflows of resources		38,126,031
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Aggregate net OPEB liability	(7,334,857)	
Aggregate net pension liabilities	(65,515,788)	
Total deferred inflows of resources		(72,850,645)
Aggregate net pension liabilities is not due and payable in the current period, and is not reported as a liability in the funds.		(86,334,232)
The District's aggregate net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(19,806,656)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds	(94,216,809)	
ESD Public Financing Authority (PFA) local agency bonds	(24,555,000)	
Compensated absences	(601,961)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(2,001,029)	
Total long-term liabilities		(121,374,799)
Total net position - governmental activities		$ 181,525,330

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 127,324,268	$ -	$ -	$ -	$ 127,324,268
Federal sources	11,990,955	-	-	6,426,057	18,417,012
Other State sources	20,957,070	-	-	347,397	21,304,467
Other local sources	21,403,519	(309,681)	(988,722)	14,205,038	34,310,154
Total revenues	181,675,812	(309,681)	(988,722)	20,978,492	201,355,901
Expenditures					
Current					
Instruction	120,931,983	-	-	-	120,931,983
Instruction-related activities					
Supervision of instruction	4,749,300	-	-	-	4,749,300
Instructional library, media, and technology	1,986,410	-	-	-	1,986,410
School site administration	8,625,408	-	-	-	8,625,408
Pupil services					
Home-to-school transportation	2,891,437	-	-	-	2,891,437
Food services	13,332	-	-	4,555,305	4,568,637
All other pupil services	12,060,665	-	-	-	12,060,665
Administration					
Data processing	1,310,701	-	-	-	1,310,701
All other administration	5,418,925	-	-	201,190	5,620,115
Plant services	11,140,775	38,007	47,593	388,166	11,614,541
Ancillary services	-	-	-	640,498	640,498
Community services	4,912,431	-	-	-	4,912,431
Other outgo	272,014	-	-	-	272,014
Facility acquisition and construction	2,686,988	16,560,026	4,929,420	69,679	24,246,113
Debt service					
Principal	-	-	-	3,435,000	3,435,000
Interest and other	-	-	-	3,422,644	3,422,644
Total expenditures	177,000,369	16,598,033	4,977,013	12,712,482	211,287,897
Excess (Deficiency) of Revenues Over Expenditures	4,675,443	(16,907,714)	(5,965,735)	8,266,010	(9,931,996)
Other Financing Sources (Uses)					
Transfers in	2,200,000	-	9,332,427	-	11,532,427
Transfers out	(9,332,194)	-	(2,200,000)	(233)	(11,532,427)
Net Financing Sources (Uses)	(7,132,194)	-	7,132,427	(233)	-
Net Change in Fund Balances	(2,456,751)	(16,907,714)	1,166,692	8,265,777	(9,931,996)
Fund Balance - Beginning	64,969,379	32,882,697	62,303,553	15,288,578	175,444,207
Fund Balance - Ending	$ 62,512,628	$ 15,974,983	$ 63,470,245	$ 23,554,355	$ 165,512,211

Total Net Change in Fund Balances - Governmental Funds		$ (9,931,996)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation and amortization expenses in the period.		
Capital outlays	$ 24,405,874	
Depreciation and amortization expenses	(9,402,784)	
Net expense adjustment		15,003,090
The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was		(986,011)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		9,161
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and aggregate net pension liabilities during the year.		8,031,673
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and aggregate net OPEB liability during the year.		(2,756,683)
The collection of tax assessment are revenues in the governmental funds, but it reduces long-term receivables in the Statement of Net Position and does not effect the Statement of Activities.		(1,840,000)

Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	$ 270,800
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	1,595,000
Public financing authority bonds	1,840,000
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	19,938
Change in net position of governmental activities	$ 11,254,972

	Custodial Funds
Assets	
Deposits and investments	$ 68,802,915
Receivables	80,917
Total assets	$ 68,883,832
Net Position	
Restricted for individuals, organizations and other governments	$ 68,883,832

	Custodial Funds
Additions	
Contributions	
Special tax assessment	$ 6,262,525
Investment earnings	
Interest	187,073
Total contributions	6,449,598
Deductions	
Debt service payments	6,146,537
Change in Fiduciary Net Position	303,061
Net Position - Beginning	68,580,771
Net Position - Ending	$ 68,883,832

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Etiwanda School District (the District) was organized in 1883 under the laws of the State of California. The District is an elementary school district comprised of an area of approximately 48 square miles located in San Bernardino County. The District operates under a locally-elected five-member Board form of government and provides educational services to preschool and grades K-8 as mandated by the State and Federal agencies. The District maintained thirteen elementary and four intermediate schools during the year.

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

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units described below have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 80, *Blending Requirements for Certain Component Units* and thus are included in the financial statements of the District. The component units, although legally separate entities are reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component units is essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Etiwanda School District and the Etiwanda School District Public Financing Authority (the Authority) and the Community Facilities District (the CFDs) have a financial and operational relationship which meets the reporting entity definition criteria of (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Authority and the CFDs as component units of the District. Accordingly, the financial statements of the Authority and the CFDs have been included in the financial statements of the District. The financial statements present the Authority's financial activities within the Debt Service Fund for Blended Component Units. The CFD's financial activity is presented in the Combined Community Facilities District Fund and the Custodial Funds. Debt instruments issued by the Authority are included as long-term liabilities in the government-wide financial statements. Debt instruments issued by the CFD do not represent liabilities of the District or component units and are not included in the District-wide financial statements.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

Two funds currently defined as a special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects and Fund 20, Special Reserve for Postemployment Benefits, are not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these fund functions effectively as an extension of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of $20,511,633.

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

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

Non-Major Governmental Funds

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and Government Code Section 65995 et seq.). Expenditures are restricted to the purposes specified in (Government Code Sections 65970-65981) or to the items specified in agreements with the developer (Government Code Section 66006).

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

- **Combined Community Facilities District (CFD) Capital Fund** The Combined CFD Fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

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

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

- **Debt Service Fund for Blended Component Units** The Debt Service Fund for Blended Component Units is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties outside the District's reporting entity. The District's custodial funds account for the levying of special taxes by the Community Facilities Districts.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

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

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

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

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

- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

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

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

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

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

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

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

Prepaid Expenditures (Expenses)

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

Stores Inventories

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

Capital Assets and Depreciation

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

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements/infrastructure, 20 to 25 years; equipment, 5 to 7 years; vehicles, 7 to 12 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2022.

Interfund Balances

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

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

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

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums and Discounts

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discount, as well as issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for pension related items and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources deferred inflows of resources related to leases, for pension related items and for OPEB related items.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Leases

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

Fund Balances - Governmental Funds

As of June 30, 2022, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than 10% of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $92,162,724 of net position restricted by enabling legislation.

Interfund Activity

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

Estimates

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

Property Tax

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

Change in Accounting Principles

Implementation of GASB Statement No. 87

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 19 and the additional disclosures required by this standard is included in Note 7.

Implementation of GASB Statement No. 92

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting.
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements.
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The provisions of this Statement have been implemented as of June 30, 2022.

Implementation of GASB Statement No. 93

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment.
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate.
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable.
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap.
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended.
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The provisions of this Statement have been implemented as of June 30, 2022.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Governmental funds	$ 182,821,072
Fiduciary funds	68,802,915
Total deposits and investments	$ 251,623,987

Deposits and investments as of June 30, 2022, consist of the following:

Cash on hand and in banks	$ 460,768
Cash in revolving	25,000
Cash with fiscal agent	41,944,842
Investments	209,193,377
Total deposits and investments	$ 251,623,987

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the San Bernardino County Investment Pool, money market funds, and municipal securities.

Weighted Average Maturity and Credit Risk

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Information about the weighted average maturity and credit rating of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity in Days	Rating
Municipal Securities	$ 24,555,000	1,872	Aa2
Money Market Funds	13,378,002	N/A	Not applicable
San Bernardino County Investment Pool	171,260,375	495	AAAf/S1
Total	$ 209,193,377		

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2022, the District's bank balance of $381,171 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the investments in Municipal Securities of $24,555,000, a portion is guaranteed by the Securities Investor Protection Corporation (SIPC). The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 3 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District's fair value measurements are as follows at June 30, 2022:

		Fair Value Measurements Using
Investment Type	Reported Amount	Level 1 Inputs
Municipal Securities	$ 24,555,000	$ 24,555,000
Money Market Funds	13,378,002	13,378,002
Total	$ 37,933,002	$ 37,933,002

All assets have been valued using a market approach, with quoted market prices.

Note 4 - Receivables

Receivables at June 30, 2022, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total	Fiduciary Funds
Federal Government						
Categorical aid	$ 6,503,840	$ -	$ -	$ 597,053	$ 7,100,893	$ -
State Government						
Categorical aid	2,730,793	-	-	32,545	2,763,338	-
Lottery	560,598	-	-	-	560,598	-
Local Government						
Interest	104,107	49,130	132,156	4,165	289,558	-
Other local sources	621,928	-	-	21,291	643,219	80,917
Total	$ 10,521,266	$ 49,130	$ 132,156	$ 655,054	$ 11,357,606	$ 80,917

Note 5 - Long-Term Receivables

Proceeds from bonds issued by the Etiwanda School District Public Financing Authority (ESD PFA) were used to purchase outstanding bonds of various Community Facilities Districts (CFDs). In accordance with the agreement between the ESD PFA and CFD’s, special tax assessments collected from the CFDs that benefitted will be used to repay the outstanding bonds issued by the ESD PFA. The total amount of benefit provided by the ESD PFA through the issuance of its special tax bonds was $29,390,000. Current year payments totaling $1,840,000 were made, leaving a total of $24,555,000 due from the CFDs as of June 30, 2022.

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	$ 30,357,517	$ -	$ -	$ 30,357,517
Construction in progress	17,310,825	17,515,395	(13,110,064)	21,716,156
Total capital assets not being depreciated	47,668,342	17,515,395	(13,110,064)	52,073,673
Capital assets being depreciated				
Land improvements	12,823,298	680,244	-	13,503,542
Buildings and improvements	276,251,220	19,197,770	-	295,448,990
Furniture and equipment	10,363,573	122,529	(26,129)	10,459,973
Total capital assets being depreciated	299,438,091	20,000,543	(26,129)	319,412,505
Total capital assets	347,106,433	37,515,938	(13,136,193)	371,486,178
Accumulated depreciation				
Land improvements	(7,190,795)	(598,412)	-	(7,789,207)
Buildings and improvements	(93,733,546)	(8,095,331)	-	(101,828,877)
Furniture and equipment	(6,344,096)	(709,041)	26,129	(7,027,008)
Total accumulated depreciation	(107,268,437)	(9,402,784)	26,129	(116,645,092)
Governmental activities capital assets, net	$ 239,837,996	$ 28,113,154	$ (13,110,064)	$ 254,841,086

Depreciation and amortization expenses were charged to governmental functions as follows:

Governmental Activities	
Instruction	$ 6,524,315
Supervision of instruction	257,359
Instructional library, media, and technology	107,641
School site administration	467,401
Home-to-school transportation	156,684
Food services	722
All other pupil services	653,553
Community Services	266,199
Data processing	293,645
All other administration	71,025
Plant services	604,240
Total depreciation and amortization expenses governmental activities	$ 9,402,784

Note 7 - Lease Receivables

The District has entered into lease agreements with various lessees. The lease receivables are summarized below:

Lease Receivable	Outstanding July 1, 2021 as restated	Addition	Deletion	Outstanding June 30, 2022
Passenger bus fleet	$ 250,000	$ -	$ (10,000)	$ 240,000

Passenger Bus Fleet

The District leases a fleet of passenger buses to a transportation service provider for the express purpose of providing transportation services to District students. The lease is non-cancelable for a period of four years with no stated renewal option. During the fiscal year, the District recognized $10,000 in lease revenue and $791 in interest revenue related to this agreement. At June 30, 2022, the District recorded $240,000 in lease receivables and deferred inflows of resources for these arrangements. The District used an interest rate of 2.00% based on the District’s estimated incremental borrowing rate over the same time periods.

Note 8 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2022, between major, and non-major governmental funds are as follows:

	Due From		
Due To	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
General Fund	$ 37	$ 73,039	$ 73,076

The balance of $37 due to the General Fund from the Special Reserve Fund for Capital Outlay Projects Fund for sales tax.

The balance of $73,039 due to the General fund from the Cafeteria Non-Major Governmental Fund for indirect costs.

Operating Transfers

Interfund transfers for the year ended June 30, 2022, consisted of the following:

	Transfer From			
Transfer To	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
General Fund	$ -	$ 2,200,000	$ -	$ 2,200,000
Special Reserve Fund for Capital Outlay Projects	9,332,194	-	233	9,332,427
Total	$ 9,332,194	$ 2,200,000	$ 233	$ 11,532,427

The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for Redevelopment Agency funding and to fund future technology upgrades.	$ 9,332,194
The Special Reserve Fund for Capital Outlay Projects transferred to the General Fund for the School Technology Trust project.	2,200,000
The County School Facilities Non-Major Governmental Fund transferred to the Special Reserve Reserve Fund for Capital Outlay Projects for construction-related expenditures.	233
Total	$ 11,532,427

Note 9 - Accounts Payable

Accounts payable at June 30, 2022, consisted of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Vendor payables	$ 2,320,683	$ -	$ -	$ 50,663	$ 2,371,346
LCFF apportionment	19,954,134	-	-	-	19,954,134
Salaries and benefits	830,307	-	-	-	830,307
Special Education	108,422	-	-	-	108,422
Construction	-	2,089,336	974,220	7,840	3,071,396
Total	$ 23,213,546	$ 2,089,336	$ 974,220	$ 58,503	$ 26,335,605

Note 10 - Unearned Revenue

Unearned revenue at June 30, 2022, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	$ 2,162,273	$ 74,351	$ 2,236,624
State categorical aid	300,687	-	300,687
Total	$ 2,462,960	$ 74,351	$ 2,537,311

Note 11 - Long-Term Liabilities Other than OPEB and Pensions

Summary

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

	Balance July 1, 2021 as restated	Additions	Deductions	Balance June 30, 2022	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 89,706,778	$ 986,011	$ (1,595,000)	$ 89,097,789	$ 1,700,000
Unamortized debt premiums	7,390,849	-	(270,800)	7,120,049	-
ESD Public Financing Authority (PFA) local agency bonds	26,395,000	-	(1,840,000)	24,555,000	1,985,000
Compensated absences	611,122	-	(9,161)	601,961	-
Total	$ 124,103,749	$ 986,011	$ (3,714,961)	$ 121,374,799	$ 3,685,000

Payments for the general obligation bonds are made by the Bond Interest and Redemption Fund with local tax revenues. Payments for the Etiwanda School District (ESD) Public Financing Authority special tax revenue bonds are made by the Debt Service Fund for Blended Component Units. Payments for the compensated absences are paid by the fund for which the employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2021	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2022
5/31/2017	8/1/2046	2.00-5.00%	$ 45,995,326	$ 39,391,434	$ -	$ 209,977	$ -	$ 39,601,411
5/21/2020	8/1/2049	2.76-4.00%	49,996,434	50,315,344	-	776,034	(1,595,000)	49,496,378
				$ 89,706,778	$ -	$ 986,011	$ (1,595,000)	$ 89,097,789

On November 8, 2016, the voters of the District approved Measure I, which allowed the District to issue $137,000,000 of general obligation bonds to be used to repair and update school facilities.

2017A General Obligation Bonds

On May 31, 2017, $45,995,326 of Etiwanda School District, Election of 2016, Series 2017A Bonds were issued with a final maturity date of August 1, 2046. The bonds were issued as current interest bonds in the principal amount of $41,970,000 and capital appreciation bonds in the original principal amount of $4,025,326. Interest rates range between 2.00 and 5.00%, depending on the maturity of the related bonds. Interest is payable semiannually on February 1 and August 1 of each year. The outstanding balance of the bonds at June 30, 2022 was $39,601,411. Unamortized premium received on issuance of the bonds amount to $3,725,865 as of June 30, 2022.

2020A General Obligation Bonds

On May 21, 2020, $49,996,434 of Etiwanda School District, Election of 2016, Series 2020A Bonds were issued with a final maturity date of August 1, 2049. The bonds were issued as current interest bonds in the principal amount of $30,490,000 and capital appreciation bonds in the original principal amount of $19,506,434. Interest rates range between 2.76 and 4.00%, depending on the maturity of the related bonds. Interest is payable semiannually on February 1 and August 1 of each year. The outstanding balance of the bonds at June 30, 2022 was $49,496,378. Unamortized premium received on issuance of the bonds amount to $3,394,184 as of June 30, 2022.

Debt Service Requirement to Maturity

The General Obligation Bonds mature through 2050 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Current Interest to Maturity	Accreted Interest	Total
2023	$ 1,700,000	$ 2,709,400	$ -	$ 4,409,400
2024	1,100,000	2,656,150	-	3,756,150
2025	440,000	2,627,100	-	3,067,100
2026	570,000	2,606,900	-	3,176,900
2027	1,265,000	2,567,950	-	3,832,950
2028-2032	10,700,000	11,721,050	-	22,421,050
2033-2037	15,460,742	9,786,400	3,424,258	28,671,400
2038-2042	15,199,462	8,509,300	12,210,538	35,919,300
2043-2047	30,592,586	6,012,850	5,627,414	42,232,850
2048-2050	12,070,000	754,400	-	12,824,400
Total	$ 89,097,789	$ 49,951,500	$ 21,262,210	$ 160,311,500

Etiwanda School District Public Financing Authority Bonds

The Etiwanda School District Public Financing Authority (ESD PFA) was created to refinance certain Community Facility Districts' (CFD) debt. On May 22, 2018, the ESD PFA issued $29,390,000 of Local Agency Bonds, Series 2018A. The bonds refinanced the debt for Rancho Etiwanda CFD No. 1 Bonds, CFD No. 2001-1 Bonds, CFD No. 4 Bonds, CFD No. 7 Bonds and CFD No. 8 Bonds. On June 30, 2022, the principal balance outstanding on the ESD PFA bonds was $24,555,000.

The local agency bonds mature as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 1,985,000	$ 1,216,338	$ 3,201,338
2024	2,135,000	1,117,088	3,252,088
2025	2,310,000	1,010,338	3,320,338
2026	1,985,000	894,838	2,879,838
2027	2,135,000	795,588	2,930,588
2028-2032	13,175,000	2,220,688	15,395,688
2033-2036	830,000	30,088	860,088
Total	$ 24,555,000	$ 7,284,966	$ 31,839,966

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2022, amounted to $601,961.

Note 12 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2022, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 19,013,270	$ 4,720,184	$ 7,334,857	$ 1,963,297
Medicare Premium Payment (MPP) Program	793,386	-	-	793,386
Total	$ 19,806,656	$ 4,720,184	$ 7,334,857	$ 2,756,683

District Plan

Plan Administration

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

Plan Membership

At June 30, 2021, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	50
Active employees	762
Total	812

Benefits Provided

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

Contributions

The benefit payment requirement of the Plan members and the District are established and may be amended by the District, the Etiwanda Teachers Association (ETA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, ETA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2021, the District paid $537,261 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $19,013,270 was measured as of June 30, 2021 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75%
Discount rate	2.16%
Healthcare cost trend rates	4.00%

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

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actual experience study as of April 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2020	$ 21,726,070
Service cost	2,277,037
Interest	503,021
Differences between expected and actual experience	(3,845,599)
Changes of assumptions	(1,109,998)
Benefit payments	(537,261)
Net change in total OPEB liability	(2,712,800)
Balance, June 30, 2021	$ 19,013,270

Changes of assumptions and other inputs reflect a change in the discount rate from 2.20% to 2.16% and a change in inflation from 2.75% to 2.50% since the previous valuation. There were no changes in benefit terms since the previous valuation.

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

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

Discount Rate	Total OPEB Liability
1% decrease (1.16%)	$ 20,416,516
Current discount rate (2.16%)	19,013,270
1% increase (3.16%)	17,666,831

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

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

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (3.00%)	$ 16,661,157
Current healthcare cost trend rate (4.00%)	19,013,270
1% increase (5.00%)	21,824,846

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

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 604,995	$ -
Differences between expected and actual experience	-	6,043,132
Changes of assumptions	4,115,189	1,291,725
Total	$ 4,720,184	$ 7,334,857

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

The deferred outflows/(inflows) of resources related to differences between expected and actual experiences and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that were provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 15.5 years, and the deferred outflows/(inflows) of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (211,766)
2023	(211,766)
2024	(211,766)
2025	(211,766)
2026	(211,766)
Thereafter	(2,160,838)
Total	$ (3,219,668)

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2022, the District reported a liability of $793,386 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2021 and June 30, 2020, respectively, was 0.1989%, and 0.1964%, resulting in a net increase in the proportionate share of 0.0025%.

For the year ended June 30, 2022, the District recognized OPEB expense of $793,386.

Actuarial Methods and Assumptions

The June 30, 2021 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total OPEB liability to June 30, 2021, using the assumptions listed in the following table:

Measurement Date	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2020	June 30, 2019
Experience Study	June 30, 2015 through June 30, 2018	July 1, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.16%	2.21%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2020, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 245 or an average of 0.16% of the potentially eligible population (152,062).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2021, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2021, is 2.16%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.16%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2021, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.05% from 2.21% as of June 30, 2020.

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

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

Discount Rate	Net OPEB Liability
1% decrease (1.16%)	$ 874,528
Current discount rate (2.16%)	793,386
1% increase (3.16%)	724,057

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 721,491
Current Medicare costs trend rate (4.5% Part A and 5.40% Part B)	793,386
1% increase (5.50% Part A and 6.40% Part B)	875,810

Note 13 - Non-Obligatory Debt

Non-obligatory debt relates to debt issuances by the Community Facility Districts (CFDs), as authorized by the Mark-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bondholders and may initiate foreclosure proceedings. Special assessment debt of $45,205,000 as of June 30, 2022, does not represent debt of the District and, as such, does not appear in the accompanying basic financial statements.

Note 14 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Funds	Special Reserve Funds for Capital Outlay Projects	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 25,000	$ -	$ -	$ -	$ 25,000
Stores inventories	40,623	-	-	107,662	148,285
Prepaid expenditures	56,445	1,719	-	-	58,164
Total nonspendable	122,068	1,719	-	107,662	231,449
Restricted					
Legally restricted programs	16,451,851	-	-	2,881,454	19,333,305
Capital projects	-	15,973,264	63,470,245	14,980,675	94,424,184
Debt services	-	-	-	5,584,564	5,584,564
Total restricted	16,451,851	15,973,264	63,470,245	23,446,693	119,342,053
Committed					
Stabilization	23,024,991		-	-	23,024,991
Assigned					
Retiree benefits	10,713,609	-	-	-	10,713,609
Prior year school site carryover	2,071,600	-	-	-	2,071,600
Total assigned	12,785,209	-	-	-	12,785,209
Unassigned					
Reserve for economic uncertainties	5,859,882	-	-	-	5,859,882
Remaining unassigned	4,268,627	-	-	-	4,268,627
Total unassigned	10,128,509	-	-	-	10,128,509
Total	$ 62,512,628	$ 15,974,983	$ 63,470,245	$ 23,554,355	$ 165,512,211

Note 15 - Risk Management

Property, Liability and Medical Benefits

The District's risk management activities are recorded in the General Fund. The fund administers employee life, health, property and liability, workers' compensation, and unemployment programs of the District as premiums are paid to insurance carriers and JPAs to which the District is a member. (See Note 18)

Significant losses are covered by commercial insurance via the carriers and JPAs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Workers' Compensation

For fiscal year 2022, the District participated in the California Schools Risk Management (CSRM) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to districts that can meet the JPA selection criteria.

Note 16 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2022, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 60,220,101	$ 26,830,191	$ 54,970,057	$ 5,498,809
CalPERS	26,114,131	6,575,656	10,545,731	3,962,711
Total	$ 86,334,232	$ 33,405,847	$ 65,515,788	$ 9,461,520

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2022, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.92%	16.92%
Required state contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the District's total contributions were $12,763,715.

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

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 60,220,101
State’s proportionate share of the net pension liability	30,300,419
Total	$ 90,520,520

The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2021 and June 30, 2020, was 0.1323% and 0.1296%, respectively, resulting in a net increase in the proportionate share of 0.0027%.

For the year ended June 30, 2022, the District recognized pension expense of $5,498,809. In addition, the District recognized pension expense and revenue of $1,036,691 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 12,763,715	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	5,383,073	925,731
Differences between projected and actual earnings on pension plan investments	-	47,635,651
Differences between expected and actual experience in the measurement of the total pension liability	150,855	6,408,675
Changes of assumptions	8,532,548	-
Total	$ 26,830,191	$ 54,970,057

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (12,096,599)
2024	(11,064,436)
2025	(11,339,017)
2026	(13,135,599)
Total	$ (47,635,651)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 3,275,827
2024	4,427,839
2025	186,505
2026	(356,485)
2027	(214,828)
Thereafter	(586,788)
Total	$ 6,732,070

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 122,586,573
Current discount rate (7.10%)	60,220,101
1% increase (8.10%)	8,457,121

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2022, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	22.91%	22.91%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the total District contributions were $4,729,478.

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $26,114,131. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2021 and June 30, 2020, was 0.1284% and 0.1268%, respectively, resulting in a net increase in the proportionate share of 0.0016%.

For the year ended June 30, 2022, the District recognized pension expense of $3,962,711. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,729,478	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,066,605	462,343
Differences between projected and actual earnings on pension plan investments	-	10,021,826
Differences between expected and actual experience in the measurement of the total pension liability	779,573	61,562
Total	$ 6,575,656	$ 10,545,731

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (2,513,465)
2024	(2,311,357)
2025	(2,409,741)
2026	(2,787,263)
Total	$ (10,021,826)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 1,093,652
2024	127,730
2025	91,004
2026	9,887
Total	$ 1,322,273

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 44,032,092
Current discount rate (7.15%)	26,114,131
1% increase (8.15%)	11,238,379

Alternative Plan

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Public Agency Retirement System (PARS) as its alternative plan. Contributions made by the District and an employee vest immediately. The District's contributions to PARS for the fiscal year ending June 30, 2022 was $228,226 and equal 100% of the required contributions for each year.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $8,510,381 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have recorded in these financial statements.

Note 17 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2022.

Litigation

The District is involved in various litigations arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2022.

Construction Commitments

As of June 30, 2022, the District had approximately $123 million in commitments with respect to unfinished capital projects.

Note 18 - Participation in Public Entity Risk Pools and Joint Power Authorities

The District is a member of the Business-Personnel Educational Software Technology and Network Consortium (BEST NET), California Schools Risk Management (CSRM), and the California Schools Employee Benefit Association (CSEBA) joint powers authorities (JPAs). The District pays monthly premiums to the applicable entity for its workers' compensation and medical coverage. The relationships between the District, the pools, and the JPAs are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2022, the District made payments of $116,839, $1,076,000, and $14,203,030 to BEST NET, CSRM, and CSEBA, respectively.

Note 19 - Adoption of New Accounting Standard

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of the adoption of the new standard, the opening balances of certain assets, liabilities and deferred inflows of resources were restated as follows:

Government-Wide Financial Statements	
Net Position - Beginning	$ 170,270,358
Lease receivable	250,000
Deferred inflows of resources related to leases	(250,000)
Net Position - Beginning	$ 170,270,358
General Fund	
Fund Balance - Beginning	$ 64,969,379
Lease receivable	250,000
Deferred inflows of resources related to leases	(250,000)
Fund Balance - Beginning	$ 64,969,379

Note 20 - Subsequent Events

On September 15, 2022, $19,326,323 of Etiwanda School District Election of 2016, Series C bonds were issued with a final maturity date of August 1, 2052. The bonds carry interest rates ranging from 5.00% to 5.25%, depending on the maturity of the related bonds. Interest is payable semiannually on February 1 and August 1 of each year.

Required Supplementary Information
June 30, 2022

Etiwanda School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 126,421,289	$ 128,131,818	$ 127,324,268	$ (807,550)
Federal sources	7,098,621	13,406,060	11,990,955	(1,415,105)
Other State sources	16,414,851	20,740,065	20,957,070	217,005
Other local sources	17,264,061	22,396,919	21,403,519	(993,400)
Total revenues [1]	167,198,822	184,674,862	181,675,812	(2,999,050)
Expenditures				
Current				
Certificated salaries	78,231,882	80,663,722	79,428,924	1,234,798
Classified salaries	26,420,055	26,559,358	25,439,483	1,119,875
Employee benefits	42,235,113	44,798,611	44,349,340	449,271
Books and supplies	9,366,420	13,198,017	7,943,157	5,254,860
Services and operating expenditures	16,705,524	19,886,324	17,009,401	2,876,923
Other outgo	297,194	310,903	198,976	111,927
Capital outlay	784,000	4,230,543	2,631,088	1,599,455
Total expenditures [1]	174,040,188	189,647,478	177,000,369	12,647,109
Excess (Deficiency) of Revenues Over Expenditures	(6,841,366)	(4,972,616)	4,675,443	9,648,059
Other Financing Sources (Uses)				
Transfers in	2,672,300	2,789,775	2,200,000	(589,775)
Transfers out	(2,732,408)	(10,564,392)	(9,332,194)	1,232,198
Net financing sources (uses)	(60,108)	(7,774,617)	(7,132,194)	642,423
Net Change in Fund Balances	(6,901,474)	(12,747,233)	(2,456,751)	10,290,482
Fund Balance - Beginning	64,969,379	64,969,379	64,969,379	-
Fund Balance - Ending	$ 58,067,905	$ 52,222,146	$ 62,512,628	$ 10,290,482

[1] Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects and Fund 20, Special Reserve Fund for Postemployment Benefits, for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, but have not been included in the original and final General Fund budgets.

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 2,277,037	$ 1,681,656	$ 1,606,920	$ 1,470,327	$ 1,494,821
Interest	503,021	650,684	633,332	583,908	483,516
Difference between expected and actual experience	(3,845,599)	(15,344)	(3,050,769)	-	-
Changes of assumptions	(1,109,998)	1,886,023	3,115,570	(344,636)	-
Benefit payments	(537,261)	(469,503)	(446,786)	(412,318)	(459,211)
Net change in total OPEB liability	(2,712,800)	3,733,516	1,858,267	1,297,281	1,519,126
Total OPEB Liability - Beginning	21,726,070	17,992,554	16,134,287	14,837,006	13,317,880
Total OPEB Liability - Ending	$ 19,013,270	$ 21,726,070	$ 17,992,554	$ 16,134,287	$ 14,837,006
Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Year ended June 30,	2022	2021
Proportion of the net OPEB liability	0.1989%	0.1964%
Proportionate share of the net OPEB liability	$ 793,386	$ 832,341
Covered payroll	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.80%	-0.71%
Measurement Date	June 30, 2021	June 30, 2020

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

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

	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS								
Proportion of the net pension liability	0.1323%	0.1296%	0.1259%	0.1242%	0.1192%	0.1157%	0.1244%	0.1073%
Proportionate share of the net pension liability	$ 60,220,101	$ 125,592,672	$ 113,684,177	$ 114,131,892	$ 110,246,859	$ 93,560,509	$ 83,778,747	$ 62,712,606
State's proportionate share of the net pension liability	30,300,419	64,743,037	62,022,308	65,345,846	65,221,110	53,262,329	44,309,722	37,868,579
Total	$ 90,520,520	$ 190,335,709	$ 175,706,485	$ 179,477,738	$ 175,467,969	$ 146,822,838	$ 128,088,469	$ 100,581,185
Covered payroll	$ 71,401,393	$ 70,450,667	$ 68,029,668	$ 65,872,211	$ 64,631,963	$ 58,146,766	$ 56,414,854	54,171,388
Proportionate share of the net pension liability as a percentage of its covered payroll	84.34%	178.27%	167.11%	173.26%	170.58%	160.90%	148.50%	115.77%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS								
Proportion of the net pension liability	0.1284%	0.1268%	0.1260%	0.1143%	0.1000%	0.0981%	0.1005%	0.1003%
Proportionate share of the net pension liability	$ 26,114,131	$ 38,901,463	$ 36,727,938	$ 30,483,876	$ 23,861,763	$ 19,365,054	$ 14,812,424	$ 11,384,204
Covered payroll	$ 18,527,164	$ 18,494,164	$ 17,608,958	$ 15,220,578	$ 12,684,008	$ 11,892,538	$ 11,078,940	10,505,998
Proportionate share of the net pension liability as a percentage of its covered payroll	140.95%	210.34%	208.58%	200.28%	188.12%	162.83%	133.70%	108.36%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS								
Contractually required contribution	$ 12,763,715	$ 11,531,325	$ 12,047,064	$ 11,075,230	$ 9,505,360	$ 8,130,701	$ 6,239,148	$ 5,009,639
Less contributions in relation to the contractually required contribution	12,763,715	11,531,325	12,047,064	11,075,230	9,505,360	8,130,701	6,239,148	5,009,639
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 75,435,668	$ 71,401,393	$ 70,450,667	$ 68,029,668	$ 65,872,211	$ 64,631,963	$ 58,146,766	$ 56,414,854
Contributions as a percentage of covered payroll	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS								
Contractually required contribution	$ 4,729,478	$ 3,835,123	$ 3,647,234	$ 3,180,530	$ 2,363,908	$ 1,761,555	$ 1,408,909	$ 1,304,102
Less contributions in relation to the contractually required contribution	4,729,478	3,835,123	3,647,234	3,180,530	2,363,908	1,761,555	1,408,909	1,304,102
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 20,643,728	$ 18,527,164	$ 18,494,164	$ 17,608,958	$ 15,220,578	$ 12,684,008	$ 11,892,538	$ 11,078,940
Contributions as a percentage of covered payroll	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

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

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

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

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for OPEB.
- *Changes of Assumptions* **-** The discount rate assumption was changed from 2.20% to 2.16% and a change in inflation from 2.75% to 2.50% since the previous valuation.

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 2.21% to 2.16% since the previous valuation.

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

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

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

Schedule of the District’s Contributions

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

Supplementary Information
June 30, 2022

Etiwanda School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
Special Education Cluster (IDEA)			
Special Education Grants to States - Basic Local Assistance	84.027	13379	$ 2,345,910
COVID-19: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	505,846
Subtotal Special Education Cluster (IDEA)			2,851,756
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	1,265,771
Title II, Part A, Supporting Effective Instruction	84.367	14341	253,884
Title III, English Learner Student Program	84.365	14346	80,172
Title III, Immigrant Student Program	84.365	15146	154,999
Subtotal			235,171
Title IV, Part A, Student Support and Academic Enrichment Program	84.424	15396	89,755
COVID-19: Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	184,986
COVID-19: Governor's Emergency Education Relief (GEER) Fund	84.425C	15619	327,050
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	87
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15547	1,062,291
COVID-19: American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425U	15559	5,122,137
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15618	65,709
Subtotal			6,762,260
Total U.S. Department of Education			11,458,597
U.S. Department of Agriculture			
Passed through California Department of Education (CDE)			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	5,848,126
COVID-19: School Nutrition Program Emergency Operational Costs Reimbursement	10.555	15637	179,821
Commodity Supplemental Food	10.555	13391	398,110
Subtotal Child Nutrition Cluster			6,426,057
Total U.S. Department of Agriculture			6,426,057
Federal Communications Commission			
Passed through Universal Service Administrative Company			
COVID-19: Emergency Connectivity Fund Program	32.009	[1]	532,358
Total Federal Financial Assistance			$ 18,417,012

[1] Pass-Through Entity Identifying Number Unavailable

ORGANIZATION

The Etiwanda School District (the District) was established in 1883, serving preschool/TK and grades kindergarten through eight. The District operates thirteen elementary schools and four intermediate schools. The District is comprised of an area of approximately 48 square miles, located in San Bernardino County. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Mondi M. Taylor	President	November 2022
David W. Long	President Pro Tempore	November 2024
Brynna Cadman	County Representative	November 2022
Dayna Karsch	Clerk	November 2022
Robert Garcia	Member	November 2024

ADMINISTRATION

Charlayne Sprague	Superintendent
Douglas M. Claflin	Asst. Superintendent of Business Services
Jeannie Tavolazzi	Asst. Superintendent of Instruction/Pupil Services
Laura Rowland	Asst. Superintendent of Personnel Services
Beth Freer	Executive Director of Special Education
Michael Mancuso	Director of Fiscal Services
Alicia Lyon	Director of Pupil Services
David Ortiz	Director of Assessment and Accountability
Justin Kooyman	Director of Instruction
Damita Walton	Director of Personnel

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	5,732.25	5,521.93
Fourth through sixth	4,387.06	4,235.43
Seventh and eighth	3,065.16	2,926.30
Total Regular ADA	13,184.47	12,683.66
Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	3.32	2.95
Seventh and eighth	2.59	2.46
Total Special Education, Nonpublic, Nonsectarian Schools	5.91	5.41
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.30	0.09
Seventh and eighth	0.24	0.19
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	0.54	0.28
Community Day School		
Seventh and eighth	2.53	5.10
Total Community Day School	2.53	5.10
Total ADA	13,193.45	12,694.45

					Traditional Calendar			Multitrack Calendar			
Grade Level	1986-1987 Minutes Requirement	2021-2022 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Status
TK/Kindergarten	36,000	36,000	-	36,000	180	-	180	-	-	-	Complied
Grades 1 - 3	50,400										
Grade 1		56,610	-	56,610	180	-	180	-	-	-	Complied
Grade 2		56,610	-	56,610	180	-	180	-	-	-	Complied
Grade 3		56,610	-	56,610	180	-	180	-	-	-	Complied
Grades 4 - 8	54,000										
Grade 4		57,330	-	57,330	180	-	180	-	-	-	Complied
Grade 5		57,330	-	57,330	180	-	180	-	-	-	Complied
Grade 6		62,910	-	62,910	180	-	180	-	-	-	Complied
Grade 7		62,910	-	62,910	180	-	180	-	-	-	Complied
Grade 8		62,910	-	62,910	180	-	180	-	-	-	Complied

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2022.

	(Budget) 2023 [1]	2022	2021 [1]	2020 [1]
General Fund [3]				
Revenues	$ 185,130,154	$ 181,987,202	$ 174,491,339	$ 156,346,738
Other sources	2,851,800	2,789,775	2,742,259	2,655,424
Total revenues and other sources	187,981,954	184,776,977	177,233,598	159,002,162
Expenditures	188,072,093	177,000,367	157,199,730	152,486,964
Other uses and transfers out	3,398,572	10,564,391	8,050,433	3,460,565
Total expenditures and other uses	191,470,665	187,564,758	165,250,163	155,947,529
Increase/(Decrease) in Fund Balance	(3,488,711)	(2,787,781)	11,983,435	3,054,633
Ending Fund Balance	$ 38,512,284	$ 42,000,995	$ 44,788,776	$ 32,805,341
Available Reserves [2]	$ 7,645,996	$ 10,128,507	$ 30,324,393	$ 26,567,715
Available Reserves as a Percentage of Total Outgo [3]	3.99%	5.40%	18.35%	17.04%
Long-Term Liabilities	N/A	$ 227,515,687	$ 310,323,954	$ 295,570,741
K-12 Average Daily Attendance at P-2	12,804	13,193	13,609	13,609

The General Fund balance has increased by $9,195,654 over the past two years. The fiscal year 2022-2023 budget projects a decrease of $3,488,711 (8.3%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of past three years, but anticipates incurring an operating deficit during the 2022-2023 fiscal year. Total long-term liabilities have decreased by $68,055,054 over the past two years.

Average daily attendance has decreased by 416 over the past two years. An additional decrease of 389 ADA is anticipated during fiscal year 2022-2023.

[1] Financial information for 2023, 2021, and 2020 are included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.
[3] General Fund amounts do not include activity related to the consolidation of the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits as required by GASB Statement No. 54

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Combined Community Facilities District Capital Fund	Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Units	Total Non-Major Governmental Funds
Assets								
Deposits and investments	$ 310,268	$ 2,091,201	$ 4,886,719	$ 23,377	$ 10,101,403	$ 4,611,037	$ 973,527	$ 22,997,532
Receivables	-	631,956	9,246	53	13,799	-	-	655,054
Stores inventories	-	107,662	-	-	-	-	-	107,662
Total assets	$ 310,268	$ 2,830,819	$ 4,895,965	$ 23,430	$ 10,115,202	$ 4,611,037	$ 973,527	$ 23,760,248
Liabilities and Fund Balances								
Liabilities								
Accounts payable	$ -	$ 4,581	$ 2,119	$ -	$ 51,803	$ -	$ -	$ 58,503
Due to other funds	-	73,039	-	-	-	-	-	73,039
Unearned revenue	-	74,351	-	-	-	-	-	74,351
Total liabilities	-	151,971	2,119	-	51,803	-	-	205,893
Fund Balances								
Nonspendable	-	107,662	-	-	-	-	-	107,662
Restricted	310,268	2,571,186	4,893,846	23,430	10,063,399	4,611,037	973,527	23,446,693
Total fund balances	310,268	2,678,848	4,893,846	23,430	10,063,399	4,611,037	973,527	23,554,355
Total liabilities and fund balances	$ 310,268	$ 2,830,819	$ 4,895,965	$ 23,430	$ 10,115,202	$ 4,611,037	$ 973,527	$ 23,760,248

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Combined Community Facilities District Capital Fund	Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Units	Total Non-Major Governmental Funds
Revenues								
Federal sources	$ -	$ 6,426,057	$ -	$ -	$ -	$ -	$ -	$ 6,426,057
Other State sources	-	327,281	-	-	-	20,116	-	347,397
Other local sources	790,609	(37,547)	4,723,329	(247)	2,418,777	3,815,877	2,494,240	14,205,038
Total revenues	790,609	6,715,791	4,723,329	(247)	2,418,777	3,835,993	2,494,240	20,978,492
Expenditures								
Current								
Pupil services								
Food services	-	4,555,305	-	-	-	-	-	4,555,305
Administration								
All other administration	-	73,039	128,151	-	-	-	-	201,190
Plant services	-	-	17,217	-	370,949	-	-	388,166
Ancillary services	640,498	-	-	-	-	-	-	640,498
Facility acquisition and construction	-	9,575	58,234	1,870	-	-	-	69,679
Debt service								
Principal	-	-	-	-	-	1,595,000	1,840,000	3,435,000
Interest and other	-	-	-	-	-	2,768,475	654,169	3,422,644
Total expenditures	640,498	4,637,919	203,602	1,870	370,949	4,363,475	2,494,169	12,712,482
Excess (Deficiency) of Revenues Over Expenditures	150,111	2,077,872	4,519,727	(2,117)	2,047,828	(527,482)	71	8,266,010
Other Financing Uses								
Transfers out	-	-	-	(233)	-	-	-	(233)
Net Change in Fund Balances	150,111	2,077,872	4,519,727	(2,350)	2,047,828	(527,482)	71	8,265,777
Fund Balance - Beginning	160,157	600,976	374,119	25,780	8,015,571	5,138,519	973,456	15,288,578
Fund Balance - Ending	$ 310,268	$ 2,678,848	$ 4,893,846	$ 23,430	$ 10,063,399	$ 4,611,037	$ 973,527	$ 23,554,355

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Etiwanda School District (the District) under programs of the federal government for the year ended June 30, 2022. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, or changes in net position of the District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

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

Food Donation
Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2022, the District had spent food commodities totaling $398,110.

Donated Personal Protective Equipment (PPE) (unaudited)
Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was approximately $351 thousand and is based on the estimated fair market value of the PPE received. The donated PPE was generally provided by donors without information about compliance or reporting requirements associated with federal financial assisting listings or Assistance Listing numbers. The donated PPE is not included in the Schedule of Expenditure of Federal Awards.

Local Education Agency Organization Structure

This schedule provides information about the District boundaries and school operated members of the governing board and members of administration.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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

Independent Auditor's Reports
June 30, 2022

Etiwanda School District

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

Governing Board
Etiwanda School District
Etiwanda, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Etiwanda School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 2, 2022.

Adoption of New Accounting Standard

As discussed in Note 1 and Note 19 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 2, 2022

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

Governing Board
Etiwanda School District
Etiwanda, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Etiwanda School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 2, 2022

Independent Auditor's Report on State Compliance

Governing Board
Etiwanda School District
Etiwanda, California

Report on Compliance

Opinion on State Compliance

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2021-2022 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
GANN Limit Calculation	Yes

2021-2022 K-12 Audit Guide Procedures	Procedures Performed
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	No, see below
After/Before School Education and Safety Program	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	No, see below
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	No, see below
In Person Instruction Grant	Yes
Charter Schools	
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform Continuation Education procedures because the program is not offered by the District.

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

The District does not have any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform any procedures related to Middle or Early College High Schools.

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

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

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

We did not perform procedures for the After/Before School Education and Safety Program because the District did not offer the program.

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

The District was not listed on the immunization assessment reports; therefore, we did not perform any related procedures.

We did not perform Career Technical Education Incentive Grant procedures because the District did not receive funding for this grant.

The District does not operate any Charter Schools; therefore, we did not perform procedures for Charter School Programs.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 2, 2022

Schedule of Findings and Questioned Costs
June 30, 2022

Etiwanda School District

Financial Statements

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

Federal Awards

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

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
Title I, Part A, Basic Grants Low-Income and Neglected	84.010
Child Nutrition Cluster	10.555
COVID-19: Governor's Emergency Education Relief (GEER) Fund	84.425C
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D
COVID-19: American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425U

Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

None reported.

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