Financial Statements
June 30, 2023

Clovis Unified School District

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Independent Auditor's Report

To the Governing Board
Clovis Unified School District
Clovis, 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 Clovis Unified School District (the District) as of and for the year ended June 30, 2023, 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 Clovis Unified School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Notes 1 and 16 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the governmental activities net position and the Charter School Non-Major Governmental Fund beginning fund balance as of July 1, 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 the District's 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023 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

Fresno, California
December 14, 2023

CLOVIS UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis
June 30, 2023

This section of Clovis Unified School District's (the District) annual financial report presents the management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023, with comparative information for the fiscal year ending June 30, 2022.

Financial Highlights

The District continued its long history of implementing conservative budgets and proactively addressing the volatility of the State of California's revenues resulting in the District maintaining reserve levels well above the State's minimum amount of two percent.

Overview of the Financial Statements

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining Fund statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
    - The governmental fund statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
    - The proprietary fund statements report the activity of the self-insurance fund for the year such as claims liability and revenues generated for services provided.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

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Figure A-1. Organization of Clovis Unified’s Annual Financial Report

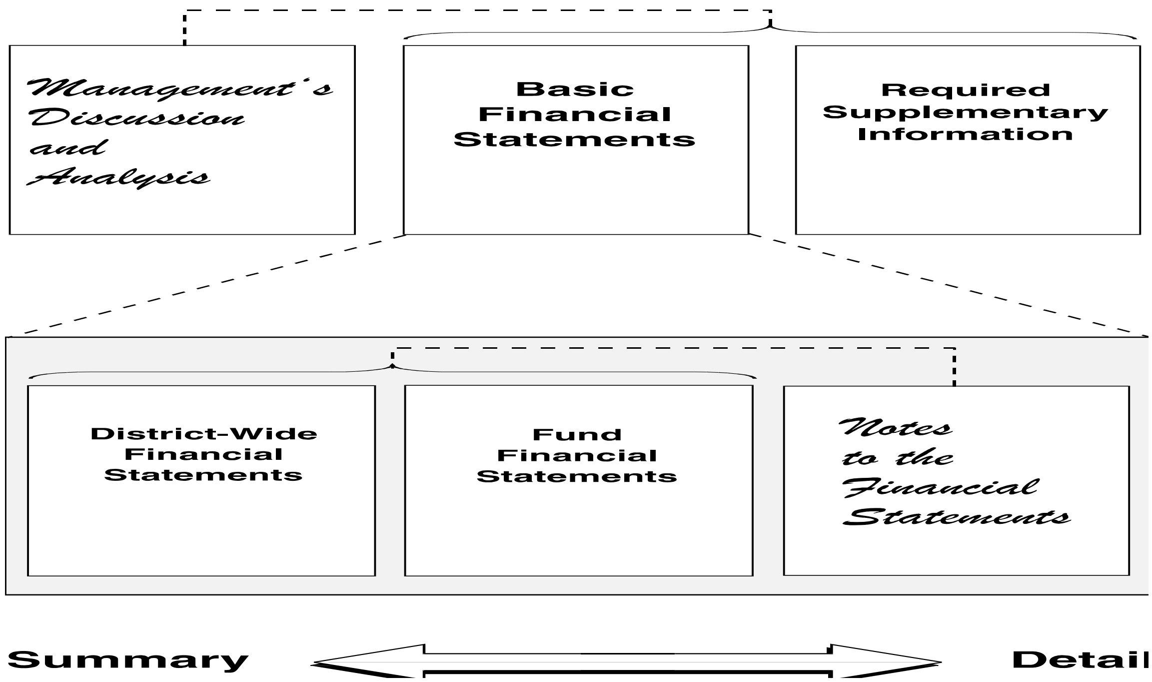

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the Government-wide and Fund Financial Statements

		Fund Statements	
Type of Statements	**Government-Wide**	**Governmental Funds**	**Proprietary Funds**
Scope	Entire District	The activities of the District that are not, such as special education and building maintenance	The District’s self-insurance fund accounts for the activity associated with the self-insured health and welfare, worker’s compensation and a portion of the retiree benefits.
Required financial statements	•Statement of net position •Statement of activities	•Balance sheet •Statement of revenues, expenditures and changes in fund balances •Reconciliation to government-wide financial statements	•Statement of net position •Statement of revenues, expenditures and changes in net position •Statement of Cash Flows

Figure A-2. Major Features of the Government-wide and Fund Financial Statements

		Fund Statement
Type of Statements	**Government-Wide**	**Governmental Funds**
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

These two government-wide statements report the District's net position and how it has changed. Net position (the difference between assets and liabilities) is one way to measure the District's financial health or financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.
- In the government-wide financial statements, the District's activities are combined into one category.
- Governmental activities - The District's basic services are included here, such as regular and special education, transportation, food services, adult education, and administration. Property taxes, state formula aid, categorical funding, and fees charged finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has two kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

- Proprietary funds **-** When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position: The District’s combined net position was $269.8 million on June 30, 2023, increasing by $156.1 million (137.2%) (see Table A-1).

Table A-1

	Governmental Activities	
	2023	2022 as Restated
Assets		
Current and other assets	$ 830,215,560	$ 618,044,891
Capital assets	973,988,771	946,544,747
Right-to-use leased assets	3,872,424	4,170,303
Right-to-use subscription IT assets	3,884,199	1,274,029
Total assets	1,811,960,954	1,570,033,970
Deferred Outflows of Resources	240,894,095	200,412,491
Liabilities		
Current liabilities	72,929,885	56,034,694
Long-term liabilities	1,552,664,023	1,270,437,289
Total liabilities	1,625,593,908	1,326,471,983
Deferred Inflows of Resources	157,454,738	330,237,105
Net Position		
Net investment in capital assets	662,599,654	633,329,939
Restricted	328,542,152	232,977,156
Unrestricted (deficit)	(721,335,403)	(752,569,722)
Total net position	$ 269,806,403	$ 113,737,373

Changes in Net Position: The District’s total governmental revenues were $851.8 million (see Table A-2). Property taxes and state aid formula accounted for most of the District’s revenue, with federal and state aid contributing about $389.9 million and property taxes contributing about $160.4 million. Another $236.6 million came from categorical programs, $16.5 million came from capital grants, and the remainder came from fees charged for services of $6.3 million, and miscellaneous sources of $42.1 million.

The total cost of all governmental programs and services was $695.8 million (see Table A-2). The District's expenses are predominantly related to educating and caring for students (78%). The purely administrative activities of the District accounted for just 5% percent of total costs. Plant services was $70.4 million, accounting for 10% of the District's expenses. Revenues surpassed expenses, increasing net position by $85.4 million over last year predominately due to the additional Federal and State revenues the District received due to the COVID-19 pandemic.

Table A-2

	Governmental Activities	
	2023	2022*
Revenues		
Program revenues		
Charges for services and sales	$ 6,290,240	$ 23,696,517
Operating grants and contributions	236,619,622	146,873,708
Capital grants and contributions	16,490,615	10,772,957
General revenues		
Federal and State aid not restricted	389,921,041	332,749,423
Property taxes	160,399,433	139,750,624
Other general revenues	42,142,741	36,210,020
Total revenues	851,863,692	690,053,249
Expenses		
Instruction-related	452,933,869	401,404,195
Pupil services	92,512,899	77,790,850
Administration	33,092,581	28,951,425
Plant services	70,364,793	67,568,942
Other	46,890,520	43,696,199
Total expenses	695,794,662	619,411,611
Change in net position	$ 156,069,030	$ 70,641,638

* The revenues and expenses for fiscal year 2022 were not restated to show the effects of GASB Statement No. 96 for comparative purposes.

GOVERNMENTAL ACTIVITIES

The continued good health of the District's finances can be credited to:

- Staffing formulas that maintain equality
- Maintaining an awareness of the changing fiscal issues and active participation from the Employee Compensation Committee and Employee Benefit Committee
- Projecting a minimum of five years out on the multi-year projection

Table A-3 presents the cost of four major District activities: instruction-related, pupil services, administration, plant services, and then all remaining categories. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3

	Total Cost of Services		Net Cost of Services	
	2023	2022*	2023	2022*
Instruction	$ 452,933,869	$ 401,404,195	$ (309,058,915)	$ (290,612,433)
Pupil services	92,512,899	77,790,850	(20,688,230)	(47,539,278)
Administration	33,092,581	28,951,425	(26,925,184)	(22,737,919)
Plant services	70,364,793	67,568,942	(48,543,172)	(55,827,021)
All other services	46,890,520	43,696,199	(31,178,684)	(21,351,778)
Total	$ 695,794,662	$ 619,411,611	$ (436,394,185)	$ (438,068,429)

* The total and net cost of services for fiscal year 2022 were not restated to show the effects of GASB Statement No. 96 for comparative purposes.

- The net cost of governmental activities this year was $436.4 million as reflected on the Statement of Activities.
- Some of the costs were paid by the users of the District's programs totaling $6.3 million.
- The federal and state governments subsidized certain programs with operating grants and contributions totaling $236.6 million.
- Most of the District's costs, $389.9 million, however, were paid for by District taxpayers and the taxpayers of California, in general.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $689.7 million, which is an increase of $188.3 million from last year (Table A-4).

Table A-4

	Balances and Activity			
Governmental Funds	July 1, 2022	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2023
General	$ 166,043,780	$ 693,839,822	$ 616,705,728	$ 243,177,874
Student Activities	3,478,946	7,047,129	7,055,530	3,470,545
Charter Schools*	8,021,352	11,776,354	7,787,587	12,010,119
Adult Education	3,278,277	6,483,955	6,641,835	3,120,397
Child Development	8,274,655	31,663,372	22,322,267	17,615,760
Cafeteria	11,396,531	27,799,459	20,741,832	18,454,158
Deferred Maintenance	10,771	3,763,157	2,332,537	1,441,391
Building	31,484,714	99,938,659	32,271,751	99,151,622
Capital Facilities	51,270,698	13,519,337	15,735,492	49,054,543
County School Facilities	44,817,318	16,617,614	4,209,931	57,225,001
Special Reserve Fund for Capital Outlay Projects	120,885,349	15,712,821	11,739,717	124,858,453
Bond Interest and Redemption	52,444,163	58,751,196	51,047,892	60,147,467
Total	$ 501,406,554	$ 986,912,875	$ 798,592,099	$ 689,727,330

* The beginning fund balance has been restated.

The primary reasons for the changes are:

a. The fund balance in the General Fund increased $77.1 million to $243.2 million. The net increase is due primarily to additional Federal and State revenue received because of the COVID-19 pandemic.
b. The special revenue funds reported a net increase of $21.6 million with moderate changes across all funds except the Child Development Fund which had an increase of $9.3 million and the Cafeteria Fund which increased by $7.1 million.
c. The capital projects funds showed an increase of $81.8 million. This overall increase is due to $16.5 million in State construction funding that was finally received for several past projects and $100 million proceeds from the issuance of General Obligation Bonds.
d. The Bond Interest and Redemption Fund reported an increase of $7.7 million primarily due to the general obligation bond issuance premium and property tax collections in excess of bond principal and interest payments.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the District revised the annual operating budget several times due to updated projections and actual costs. Following are highlights of the largest changes:

- Net increases in both revenue and expense for federal, state, and local grant awards.
- Posting of deferred categorical revenue.
- GASB Statement No. 68 requires the District to recognize the State's share of the District's unfunded CalSTRS liability. This resulted in a revenue and expenditure decrease of $6.6 million.
- The Adopted Budget's revenues over expenditures resulted in the District anticipating a surplus of $20.6 million. The Adopted Budget was structured in such a way that the District could manage any changes from the State. It was also developed under the assumptions released with the Governor's May Revision projecting a COLA of 9.85% for the LCFF. The State enacted budget resulted in a 13.26% COLA for LCFF Revenues.
- The Board approved a 7% salary schedule increase subsequent to the adoption of the budget and implemented the results of the salary market study resulting in increased expenditures.
- The District has not returned to pre-pandemic enrollment numbers, however, did experience slight growth of 35 students.
- Due to the pandemic, districts were held harmless and funded on 2019-2020 P-2 ADA for fiscal year 2021 and 2022. Additionally, the State offered a third option for LCFF funding. LCFF is now funded off current year, prior year, or the prior three-year rolling average whichever is greater.
- During 2022-23, the District was funded on the prior three-year rolling average ADA.
- Actual revenues to expenditures resulted in a surplus of $77.3 million, however $2.1 million of the fund balance is non-spendable, $83.5 million is restricted for restricted programs and $97.3 million is committed for the District's board approved 10% stabilization policy, textbooks, technology refresh, capital equipment refresh, and site/department long-term plans.
- District recognized $96.1 million in one-time revenues from the State and Federal government during the 2022-23 fiscal year.

CAPITAL ASSETS, RIGHT-TO-USE LEASED ASSETS, RIGHT-TO-USE SUBSCRIPTION IT ASSETS, AND LONG-TERM LIABILITIES

Capital Assets, Right-to-Use Leased Assets, and Right-to-Use Subscription IT Assets

By June 30, 2023, the District had invested $981.7 million in a broad range of capital assets, right-to-use leased assets, right-to-use subscription IT assets, including school buildings, athletic facilities, computer and audio visual equipment, and administrative offices (see Table A-5). This amount represents a net increase of $29.7 million or 3.1% over last year. Total depreciation and amortization expenses for the year was $31.9 million.

Table A-5

	Governmental Activities	
	2023	2022 as Restated
Land and construction in progress	$ 197,021,181	$ 141,686,748
Buildings and improvements	747,345,714	771,914,126
Equipment	29,621,876	32,943,873
Right-to-use leased assets	3,872,424	4,170,303
Right-to-use subscription IT assets	3,884,199	1,274,029
Total	$ 981,745,394	$ 951,989,079

The District has work in progress related to modernization projects at multiple district sites as well as new construction. In addition, several equipment purchases such as school buses, truck, cargo van, ovens, freezer, and a tilting gas kettle.

The District received $16.4 million state facility revenue for projects completed several years ago. The District was able to proceed with planned modernizations due to the receipt of these funds.

Long-Term Liabilities

At year-end the District had $1.5 billion in long-term liabilities outstanding discussed below. This is an increase of 22.2% from last year largely due to an increase in the District's proportionate share of the net pension liability, as shown in Table A-6.

Table A-6

	Governmental Activities	
	2023	2022 as Restated
Long-Term Liabilities		
General obligation bonds	$ 529,529,039	$ 461,986,499
Certificates of participation	97,750,000	100,495,000
Unamortized premiums/(discounts)	9,706,257	5,841,076
Financed purchase agreements	12,605,961	13,277,508
Leases	4,210,000	4,430,000
Subscription-based IT arrangements	397,836	611,545
Compensated absences	4,696,521	3,189,394
Claims liability	28,404,358	27,731,358
Total OPEB liability	400,344,828	369,724,083
Aggregate net pension liability	465,019,223	283,150,826
Total	$ 1,552,664,023	$ 1,270,437,289

The District's S&P bond rating as of the most recent bond issuance was "AA" for the 2022 refunding bond issuances. In addition, the District's certificates of participation S&P rating as of their 2022 issuance was "AA".

At year-end, the District has a net pension liability of $465 million versus $283.1 million last year, an increase of $181.9 million, or 64.2%. The District also reported Deferred Outflows (asset) from pension activities of $139.7 million, and Deferred Inflows (liability) from pension activities of $42.1 million. The net impact on the District's net position of these pension related items is $(367.4) million.

At year-end, the District has an other postemployment benefits liability of $400.3 million versus $369.7 million last year, an increase of $30.6 million, or 8.3%. The District also reported Deferred Outflows (asset) from pension activities of $92.9 million, and Deferred Inflows (liability) from pension activities of $115.1 million. The net impact on the District's net position of these pension related items is $(422.5) million.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- The State's Local Control Funding Formula (LCFF) accounts for about 75% of the District's General Fund revenues during a normal year. Due to the amount of one-time revenues received during the 2022-23 fiscal year, the LCFF accounted for 68%.
- The LCFF attempts to fund students based on their needs related to household income, English language learner, homeless or foster youth. This portion of a district's student population is referred to as the unduplicated pupil percentage (UPP). The District's UPP averages 45-49%, making the District eligible for the LCFF Base and Supplemental Grants only; the District is not eligible for the Concentration Grant. The District receives the least amount of funding per ADA in Fresno County due to its low UPP.
- The pandemic had a significant impact on average daily attendance. The District experienced an average of a 96.3% attendance rate pre-pandemic; 2022-23 ended with a rate of 94.1%.
- Enrollment growth and student attendance are key to the District's financial projections. The District has consistently seen growth over the years and anticipated this trend to continue pre-pandemic. There is a significant amount of residential development within District boundaries and the District anticipates the declining enrollment experienced during the pandemic to be short lived. Enrollment growth continues to be projected conservatively on the multi-year projection.
- The Clovis Unified population of students with disabilities has grown an average of 3.0% annually over the previous five years.
- The state and federal government have never fully funded special education. The District is actively involved in advocating for increased funding from the State and Federal Governments.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Clovis Unified School District, 1450 Herndon Avenue, Clovis, California 93611.

	Governmental Activities
Assets	
Deposits and investments	$ 779,978,307
Receivables	47,438,897
Prepaid expense	891,650
Stores inventories	1,906,706
Capital assets not depreciated	197,021,181
Capital assets, net of accumulated depreciation	776,967,590
Right-to-use leased assets, net of accumulated amortization	3,872,424
Right-to-use subscription IT assets, net of accumulated amortization	3,884,199
Total assets	1,811,960,954
Deferred Outflows of Resources	
Deferred charge on refunding	8,275,175
Deferred outflows of resources related to OPEB	92,951,429
Deferred outflows of resources related to pensions	139,667,491
Total deferred outflows of resources	240,894,095
Liabilities	
Accounts payable	56,804,680
Unearned revenue	16,125,205
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	45,945,141
Long-term liabilities other than OPEB and pensions due in more than one year	641,354,831
Net other postemployment benefits liability (OPEB)	400,344,828
Aggregate net pension liabilities	465,019,223
Total liabilities	1,625,593,908
Deferred Inflows of Resources	
Deferred charge on refunding	188,489
Deferred inflows of resources related to OPEB	115,121,091
Deferred inflows of resources related to pensions	42,145,158
Total deferred inflows of resources	157,454,738
Net Position	
Net investment in capital assets	662,599,654
Restricted for	
Debt service	60,147,467
Capital projects	106,279,544
Educational programs	101,415,665
Self insured programs	39,153,987
Child nutrition	18,074,944
Student activities	3,470,545
Unrestricted (deficit)	(721,335,403)
Total net position	$ 269,806,403

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	$ 363,324,919	$ 8,819	$ 94,529,629	$ 16,490,615	$ (252,295,856)
Instruction-related activities					
Supervision of instruction	36,242,113	-	23,039,695	-	(13,202,418)
Instructional library, media, and technology	15,416,741	-	8,495,910	-	(6,920,831)
School site administration	37,950,096	-	1,310,286	-	(36,639,810)
Pupil services					
Home-to-school transportation	14,777,291	-	3,028	-	(14,774,263)
Food services	19,816,515	18,162	26,504,202	-	6,705,849
All other pupil services	57,919,093	7,620	45,291,657	-	(12,619,816)
Administration					
Data processing	7,838,811	-	2,225,615	-	(5,613,196)
All other administration	25,253,770	507	3,941,275	-	(21,311,988)
Plant services	70,364,793	1,994,239	19,827,382	-	(48,543,172)
Ancillary services	20,420,904	-	7,077,738	-	(13,343,166)
Community services	701,192	-	-	-	(701,192)
Enterprise services	2,599	-	-	-	(2,599)
Interest on long-term liabilities	24,195,128	-	-	-	(24,195,128)
Other outgo	1,570,697	4,260,893	4,373,205	-	7,063,401
Total governmental activities	$ 695,794,662	$ 6,290,240	$ 236,619,622	$ 16,490,615	(436,394,185)
General Revenues and Subventions					
Property taxes, levied for general purposes					106,426,536
Property taxes, levied for debt service					53,396,995
Taxes levied for other specific purposes					575,902
Federal and State aid not restricted to specific purposes					389,921,041
Interest and investment earnings					(4,227,978)
Interagency revenues					1,377,702
Miscellaneous and unspent State entitlements revenues					44,993,017
Subtotal, general revenues and subventions					592,463,215
Change in Net Position					156,069,030
Net Position - Beginning, as Restated					113,737,373
Net Position - Ending					$ 269,806,403

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 273,155,109	$ 98,838,026	$ 121,027,226	$ 218,205,110	$ 711,225,471
Receivables	36,753,849	-	-	8,682,983	45,436,832
Due from other funds	-	575,902	4,452,232	1,867,079	6,895,213
Prepaid expenditures	380,000	-	-	511,650	891,650
Stores inventories	1,458,342	-	-	448,364	1,906,706
Total assets	$ 311,747,300	$ 99,413,928	$ 125,479,458	$ 229,715,186	$ 766,355,872
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 50,657,348	$ 262,306	$ 621,005	$ 3,557,136	$ 55,097,795
Due to other funds	1,811,873	-	-	3,593,669	5,405,542
Unearned revenue	16,100,205	-	-	25,000	16,125,205
Total liabilities	68,569,426	262,306	621,005	7,175,805	76,628,542
Fund Balances					
Nonspendable	1,982,342	-	-	963,514	2,945,856
Restricted	84,440,642	99,151,622	124,858,453	204,947,523	513,398,240
Committed	97,287,153	-	-	4,485,918	101,773,071
Assigned	-	-	-	12,142,426	12,142,426
Unassigned	59,467,737	-	-	-	59,467,737
Total fund balances	243,177,874	99,151,622	124,858,453	222,539,381	689,727,330
Total liabilities and fund balances	$ 311,747,300	$ 99,413,928	$ 125,479,458	$ 229,715,186	$ 766,355,872

Total Fund Balance - Governmental Funds		$ 689,727,330
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	$ 1,485,971,317	
Accumulated depreciation is	(511,982,546)	
Net capital assets		973,988,771
Right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of right-to-use leased assets is	4,915,000	
Accumulated amortization is	(1,042,576)	
Net right-to-use leased assets		3,872,424
Right-to-use subscription IT assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of right-to-use subscription IT assets is	5,922,458	
Accumulated amortization is	(2,038,259)	
Net right-to-use subscription IT assets		3,884,199
An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.		39,153,987
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Debt refundings (deferred charge on refunding)	8,275,175	
Other postemployment benefits (OPEB)	92,951,429	
Net pension liability	139,667,491	
Total deferred outflows of resources to pensions		240,894,095
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Debt refundings (deferred charge on refunding)	(188,489)	
Other postemployment benefits (OPEB)	(115,121,091)	
Net pension liability	(42,145,158)	
Total deferred inflows of resources to pensions		(157,454,738)

Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(465,019,223)
The District's OPEB liability is not due and payable in the current period, and is therefore reflected as a long term obligation.		(400,344,828)
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	(426,572,447)	
Certificates of participation	(97,750,000)	
Financed purchase agreements	(12,605,961)	
Leases	(4,210,000)	
Subscription-based IT arrangements	(397,836)	
Compensated absences (vacations)	(4,696,521)	
Unamortized premiums and discounts, net	(9,706,257)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(102,956,592)	
Total long-term liabilities		(658,895,614)
Total net position - governmental activities		$ 269,806,403

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 469,055,149	$ -	$ -	$ 10,052,210	$ 479,107,359
Federal sources	46,258,118	-	-	15,580,538	61,838,656
Other State sources	157,473,196	-	-	61,307,374	218,780,570
Other local sources	16,676,990	(1,478,116)	6,168,145	81,242,067	102,609,086
Total revenues	689,463,453	(1,478,116)	6,168,145	168,182,189	862,335,671
Expenditures					
Current					
Instruction	341,742,906	-	-	24,866,752	366,609,658
Instruction-related activities					
Supervision of instruction	32,944,250	-	-	4,262,718	37,206,968
Instructional library, media, and technology	15,215,340	-	-	143,597	15,358,937
School site administration	34,001,142	-	-	2,679,419	36,680,561
Pupil services					
Home-to-school transportation	14,884,716	-	-	-	14,884,716
Food services	87,336	-	-	19,807,928	19,895,264
All other pupil services	53,491,189	-	-	1,495,597	54,986,786
Administration					
Data processing	7,774,717	-	-	-	7,774,717
All other administration	20,976,415	-	-	1,859,625	22,836,040
Plant services	62,061,892	520,742	2,387,424	3,706,949	68,677,007
Ancillary services	10,490,965	-	-	7,055,530	17,546,495
Other outgo	1,570,697	-	-	-	1,570,697
Facility acquisition and construction	6,038,414	31,330,161	9,346,543	9,818,165	56,533,283
Debt service					
Principal	4,676,819	329,999	-	44,187,001	49,193,819
Interest and other	26,986	88,043	5,750	12,775,235	12,896,014
Total expenditures	605,983,784	32,268,945	11,739,717	132,658,516	782,650,962

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	83,479,669	(33,747,061)	(5,571,572)	35,523,673	79,684,709
Other Financing Sources (Uses)					
Transfers in	332,806	1,416,775	9,544,676	4,646,880	15,941,137
Proceeds from sale of general obligation bonds	-	100,000,000	-	-	100,000,000
Proceeds from subscription-based IT arrangements	4,043,563	-	-	-	4,043,563
Premium on bond issuance	-	-	-	4,592,504	4,592,504
Transfers out	(10,721,944)	(2,806)	-	(5,216,387)	(15,941,137)
Net Financing Sources (Uses)	(6,345,575)	101,413,969	9,544,676	4,022,997	108,636,067
Net Change in Fund Balances	77,134,094	67,666,908	3,973,104	39,546,670	188,320,776
Fund Balance - Beginning as Restated	166,043,780	31,484,714	120,885,349	182,992,711	501,406,554
Fund Balance - Ending	$ 243,177,874	$ 99,151,622	$ 124,858,453	$ 222,539,381	$ 689,727,330

Total Net Change in Fund Balances - Governmental Funds		$ 188,320,776
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 outlays exceed depreciation and amortization expenses in the period.		
Depreciation and amortization expenses	$ (31,862,558)	
Capital outlays	61,618,873	
Net expense adjustment		29,756,315
The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was		(8,842,540)
Right-to-use subscription IT assets acquired this year were financed with Subscription-Based IT Arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(4,043,563)
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.		(1,507,127)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		21,489,584
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		(17,750,858)

Proceeds received from general obligation bonds or certificates of participation are a revenue in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.	(100,000,000)
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 on issuance recognized	(4,592,504)
Premium amortization	789,021
Discount amortization	(61,698)
Deferred charge on refunding amortization	(2,963,897)
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	41,300,000
Certificates of participation	2,745,000
Financed purchase agreements	671,547
Leases	220,000
Subscription-based IT arrangements	4,257,272
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	6,281,702
Change in net position of governmental activities	$ 156,069,030

	Internal Service Self Insurance Fund
Assets	
Current assets	
Deposits and investments	$ 68,752,836
Receivables	2,002,065
Due from other funds	7,627
Total assets	70,762,528
Liabilities	
Current liabilities	
Accounts payable	1,706,885
Due to other funds	1,497,298
Total current liabilities	3,204,183
Noncurrent liabilities	
Claims liabilities	28,404,358
Total liabilities	31,608,541
Net Position	
Restricted for claims	39,153,987
Total net position	$ 39,153,987

	Internal Service Self Insurance Fund
Operating Revenues	
Charges for services	$ 87,430,983
Operating Expenses	
Payroll costs	305,741
Supplies and materials	836,830
Claim payments and adjustments	79,700,527
Total operating expenses	80,843,098
Operating Income	6,587,885
Nonoperating Revenues	
Fair value losses	(616,128)
Interest income	309,945
Total nonoperating revenues	(306,183)
Change in Net Position	6,281,702
Total Net Position - Beginning	32,872,285
Total Net Position - Ending	$ 39,153,987

	Internal Service Self Insurance Fund
Operating Activities	
Cash receipts from customers	$ 4,417,232
Cash receipts from interfund services provided	83,121,248
Cash payments to other suppliers of goods or services	(836,830)
Cash payments to employees for services	(1,575,672)
Cash payments claims and adjustments	(78,815,521)
Net Cash From Operating Activities	6,310,457
Noncapital Financing Activities	
Fair value losses	(616,128)
Investing Activities	
Interest on investments	309,945
Net Change in Cash and Cash Equivalents	6,004,274
Cash and Cash Equivalents, Beginning	62,748,562
Cash and Cash Equivalents, Ending	$ 68,752,836
Reconciliation of Operating Income to Net Cash From Operating Activities	
Operating income	$ 6,587,885
Changes in assets and liabilities	
Receivables	45,451
Due from other funds	62,046
Accounts payable	(2,476,306)
Due to other funds	1,418,381
Incurred but not reported claims	673,000
Net Cash From Operating Activities	$ 6,310,457

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Clovis Unified School District (the District) was established in 1960 under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates thirty-four elementary schools, five intermediate schools, five high schools, three alternative education schools, one adult school, the Clovis Online Charter School, and the Center for Advanced Research and Technology as a joint high school with Fresno Unified School District.

A reporting entity is comprised of the primary government and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Clovis Unified School District, this includes general operations, food service, and student related activities of the District. The District has also approved a charter for Clovis Online Charter School pursuant to *Education Code* Section 47605. The Clovis Online Charter School is operated by the District, and its financial activities are presented in the Charter School Fund.

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 proprietary.

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. Due to GASB 84, the District has consolidated the Warrant Pass-Through Fund, for financial reporting purposes, while keeping the funds and related activities separate for internal reporting purposes. As a result, the General Fund reflects an increase in assets and liabilities of $1,139,231.

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

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

Non-Major Governmental Funds

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

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

- **Charter School Fund** The Charter School Fund may be used by authorizing districts to account separately for the operating activities of district-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

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

- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

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.).

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 obligations.

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

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary fund:

- **Internal Service Fund** Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a Self Insurance Fund that is accounted for in an internal service fund that accounts for the costs associated with the District's self-insurance programs and its retiree benefits.

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 for each governmental function, and exclude 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 and subscription IT 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 and proprietary 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. The internal service fund is presented in a single column on the face of the proprietary fund statements.

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

- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

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

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

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

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

Stores Inventories

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

Capital Assets, Depreciation, and Amortization

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 $25,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 5 to 15 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, 2023.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

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, except for the net residual amounts due between governmental and business-type activities which are presented as internal balances.

Compensated Absences

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

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 and proprietary 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, compensated absences, bonds, leases, and other long-term liabilities are recognized as liabilities in the entity-wide fund financial statement when due.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

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

Pensions

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

Postemployment Benefits Other than Pensions (OPEB)

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

Leases

The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

Subscriptions

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from two to eight years.

Fund Balances - Governmental Funds

As of June 30, 2023, 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, the assistant superintendent of business services or the associate superintendent of administrative 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 ten percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $328,542,152 of restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are premiums charged to the operating funds to support the health and welfare and workers' compensation coverage. Operating expenses are necessary costs incurred to provide the services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities column of the Statement of Activities.

Estimates

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

Property Tax

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

Change in Accounting Principles

Implementation of GASB Statement No. 96

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position and fund balance is disclosed in Note 16 and the additional disclosures required by this standard are included in Notes 4 and 8.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Governmental funds	$ 711,225,471
Proprietary funds	68,752,836
Total deposits and investments	$ 779,978,307

Deposits and investments as of June 30, 2023, consist of the following:

Cash on hand and in banks	$ 19,096,296
Cash with fiscal agent	118,544,658
Cash in revolving	147,500
Investments	642,189,853
Total deposits and investments	$ 779,978,307

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 has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of $642,189,853 in the Fresno County Treasury Investment Pool that has an average weighted maturity of 862 days.

Credit Risk

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

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2023, $137,119,881 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 3 - Receivables

Receivables at June 30, 2023, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Internal Service Fund	Total Governmental Activities
Federal Government					
Categorical aid	$ 14,340,793	$ 3,080,082	$ 17,420,875	$ -	$ 17,420,875
State Government					
LCFF apportionment	3,504	-	3,504	-	3,504
State grants and entitlements	14,986,269	5,228,404	20,214,673	-	20,214,673
Local Sources	7,423,283	374,497	7,797,780	2,002,065	9,799,845
Total	$ 36,753,849	$ 8,682,983	$ 45,436,832	$ 2,002,065	$ 47,438,897

Note 4 - Capital Assets, Right-to-Use Leased Assets, and Right-to-Use Subscription IT Assets

Capital assets, right-to-use leased assets, and right-to-use subscription IT assets activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022 as Restated	Additions	Deductions	Balance June 30, 2023
Governmental Activities				
Capital assets not being depreciated				
Land	$ 103,444,421	$ -	$ -	$ 103,444,421
Construction in progress	38,242,327	56,681,453	(1,347,020)	93,576,760
Total capital assets not being depreciated	141,686,748	56,681,453	(1,347,020)	197,021,181
Capital assets being depreciated				
Land improvements	130,224,678	710,153	-	130,934,831
Buildings and improvements	1,073,606,102	690,662	-	1,074,296,764
Furniture and equipment	82,878,479	840,062	-	83,718,541
Total capital assets being depreciated	1,286,709,259	2,240,877	-	1,288,950,136
Total capital assets	1,428,396,007	58,922,330	(1,347,020)	1,485,971,317
Accumulated depreciation				
Land improvements	(95,364,745)	(3,457,770)	-	(98,822,515)
Buildings and improvements	(336,551,909)	(22,511,457)	-	(359,063,366)
Furniture and equipment	(49,934,606)	(4,162,059)	-	(54,096,665)
Total accumulated depreciation	(481,851,260)	(30,131,286)	-	(511,982,546)
Net depreciable capital assets	804,857,999	(27,890,409)	-	776,967,590
Right-to-use leased assets being amortized				
Buildings and improvements	4,915,000	-	-	4,915,000
Accumulated amortization				
Buildings and improvements	(744,697)	(297,879)	-	(1,042,576)
Net right-to-use leased assets	4,170,303	(297,879)	-	3,872,424
Right-to-use subscription IT assets being amortized				
Right-to-use subscription IT assets	1,878,895	4,043,563	-	5,922,458
Accumulated amortization	(604,866)	(1,433,393)	-	(2,038,259)
Net right-to-use subscription IT assets	1,274,029	2,610,170	-	3,884,199
Governmental activities capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net	$ 951,989,079	$ 31,103,335	$ (1,347,020)	$ 981,745,394

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

Governmental Activities	
Instruction	$ 18,943,340
Supervision of instruction	125,837
School site administration	2,006,805
Food services	297,879
All other pupil services	2,960,062
Ancillary services	2,929,912
Community services	701,192
Data processing	166,185
All other administration	2,191,551
Plant services	1,539,795
Total depreciation and amortization expenses - governmental activities	$ 31,862,558

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2023, between major and non-major governmental funds, and internal service fund are as follows:

Funds	Due from Other Funds	Due to Other Funds
Major Governmental Funds		
General	$ -	$ 1,811,873
Building	575,902	-
Special Reserve Fund for Capital Outlay Projects	4,452,232	-
Non-Major Governmental Funds		
Cafeteria	100,000	193,387
Charter Schools	1,767,079	-
Adult Education	-	121,157
Child Development	-	2,762,621
Capital Facilities	-	352,361
County School Facilities	-	164,143
Internal Service-Self Insurance	7,627	1,497,298
Total	$ 6,902,840	$ 6,902,840

All balances resulted from the time lag between that date (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2023, consisted of the following:

The General Fund transferred to the Deferred Maintenance Non-Major Governmental Fund for future repairs and maintenance projects.	$ 3,800,000
The General Fund transferred to the Building Fund for the COPs debt service payment.	416,775
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for construction project costs.	3,338,089
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for the COPs debt service payment.	470,200
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for a one-time furniture refresh.	200,000
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for future repairs and maintenance costs.	900,000
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for mandated safety standards costs.	750,000
The General Fund transferred to the Adult Education Non-Major Governmental Fund for the District's Adult Education contribution.	846,880
The Building Fund transferred to the General Fund for electric cart expenditure overages.	2,806
The Capital Facilities Non-Major Governmental Fund transferred to the General Fund for indirect costs.	330,000
The Capital Facilities Non-Major Governmental Fund transferred to the Building Fund as a contribution towards construction project costs.	1,000,000
The County School Facilities Non-Major Governmental Fund transferred to the Special Reserve Fund for Capital Outlay Projects for capital project costs.	3,886,387
Total	$ 15,941,137

Note 6 - Accounts Payable

Accounts payable at June 30, 2023, consisted of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds	Internal Service Fund	Total Governmental Activities
Vendor payables	$ 37,418,230	$ 262,306	$ 621,005	$ 3,430,904	$ 41,732,445	$ 1,706,885	$ 43,439,330
LCFF apportionment	2,006,000	-	-	-	2,006,000	-	2,006,000
Learning recovery emergency block grant apportionment	6,625,006	-	-	126,232	6,751,238	-	6,751,238
Salaries and benefits	3,484,824	-	-	-	3,484,824	-	3,484,824
Other	1,123,288	-	-	-	1,123,288	-	1,123,288
Total	$ 50,657,348	$ 262,306	$ 621,005	$ 3,557,136	$ 55,097,795	$ 1,706,885	$ 56,804,680

Note 7 - Unearned Revenue

Unearned revenue at June 30, 2023, consists of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	$ 10,726,374	$ -	$ 10,726,374
State categorical aid	5,373,831	25,000	5,398,831
Total	$ 16,100,205	$ 25,000	$ 16,125,205

Note 8 - 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, 2022 as Restated	Additions	Deductions	Balance June 30, 2023	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 461,986,499	$ 108,842,540	$ (41,300,000)	$ 529,529,039	$ 40,700,000
Certificates of participation	100,495,000	-	(2,745,000)	97,750,000	2,775,000
Unamortized debt premiums	7,563,223	4,592,504	(789,021)	11,366,706	-
Unamortized debt discounts	(1,722,147)	-	61,698	(1,660,449)	-
Financed purchase agreements	13,277,508	-	(671,547)	12,605,961	1,913,490
Leases	4,430,000	-	(220,000)	4,210,000	225,000
Subscription-based IT arrangements	611,545	4,043,563	(4,257,272)	397,836	331,651
Compensated absences	3,189,394	1,507,127	-	4,696,521	-
Claims liability	27,731,358	673,000	-	28,404,358	-
Total	$ 617,562,380	$ 119,658,734	$ (49,921,142)	$ 687,299,972	$ 45,945,141

The General Obligation Bonds are paid by the Bond Interest and Redemption Fund with local tax revenue. The Certificates of Participation are paid by the Building Fund and the Capital Facilities Fund. The premiums and discounts will be amortized over the life of the related debt. Payments on the financed purchase agreements, leases, and child development portables are made from General Fund, Building Fund, and Child Development Fund. Payments on the subscription-based IT arrangements are made from the General Fund and the Charter School Fund. Payments on compensated absences are made from the fund which the related employee worked. The District is self-insured for the claims liability which is funded through the District's Self Insurance Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Fiscal Year Issued	Series	Fiscal Year of Final Maturity	Interest Rate	Original Issue	Bonds Outstanding July 1, 2022	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2023	Due in One Year
2003	01B	2028	3.6-5.23%	$ 29,000,256	$ 9,114,038	$ -	$ -	$ (1,117,405)	$ 7,996,633	$ 2,190,781
Accreted interest on bonds					16,010,962	-	1,166,671	(1,907,595)	15,270,038	1,164,219
2005	04A	2030	3.8-6.15%	119,998,286	43,200,940	-	-	(5,708,333)	37,492,607	5,689,858
Accreted interest on bonds					67,501,318	-	5,349,754	(8,256,667)	64,594,405	9,115,142
2006	04B	2031	4.0-5.0%	48,001,060	13,847,060	-	-	-	13,847,060	-
Accreted interest on bonds					16,277,367	-	1,459,005	-	17,736,372	-
2013	12A	2038	1.0-5.5%	79,996,801	3,515,000	-	-	(3,515,000)	-	-
2014	12B	2024	2.0-6.12%	49,996,579	1,378,507	-	-	(668,472)	710,035	710,035
Accreted interest on bonds					931,185	-	70,308	(451,528)	549,965	549,965
2015	12C	2035	3.19-4.52%	64,995,505	12,489,435	-	-	(1,305,000)	11,184,435	1,135,146
Accreted interest on bonds					1,119,529	-	128,856	-	1,248,385	369,854
2016	12D	2041	3.37-5.0%	103,007,034	37,365,000	-	-	(1,325,000)	36,040,000	1,590,000
2017	17R	2036	3.18-5.0%	43,121,677	38,816,677	-	-	-	38,816,677	-
Accreted interest on bonds					2,889,481	-	667,946	-	3,557,427	-
2020	19R	2038	1.786-3.257%	23,630,000	18,195,000	-	-	(165,000)	18,030,000	170,000
2021	20A	2046	2.0-4.0%	50,000,000	50,000,000	-	-	(10,810,000)	39,190,000	-
2022	21R	2040	0.286-3.067%	125,145,000	125,145,000	-	-	(6,070,000)	119,075,000	-
2022	22R	2032	5.00%	4,190,000	4,190,000	-	-	-	4,190,000	-
2023	20B	2048	5.00%	100,000,000	-	100,000,000	-	-	100,000,000	18,015,000
Total					$461,986,499	$100,000,000	$ 8,842,540	$ (41,300,000)	$529,529,039	$40,700,000

Debt Service Requirements to Maturity

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Accreted Obligation	Unaccreted Interest	Maturity Value
2024	$ 8,699,258	$ 12,225,742	$ 20,925,000	$ -	$ 20,925,000
2025	8,052,673	11,770,051	19,822,724	1,057,276	20,880,000
2026	8,064,656	11,897,176	19,961,832	2,128,168	22,090,000
2027	8,544,039	13,859,965	22,404,004	3,755,996	26,160,000
2028	10,078,363	17,201,484	27,279,847	6,295,153	33,575,000
2029-2033	24,301,952	33,312,452	57,614,404	21,100,596	78,715,000
2034-2036	11,686,506	2,689,722	14,376,228	6,943,772	21,320,000
Total	$ 79,427,447	$ 102,956,592	$ 182,384,039	$ 41,280,961	$ 223,665,000

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2024	$ 19,775,000	$ 12,467,367	$ 32,242,367
2025	16,305,000	11,570,422	27,875,422
2026	1,585,000	11,128,118	12,713,118
2027	5,005,000	11,006,373	16,011,373
2028	185,000	10,919,382	11,104,382
2029-2033	57,440,000	50,679,035	108,119,035
2034-2038	80,165,000	38,562,222	118,727,222
2039-2043	119,045,000	18,734,207	137,779,207
2044-2046	47,640,000	5,340,487	52,980,487
Total	$ 347,145,000	$ 170,407,613	$ 517,552,613

Certificates of Participation

2011 Certificates of Participation

In January 2011, the Central Valley Support Services JPA issued 2011 Certificates of Participation and entered into a lease agreement to fund the debt with the District in the amount of $4,450,000 with interest rates ranging from 2.00% to 4.50%. As of June 30, 2023, the principal balance outstanding was $1,345,000.

2021 Certificates of Participation

In October 2011, the Central Valley Support Services JPA issued 2021 Certificates of Participation and entered into a lease agreement to fund the debt with the District in the amount of $102,535,000 with interest rates ranging from 0.435% to 3.100%. As of June 30, 2023, the principal balance outstanding was $96,405,000.

Debt Service Requirements to Maturity

Year Ending June 30,	Principal	Interest	Total
2024	$ 2,775,000	$ 2,911,497	$ 5,686,497
2025	2,950,000	2,864,866	5,814,866
2026	2,980,000	2,803,261	5,783,261
2027	2,520,000	2,751,061	5,271,061
2028	2,565,000	2,705,147	5,270,147
2029-2033	13,695,000	12,658,083	26,353,083
2034-2038	15,660,000	10,692,267	26,352,267
2039-2043	18,315,000	8,040,578	26,355,578
2044-2048	21,525,000	4,825,442	26,350,442
2049-2051	14,765,000	1,040,732	15,805,732
Total	$ 97,750,000	$ 51,292,934	$ 149,042,934

Financed Purchase Agreements

The District has entered into agreements to lease various facilities and equipment. Two such on-going leases are a computer refresh lease and a lease-back agreement with the Central Valley Support Services JPA. The lease agreement was entered into with the JPA to provide funds for construction and modernization projects within the District and to provide the JPA with the source of funds to make the required debt service payments on the JPA's $11,755,000 2020 Certificates of Participation issuance. The financed purchase agreements have minimum payments as follows:

Year Ending June 30,	Principal	Interest to Maturity	Total
2024	$ 1,913,490	$ 478,199	$ 2,391,689
2025	1,972,471	414,618	2,387,089
2026	1,610,000	348,800	1,958,800
2027	1,675,000	284,400	1,959,400
2028	1,740,000	217,400	1,957,400
2029-2030	3,695,000	223,200	3,918,200
Total	$ 12,605,961	$ 1,966,617	$ 14,572,578

Leases

The District has entered into an agreement to lease the building located at 310 N. Sunnyside, Clovis, CA for their Campus Catering (food services) department. The lease began June 1, 2020, and ends June 1, 2036, and under the terms of the lease the District will make semi-annual payments ranging from $8,000 - $448,800 (principal portion increasing and interest portion decreasing over the life of the lease). The annual interest rate charged to the lease is 4.0%. At June 30, 2023, the District has recognized right-to-use asset, net of amortization of $3,872,424 and a total lease liability of $4,210,000 related to the lease agreement. During the fiscal year, the District recorded $297,879 in amortization expenses and $220,000 in principal and $177,200 in interest payments for the right-to-use the building. The District also pays for the maintenance and upkeep of the building, which is not included in the measurement of the lease liability as they are variable in nature. The District's liability on the lease is summarized below:

Lease	Leases Outstanding July 1, 2022	Addition	Payments	Leases Outstanding June 30, 2023
Campus Catering	$ 4,430,000	$ -	$ (220,000)	$ 4,210,000

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 225,000	$ 168,400	$ 393,400
2025	240,000	159,400	399,400
2026	265,000	149,800	414,800
2027	275,000	139,200	414,200
2028	285,000	128,200	413,200
2029-2033	1,685,000	456,400	2,141,400
2034-2036	1,235,000	101,000	1,336,000
Total	$ 4,210,000	$ 1,302,400	$ 5,512,400

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District entered into SBITAs for the general operations of the District. At June 30, 2023, the District recognized a right-to-use subscriptions IT asset of $5,922,458 and a SBITA liability of $397,836 related to these agreements. During the fiscal year, the District recorded $1,433,393 in amortization expense and $15,043 in interest expense. The subscription has an interest rate of 4.08%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 331,651	$ 2,987	$ 334,638
2025	21,164	1,931	23,095
2026	22,052	1,017	23,069
2027	22,969	64	23,033
Total	$ 397,836	$ 5,999	$ 403,835

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2023, amounted to $4,696,521.

Note 9 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2023, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 398,479,811	$ 92,951,429	$ 115,121,091	$ 25,724,528
Medicare Premium Payment (MPP) Program	1,865,017	-	-	(349,625)
Total	$ 400,344,828	$ 92,951,429	$ 115,121,091	$ 25,374,903

The details of each plan are as follows:

District Plan

Plan Administration

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

Plan Membership

At July 1, 2022, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	1,417
Active employees	3,608
Total	5,025

Benefits Provided

The District assesses its retirees for any District-paid medical/Rx claims on behalf of its retirees and their dependents that exceed ten percent (10%) of the total claims paid (for active employees plus retirees) in any fiscal year. The assessment is made to all retirees in twelve equal payments from August through July of the following year.

Eligibility and benefit provisions specific to retirees are as follows:

Certificated and Classified - employees are eligible to retire with District-paid benefits after attaining age 55 and completing at least 15 years of service with the District for employees hired on or before August 31, 2007 (June 30, 2013 for CSEA members). Employees hired on or after September 1, 2007 (July 1, 2013 for CSEA members) are eligible to retire with District-paid benefits after attaining age 62 and completing at least 30 years of service with the District. A year of service as it relates to the retirees is defined as a work year in which the employee works at least 50% for those hired on or before August 31, 2002 and 75% for those hired on or after September 1, 2002. Benefits are payable for the lifetime of the retiree and spouse, with the District's plan becoming secondary to Medicare once one attains age 65. Survivor benefits are provided if a retiree pre-deceases his/her spouse. However, retirees retired prior to March 1985 do not have their dependent or survivor coverage paid for by the District.

Medical and prescription drug benefits are paid for the lifetime of the retiree. Dental and vision benefits are continued for five years or until age 65.

If an employee hired prior to September 1, 2007 (July 1, 2013 for CSEA members) has met the 15-year service and enrollment requirements, but retires prior to age 55, the retiree may continue coverage at his or her expense until age 55, at which time the retiree will be eligible for lifetime District-paid benefits. District-paid dental and vision benefits are also suspended from the time of retirement until age 55 in this situation. An employee hired before September 1, 2007 (July 1, 2013 for CSEA members) may retire under the disability provisions of the program, in which case the age 55 requirement is waived, and benefits are provided as described above.

If an employee hired on or after September 1, 2007 (July 1, 2013 for CSEA members) has met the 30- year service and enrollment requirements, but retires prior to age 62, the retiree may continue coverage at his or her expense until age 62, at which time the retiree will be eligible for lifetime District-paid benefits. However, District-paid dental and vision benefits terminate at time of retirement in this situation.

An employee hired on or after September 1, 2007 (July 1, 2013 for CSEA members) may retire under the disability provisions of the program, in which case the age 62 requirement is waived, and benefits are provided as described above.

Board Members - employees are subject to the same retirement eligibility as the Certificated and the Classifieds, with one exception: one may retire with District-paid benefits, regardless of attained age, after completing 12 years of service with the District.

The District's governing board has the authority to establish and amend the benefits terms as contained within the negotiated labor agreements.

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District. For measurement period of June 30, 2023, the District paid $7,624,045 in benefits which did not include credit for an implicit rate subsidy.

Total OPEB Liability of the District

The District's total OPEB liability of $398,479,811 was measured as of June 30, 2023, and was determined by applying procedures to the financial reporting actuarial valuation as of July 1, 2022.

Actuarial Assumptions

The following assumptions were applied to all periods included in the measurement as of July 1, 2022, unless otherwise specified:

Actuarial cost method	Entry age, level percent of pay
Salary increases	3.00%
Inflation rate	2.75%
Discount rate	3.86%
Healthcare cost trend rate	6.00% for 2022-2023; 5.50% for 2024; 5.25% for 2025-2029; 5.00% for 2030-2039; 4.75% for 2040-2049; 4.50% for 2050-2069 and 4.00% for 2070 and later; Medicare ages 4.50% for 2023-2024 and 4.00% for all years after

Pre-retirement mortality rates for active employees are from CalSTRS Experience Analysis (2015-2018) and from CalPERS Experience Study (2000-2019), as appropriate, without projection. Post-retirement mortality rates for retired members and beneficiaries are from CalSTRS Experience Analysis (2015-2018) and for healthy recipients are from CalPERS Experience Study (2000-2019), as appropriate, without projection.

Discount rate. GASB 75 requires a discount rate that reflects the following:

1. The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
2. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher - to the extent that the conditions in (a) are not met.

Actuarial assumptions used in the July 1, 2022, valuation were based on a standard set of assumptions used for similar valuations, modified as appropriate for the District.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2022	$ 367,509,441
Service cost	10,794,396
Interest	14,734,445
Differences between expected and actual experience	18,696,002
Changes of assumptions or other inputs	(5,630,428)
Benefit payments	(7,624,045)
Net change in total OPEB liability	30,970,370
Balance, June 30, 2023	$ 398,479,811

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

Changes of Assumptions - The discount rate was changed from 3.69% to 3.86% and the health care trend rate was changed from 5.00% to 6.00% 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 (2.86%)	$ 475,204,032
Current discount rate (3.86%)	398,479,811
1% increase (4.86%)	338,619,435

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

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

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (5.00%)	$ 330,116,717
Current healthcare cost trend rate (6.00%)	398,479,811
1% increase (7.00%)	489,033,510

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

At June 30, 2023, District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 34,225,196	$ -
Changes of assumptions and other inputs	58,726,233	115,121,091
Total	$ 92,951,429	$ 115,121,091

Amounts reported as deferred outflows of resources and deferred inflows of resources related to changes of assumptions and differences between expected and actual experience will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2024	$ 16,999,259
2025	16,999,259
2026	16,999,259
2027	16,999,262
2028	11,379,723
Thereafter	13,574,667
Total	$ 92,951,429

Year Ended June 30,	Deferred Inflows of Resources
2024	$ (16,803,572)
2025	(16,803,572)
2026	(16,803,572)
2027	(16,803,572)
2028	(16,803,572)
Thereafter	(31,103,231)
Total	$ (115,121,091)

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, 2021, 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, 2023, the District reported a liability of $1,865,017 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. 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, 2022 and June 30, 2021, respectively, was 0.5662% and 0.5552%, resulting in a net increase in the proportionate share of 0.0110%.

For the year ended June 30, 2023, the District recognized OPEB expense of $(349,625).

Actuarial Methods and Assumptions

The June 30, 2022 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total OPEB liability to June 30, 2022, using the assumptions listed in the following table:

Measurement Date	June 30, 2022	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2020
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.54%	2.16%
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, 2021, 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 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 209 or an average of 0.14% of the potentially eligible population (145,282).

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, 2022, 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, 2022, is 3.54%. 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 3.54%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 1.38% from 2.16% as of June 30, 2021.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.54%)	$ 2,033,227
Current discount rate (3.54%)	1,865,017
1% increase (4.54%)	1,719,368

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 1,711,221
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	1,865,017
1% increase (5.50% Part A and 6.40% Part B)	2,039,351

Note 10 - Fund Balances

Fund balances for Governmental Funds are composed of the following elements:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 144,000	$ -	$ -	$ 3,500	$ 147,500
Stores inventories	1,458,342	-	-	448,364	1,906,706
Prepaid expenditures	380,000	-	-	511,650	891,650
Total nonspendable	1,982,342	-	-	963,514	2,945,856
Restricted					
Legally restricted programs	84,440,642	-	-	1,306,984	85,747,626
Student activities	-	-	-	3,470,545	3,470,545
Food service	-	-	-	18,074,944	18,074,944
Childcare programs	-	-	-	15,668,039	15,668,039
Capital projects	-	99,151,622	124,858,453	106,279,544	330,289,619
Debt services	-	-	-	60,147,467	60,147,467
Total restricted	84,440,642	99,151,622	124,858,453	204,947,523	513,398,240
Committed					
Site/Department long-term plans	17,530,653	-	-	-	17,530,653
10% stabilization, BP 3100	61,249,845	-	-	-	61,249,845
Deferred maintenance program	-	-	-	1,441,391	1,441,391
Textbooks	7,336,289	-	-	-	7,336,289
Capital equipment refresh	7,074,916	-	-	-	7,074,916
Technology refresh	4,095,450	-	-	-	4,095,450
Adult education future program growth	-	-	-	544,527	544,527
Adult education capital improvements	-	-	-	2,500,000	2,500,000
Total committed	97,287,153	-	-	4,485,918	101,773,071
Assigned					
Childcare programs future growth	-	-	-	1,947,721	1,947,721
Charter school future program growth	-	-	-	508,273	508,273
Charter school capital improvements	-	-	-	9,686,432	9,686,432
Total assigned	-	-	-	12,142,426	12,142,426
Unassigned					
Remaining unassigned	59,467,737	-	-	-	59,467,737
Total	$ 243,177,874	$ 99,151,622	$ 124,858,453	$ 222,539,381	$ 689,727,330

Note 11 - Risk Management

Workers' Compensation, Short-Term Disability, and Employee Medical Benefits

The District is self-insured for workers' compensation, short-term disability, health, vision and dental programs. The District accounts for and finances its uninsured risks of loss in the Self Insurance Fund. The District provides coverage for up to a maximum of $350,000 for each workers' compensation claim and up to $700,000 for each health insurance claim. The District purchases commercial insurance for claims in excess of coverage provided by the General Fund and Self Insurance Fund and for all other risks of loss.

All funds of the District, which reflect salary costs, participate in the program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of $28,404,358 reported in the Self Insurance Fund at June 30, 2023, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This amount also consists of a reserved for health and welfare claims based on an actuary study of estimated losses.

Property and Liability

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2023, the District contracted with the Schools Excess Liability Fund (SELF) and the Alliance of Schools for Cooperative Insurance Programs (ASCIP) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Claims Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

Unpaid Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2021 to June 30, 2023:

	Health Care	Workers' Compensation	Stop-Loss, Disability and Property	Total
Liability Balance, July 1, 2021	$ 12,409,462	$ 15,019,911	$ 706,862	$ 28,136,235
Claims and changes in estimates	589,896	-	-	589,896
Claims payments	-	(287,911)	(706,862)	(994,773)
Liability Balance, June 30, 2022	12,999,358	14,732,000	-	27,731,358
Claims and changes in estimates	-	673,000	-	673,000
Liability Balance, June 30, 2023	$ 12,999,358	$ 15,405,000	$ -	$ 28,404,358

Note 12 - 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, 2023, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 262,131,970	$ 69,097,615	$ 33,622,026	$ 23,683,283
CalPERS	202,887,253	70,569,876	8,523,132	26,636,968
Total	$ 465,019,223	$ 139,667,491	$ 42,145,158	$ 50,320,251

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, 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, 2023, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after 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	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the District's total contributions were $46,149,257.

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

At June 30, 2023, 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	$ 262,131,970
State's proportionate share of the net pension liability	131,274,666
Total	$ 393,406,636

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively, was 0.3772% and 0.3694%, resulting in a net increase in the proportionate share of 0.0078%.

For the year ended June 30, 2023, the District recognized pension expense of $23,683,283. In addition, the District recognized pension expense and revenue of $10,587,215 for support provided by the State. At June 30, 2023, 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	$ 46,149,257	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	9,733,491	1,148,838
Differences between projected and actual earnings on pension plan investments	-	12,818,761
Differences between expected and actual experience in the measurement of the total pension liability	215,029	19,654,427
Changes of assumptions	12,999,838	-
Total	$ 69,097,615	$ 33,622,026

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (9,416,331)
2025	(10,201,000)
2026	(15,323,977)
2027	22,122,547
Total	$ (12,818,761)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 10,284,264
2025	(834,048)
2026	(1,818,810)
2027	(1,940,653)
2028	(2,795,741)
Thereafter	(749,919)
Total	$ 2,145,093

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, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
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, 2022, 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%)	$ 445,197,308
Current discount rate (7.10%)	262,131,970
1% increase (8.10%)	110,132,699

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2023, 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%	8.00%
Required employer contribution rate	25.370%	25.370%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the total District contributions were $25,660,578.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $202,887,253. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively, was 0.5896% and 0.5658%, resulting in a net increase in the proportionate share of 0.0238%.

For the year ended June 30, 2023, the District recognized pension expense of $26,636,968. At June 30, 2023, 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	$ 25,660,578	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	5,028,456	3,475,038
Differences between projected and actual earnings on pension plan investments	23,955,466	-
Differences between expected and actual experience in the measurement of the total pension liability	916,931	5,048,094
Changes of assumptions	15,008,445	-
Total	$ 70,569,876	$ 8,523,132

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 3,995,010
2025	3,543,298
2026	1,809,959
2027	14,607,199
Total	$ 23,955,466

The deferred outflows of resources and deferred inflows of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 3,909,128
2025	3,931,254
2026	4,584,873
2027	5,445
Total	$ 12,430,700

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, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, 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 expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 293,080,910
Current discount rate (6.90%)	202,887,253
1% increase (7.90%)	128,345,510

Accumulation Program for Part-Time and Limited-Service Employees Plan (APPLE)

Plan Description

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 Accumulation Program for Part-time and Limited-service Employees (APPLE) Plan as its alternative plan.

The APPLE program applies to all part-time employees working less than 20 hours per week and are not eligible for CalPERS or CalSTRS retirement programs. This includes all part-time classified and certificated employees working less than 20 hours, as well as substitute employees.

Employees are eligible for plan benefits upon termination with the District and have the option of rolling over their benefit into an individual retirement account or receiving a direct payment. Those with account balances of less than $3,500 and who do not indicate which alternative they choose will receive a direct distribution from the plan.

Funding Policy

Participants in APPLE are required to contribute 3.75% of gross salary to APPLE. The District is required to contribute 3.75% of gross salary expenditures to APPLE. The District's contributions to APPLE for the fiscal year ending June 30, 2023, 2022, 2021 were $232,742, $223,835, and $194,536, respectively.

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 $21,059,194 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 13 - 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, 2023.

Litigation

The District is involved in various litigation 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, 2023.

Construction Commitments

As of June 30, 2023, the District had the following commitments with respect to the unfinished capital projects:

Location	Description	Remaining Construction Commitment	Expected Date of Completion
Terry Bradly Education Center		$ 33,089,438	
	New junior high school		August 2025
	New high school		August 2027
Various sites	EMS upgrade	32,389	October 2023
Various sites	Snack bar upgrade	33,543	October 2023
Clark Intermediate School	Mercedes Edwards Theatre (MET)	1,792,564	June 2024
Cole Elementary School	Roof	638,177	June 2024
Various sites	Paving	1,306,300	December 2024
Woods Elementary School	Portable	155,750	December 2024
Various sites	Painting	243,104	December 2023
Clovis East High School	Soccer stadium	3,929,422	June 2024
Hirayama Elementary School	New elementary school site	42,427,883	August 2024
Total		$ 83,648,570	

Note 14 - Participation in Joint Powers Authorities

The District is a member of the Schools Excess Liability Fund (SELF), Alliance of Schools for Cooperative Insurance Programs (ASCIP), Central Valley Support Services (CVSS), Education Technology, and the Center for Advanced Research & Technology (CART) joint powers authorities (JPAs). The District pays an annual premium to ASCIP for its property liability coverage. Payments for services received from JPAs are paid to CVSS and CART. The relationships between the District 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.

One designee for each district votes for a 16-member Board of Directors for SELF.

During the year ended June 30, 2023, the District made no direct payments to SELF for liability insurance coverage. The payments are made through ASCIP.

Eleven voting members of the ASCIP Executive Committee appointed by the member districts.

During the year ended June 30, 2023, the District made payments of $4,072,373 to ASCIP for property and liability insurance coverage and $1,110,157 for workers' compensation insurance coverage.

One designee and one alternate from each founding member district votes for a five-member Board of Directors for the Education Technology JPA.

During the year ended June 30, 2023, the District made no payments to the Education Technology JPA.

The Governing Board of CVSS shall consist of a District representative appointed by the Superintendent and a member of the operations staff of each educational agency holding membership in CVSS selected by that agency, and the Treasurer of CVSS.

During the year ended June 30, 2023, the District made payments of $6,743,585 to CVSS for debt service.

The Governing Board of CART is comprised of representatives from the member public educational agencies and related associations.

During the year ended June 30, 2023, the District made payments of $3,048,848 to CART for the financing and operation of a joint technical center for high school age students.

Note 15 - Subsequent Events

2023 Refunding General Obligation Bond Issuance

On July 11, 2023, the District issued $8,000,000 refunding general obligation bonds, to be funded by the taxpayers within the District, the net proceeds of the 2023 Refunding Bonds will be used to refund certain maturities of outstanding 2012 Series D bonds aggregate original principal amount of $103,007,034. The interest rate on the bonds is 4.00% with the final maturity August 1, 2025. Interest payments are required on the outstanding bonds each February 1 and August 1 commencing August 1, 2023.

2023 Certificates of Participation Issuance

On July 11, 2023, Central Valley Support Services Joint Powers Agency (CVSS) issued $54,090,000 of certificates of participation (COPS) to be funded by lease payments from the District. The COPS will provide financing for a number of capital projects in the District pay delivery costs. The interest rates on the COPS are 5.0% with the final maturity June 1, 2053. Interest payments are required on the outstanding COPS each June 1 and December 1 commencing December 1, 2023.

Note 16 - Adoption of New Accounting Standard

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. Beginning net position and fund balance were restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

Governmental Activities	
Net Position - Beginning, as previously reported on June 30, 2022	$ 113,242,889
Right-to-use subscription IT assets, net of amortization	1,274,029
Subscription liabilities	(611,545)
Prepaid assets	(168,000)
Net Position - Beginning as Restated as of July 1, 2022	$ 113,737,373
Charter Schools Fund (Non-Major Governmental)	
Fund Balance - Beginning, as previously reported on June 30, 2022	$ 8,189,352
Prepaid assets	(168,000)
Fund Balance - Beginning as Restated as of July 1, 2022	$ 8,021,352

Required Supplementary Information
June 30, 2023

Clovis Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$455,232,685	$469,055,149	$469,055,149	$ -
Federal sources	75,862,692	46,258,118	46,258,118	-
Other State sources	138,005,713	157,473,196	157,473,196	-
Other local sources	15,483,557	16,676,990	16,676,990	-
Total revenues	684,584,647	689,463,453	689,463,453	-
Expenditures				
Current				
Certificated salaries	219,860,053	244,642,753	244,642,753	-
Classified salaries	93,766,105	98,474,880	98,474,880	-
Employee benefits	168,484,276	170,310,704	170,310,704	-
Books and supplies	127,937,740	38,551,999	38,551,999	-
Services and operating expenditures	42,549,152	42,990,675	42,990,675	-
Other outgo	(144,888)	(288,927)	(353,963)	65,036
Capital outlay	4,495,952	6,662,931	6,662,931	-
Debt service				
Debt service - principal	419,547	4,676,819	4,676,819	-
Debt service - interest and other	11,943	26,986	26,986	-
Total expenditures	657,379,880	606,048,820	605,983,784	65,036
Excess (Deficiency) of Revenues Over Expenditures	27,204,767	83,414,633	83,479,669	65,036
Other Financing Sources (Uses)				
Transfers in	836,000	332,806	332,806	-
Proceeds from Subscription-Based IT Arrangements	-	-	4,043,563	4,043,563
Transfers out	(7,471,066)	(10,721,944)	(10,721,944)	-
Net financing sources (uses)	(6,635,066)	(10,389,138)	(6,345,575)	4,043,563
Net Change in Fund Balances	20,569,701	73,025,495	77,134,094	4,108,599
Fund Balance - Beginning	166,043,780	166,043,780	166,043,780	-
Fund Balance - Ending	$186,613,481	$239,069,275	$243,177,874	$ 4,108,599

	2023	2022	2021
Total OPEB Liability			
Service cost	$ 10,794,396	$ 18,589,705	$ 15,181,865
Interest	14,734,445	9,709,103	10,742,328
Difference between expected and actual experience	18,696,002	-	26,058,802
Changes of assumptions	(5,630,428)	(142,485,804)	28,157,603
Benefit payments	(7,624,045)	(10,741,553)	(9,836,098)
Net change in total OPEB liability	30,970,370	(124,928,549)	70,304,500
Total OPEB Liability - Beginning	367,509,441	492,437,990	422,133,490
Total OPEB Liability - Ending	$ 398,479,811	$ 367,509,441	$ 492,437,990
Covered Payroll	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]
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021

[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.

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 12,130,038	$ 10,492,371	$ 10,186,768
Interest	11,432,331	11,229,316	10,741,686
Difference between expected and actual experience	-	-	-
Changes of assumptions	49,513,934	29,849,079	-
Benefit payments	(8,063,788)	(9,221,780)	(5,725,349)
Net change in total OPEB liability	65,012,515	42,348,986	15,203,105
Total OPEB Liability - Beginning	357,120,975	314,771,989	299,568,884
Total OPEB Liability - Ending	$ 422,133,490	$ 357,120,975	$ 314,771,989
Covered Payroll	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]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

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

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

Year ended June 30,	2023	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.5662%	0.5552%	0.6357%	0.6295%	0.6221%	0.6108%
Proportionate share of the net OPEB liability	$ 1,865,017	$ 2,214,642	$ 2,693,999	$ 2,344,110	$ 2,381,187	$ 2,569,769
Covered payroll	N/A [1]	N/A [1]	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A [1]	N/A [1]	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.94%)	(0.80%)	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2023	2022	2021	2020	2019
CalSTRS					
Proportion of the net pension liability	0.3772%	0.3694%	0.3648%	0.3558%	0.3466%
Proportionate share of the net pension liability	$ 262,131,970	168,097,217	353,552,614	321,370,136	318,541,616
State's proportionate share of the net pension liability	131,274,666	84,580,000	182,256,414	175,328,864	182,379,973
Total	$ 393,406,636	$ 252,677,217	$ 535,809,028	$ 496,699,000	$ 500,921,589
Covered payroll	$ 216,162,199	$ 199,959,300	$ 197,774,778	$ 192,616,677	$ 188,468,233
Proportionate share of the net pension liability as a percentage of its covered payroll	121.27%	84.07%	178.77%	166.84%	169.02%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CalPERS					
Proportion of the net pension liability	0.5896%	0.5658%	0.5830%	0.5770%	0.5610%
Proportionate share of the net pension liability	$ 202,887,253	$ 115,053,609	$ 178,895,219	$ 168,151,626	$ 149,586,205
Covered payroll	$ 90,718,293	$ 81,379,290	$ 84,038,649	$ 80,165,104	$ 74,208,963
Proportionate share of the net pension liability as a percentage of its covered payroll	223.65%	141.38%	212.87%	209.76%	201.57%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

	2018	2017	2016	2015
CalSTRS				
Proportion of the net pension liability	0.3374%	0.3363%	0.3507%	0.3264%
Proportionate share of the net pension liability	312,018,523	271,983,817	236,088,495	190,731,688
State's proportionate share of the net pension liability	184,587,522	154,835,535	124,864,788	115,172,028
Total	$ 496,606,045	$ 426,819,352	$ 360,953,283	$ 305,903,716
Covered payroll	$ 182,374,682	$ 171,698,993	$ 163,040,732	$ 150,043,685
Proportionate share of the net pension liability as a percentage of its covered payroll	171.09%	158.41%	144.80%	127.12%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS				
Proportion of the net pension liability	0.5487%	0.5366%	0.5465%	0.5259%
Proportionate share of the net pension liability	$ 130,998,817	$ 105,981,422	$ 80,561,650	$ 59,703,034
Covered payroll	$ 70,034,469	$ 64,365,730	$ 60,511,656	$ 55,215,032
Proportionate share of the net pension liability as a percentage of its covered payroll	187.05%	164.66%	133.13%	108.13%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%
Measurement Date	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.

	2023	2022	2021	2020	2019
CalSTRS					
Contractually required contribution	$ 46,149,257	$ 36,574,644	$ 32,293,427	$ 33,819,487	$ 31,357,995
Less contributions in relation to the contractually required contribution	46,149,257	36,574,644	32,293,427	33,819,487	31,357,995
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 241,619,147	$ 216,162,199	$ 199,959,300	$ 197,774,778	$ 192,616,677
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%
CalPERS					
Contractually required contribution	$ 25,660,578	$ 20,783,561	$ 16,845,513	$ 16,573,262	$ 14,479,421
Less contributions in relation to the contractually required contribution	25,660,578	20,783,561	16,845,513	16,573,262	14,479,421
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 101,145,361	$ 90,718,293	$ 81,379,290	$ 84,038,649	$ 80,165,104
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%

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

	2018	2017	2016	2015
CalSTRS				
Contractually required contribution	$ 27,195,966	$ 22,942,735	$ 18,423,302	$ 14,478,017
Less contributions in relation to the contractually required contribution	27,195,966	22,942,735	18,423,302	14,478,017
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 188,468,233	$ 182,374,682	$ 171,698,993	$ 163,040,732
Contributions as a percentage of covered payroll	14.43%	12.58%	10.73%	8.88%
CalPERS				
Contractually required contribution	$ 11,525,394	$ 9,726,387	$ 7,625,408	$ 7,122,827
Less contributions in relation to the contractually required contribution	11,525,394	9,726,387	7,625,408	7,122,827
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 74,208,963	$ 70,034,469	$ 64,365,730	$ 60,511,656
Contributions as a percentage of covered payroll	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 State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

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

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

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate was changed from 3.69% to 3.86% and the health care cost trend rate was changed from 5.00% to 6.00% since last study.

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

This schedule presents information on the District's proportionate share of the net OPEB Liability - MPP Program and the plan's 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 2.16% to 3.54% 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 the CalSTRS plan from the previous valuations. The CalPERS plan rate of investment return assumption was changed from 7.15% to 6.90% since the previous valuation.

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, 2023

Clovis Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Indian Education - Grants to Local Educational Agencies	84.060	[1]	$ 162,197
School Climate Transformation	84.184G	[1]	703,156
Student Financial Assistance Cluster: Federal Pell Grant Program	84.063	[1]	291,417
Total Student Financial Assistance Cluster			291,417
Passed Through California Department of Education (CDE)			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	7,790,653
COVID-19, Special Education: ARP IDEA Part B, Local Assistance Entitlement	84.027	15638	1,602,032
Special Education Grants to States - Mental Health	84.027A	15197	491,497
Special Education Grants to States - Private School ISP	84.027	10115	2,800
Subtotal (84.027)			9,886,982
Special Education Preschool Grants	84.173	13430	119,661
COVID-19, Special Education: ARP IDEA, Preschool Grants	84.173	15639	126,441
Special Education Preschool Grants - Alternate Dispute Resolution	84.173A	13007	14,922
Special Education Preschool Grants - Preschool Staff Development	84.173	13431	2,537
Subtotal (84.173)			263,561
Total Special Education Cluster			10,150,543
COVID-19, Elementary and Secondary School Emergency Relief Fund II (ESSER II)	84.425D	15547	12,761,180
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER II: State Reserve	84.425D	15618	554,194
COVID-19, Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	463,049
COVID-19, Elementary and Secondary School Emergency Relief Fund III (ESSER III)	84.425U	15559	6,445,899
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III: State Reserve, Emergency Needs	84.425U	15620	31,717
COVID-19, Elementary and Secondary School Emergency Relief Fund III (ESSER III): Learning Loss	84.425U	10155	3,074,638
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III: State Reserve, Learning Loss	84.425U	15621	464,273
COVID-19, American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425W	15566	4,245
Subtotal (84.425)			23,799,195

[1] Not applicable, District is direct funded

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Adult Education - Basic Grants to States: Adult Basic	84.002A	14508	279,900
Adult Education - Basic Grants to States: Adult Secondary	84.002	13978	448,070
Subtotal (84.002)			727,970
Title I Grants to Local Educational Agencies	84.010	14329	7,296,111
ESEA: ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	603,571
Subtotal (84.010)			7,899,682
English Language Acquisition State Grants - IEP	84.365	15146	362
English Language Acquisition State Grants - LEP	84.365	14346	298,914
Subtotal (84.365)			299,276
Career and Technical Education - Basic Grants to States, Secondary	84.048	14894	269,848
Career and Technical Education - Basic Grants to States, Adult, Section 132	84.048	14893	20,254
Subtotal (84.048)			290,102
Supporting Effective Instruction State Grants - Teacher Quality	84.367	14341	1,951,953
Student Support and Academic Enrichment Program	84.424	15396	636,203
Special Education-Grants for Infants and Families	84.181	23761	81,623
Rehabilitation Services Vocational Rehabilitation Grants to States - Workability II	84.126	10006	156,577
Total U.S. Department of Education			47,149,894
U.S. Department of Health and Human Services			
Passed Through California Department of Social Services			
CCDF Cluster: COVID-19, Child Development: ARP California State Preschool Program One-time Stipend	93.575	15640	202,169
Total CCDF Cluster			202,169
Total U.S. Department of Health and Human Services			202,169
U.S. Department of Defense			
ROTC Language and Culture Training Grants	12.357	[1]	72,580
Total U.S. Department of Defense			72,580

[1] Not applicable, District is direct funded

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Communications Commission			
COVID-19, Emergency Connectivity Funds	32.009	[1]	221,499
Total Federal Communications Commission			221,499
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	9,273,343
National School Lunch Program - Meal Supplements	10.555	13396	106,641
Supply Chain Assistance (SCA) Funds	10.555	15655	915,806
National School Lunch Program - Commodity Supplemental Food	10.555	13391	1,554,018
Subtotal (10.555)			11,849,808
School Breakfast Program - National School Breakfast	10.553	13525	89,703
School Breakfast Program - Especially Needy Breakfast	10.553	13526	2,045,548
Subtotal (10.553)			2,135,251
National School Lunch Program - Summer Food Program	10.559	13004	103,432
Total Child Nutrition Cluster			14,088,491
Total U.S. Department of Agriculture			14,088,491
Total Federal Financial Assistance			$ 61,734,633

Organization

The Clovis Unified School District was established in 1960 and consists of an area comprising approximately 198 square miles. The District operates thirty-four elementary schools, five intermediate schools, five high schools, three alternative education schools, one adult school, the Clovis Online Charter School, and the Center for Advanced Research and Technology as a joint high school with Fresno Unified School District. There were no boundary changes during the year.

Governing Board

Member	Office	Term Expires
David DeFrank	President	2024
Hugh Awtrey	Vice President	2024
Steven G. Fogg	Clerk	2024
Deena Combs-Flores	Member	2026
Yolanda Moore	Member	2024
Clinton Olivier	Member	2026
Tiffany Stoker Madsen	Member	2026

Administration

Eimear O'Brien, Ed.D.	Superintendent
Norm Anderson	Deputy Superintendent
Michael Johnston	Associate Superintendent, Administrative Services
Barry Jager	Associate Superintendent, Human Resources and Employee Relations
Marc Hammack, Ed.D.	Associate Superintendent, School Leadership
Susan Rutledge	Assistant Superintendent, Business Services

	Second Period Report	Annual Report
Clovis Unified School District		
Regular ADA		
Transitional kindergarten through third	11,645.85	11,684.44
Fourth through sixth	9,214.09	9,223.34
Seventh and eighth	6,263.54	6,256.85
Ninth through twelfth	12,238.37	12,138.27
Total regular ADA	39,361.85	39,302.90
Extended Year Special Education		
Transitional kindergarten through third	15.18	15.18
Fourth through sixth	8.17	8.17
Seventh and eighth	3.45	3.45
Ninth through twelfth	11.21	11.21
Total extended year special education	38.01	38.01
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	1.30	1.13
Fourth through sixth	2.80	2.49
Seventh and eighth	2.18	1.85
Ninth through twelfth	7.27	6.06
Total special education, nonpublic, nonsectarian schools	13.55	11.53
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Ninth through twelfth	0.71	0.71
Total extended year special education, nonpublic, nonsectarian schools	0.71	0.71
Community Day School		
Fourth through sixth	4.10	4.70
Seventh and eighth	16.96	16.69
Ninth through twelfth	29.10	31.16
Total community day school	50.16	52.55
Total ADA	39,464.28	39,405.70
Clovis Online Charter School		
Regular ADA, Non-Classroom Based		
Transitional kindergarten through third	74.35	75.32
Fourth through sixth	90.80	94.37
Seventh and eighth	109.54	114.00
Ninth through twelfth	563.43	565.43
Total regular ADA	838.12	849.12

Grade Level	1986-1987 Minutes Requirement	2022-2023 Actual Minutes	Number of Actual Days	Status
Kindergarten	36,000	36,045	180	Complied
Grades 1 - 3	50,400			
Grade 1		56,475	180	Complied
Grade 2		56,475	180	Complied
Grade 3		56,475	180	Complied
Grades 4 - 8	54,000			
Grade 4		56,655	180	Complied
Grade 5		56,655	180	Complied
Grade 6		56,655	180	Complied
Grade 7		62,785	181	Complied
Grade 8		62,785	181	Complied
Grades 9 - 12	64,800			
Grade 9		65,263	181	Complied
Grade 10		65,263	181	Complied
Grade 11		65,263	181	Complied
Grade 12		65,263	181	Complied

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

	General Fund	Charter School Fund
Net Position		
Balance, June 30, 2023, Unaudited Actuals	$ 243,341,589	$ 12,094,119
Decrease in prepaid assets *	(163,715)	(84,000)
Balance, June 30, 2023, Audited Financial Statements	$ 243,177,874	$ 12,010,119

* Due to the implementation of GASB Statement No. 96.

	(Budget) 2024 [1]	2023	2022 [1]	2021 [1]
General Fund				
Revenues	$ 660,094,247	$ 689,463,453	$ 570,253,756	$ 552,135,341
Other sources and tranfers in	330,000	332,806	2,036,000	1,142,375
Total Revenues and Other Sources	660,424,247	689,796,259	572,289,756	553,277,716
Expenditures	636,538,065	601,940,221	556,637,957	516,940,343
Other uses and transfers out	6,971,136	10,721,944	12,950,750	4,076,521
Total Expenditures and Other Uses	643,509,201	612,662,165	569,588,707	521,016,864
Increase in Fund Balance	16,915,046	77,134,094	2,701,049	32,260,852
Ending Fund Balance	$ 260,092,920	$ 243,177,874	$ 166,043,780	$ 163,342,731
Available Reserves [2]	$ 64,472,768	$ 59,467,737	$ 56,282,327	$ 116,853,507
Available Reserves as a Percentage of Total Outgo	10.02%	9.71%	9.88%	22.43%
Long-Term Liabilities [3]	Not Available	$ 1,552,664,023	$ 1,270,437,289	$ 1,566,519,197
Average Daily Attendance at P-2	39,464	39,464	38,644	41,558

The General Fund balance has increased by $79,835,143 over the past two years. The fiscal year 2023-2024 budget projects an increase of $16,915,046 (7%). For a district this size, the State recommends available reserves of at least two percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating surplus during the 2023-2024 fiscal year. Total long-term obligations have decreased by $13,855,174 over the past two years due to changes in the District's net pension liability and other postemployment benefits obligations in the current year.

Average daily attendance has decreased by 2,094 over the past two years. Actual ADA is planned to increase during 2023-24 and ongoing. The District is currently being funded using the prior three-year average.

[1] Financial information for 2024, 2022, and 2021 is 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 within the General Fund.
[3] The long-term liabilities balance was restated as of June 30, 2022, due to the implementation of GASB Statement No. 96. Long-term liabilities balance was restated as of June 30, 2021, due to the implementation of GASB Statement No. 87.

Name of Charter School	Charter Number	Included in Audit Report
Clovis Online School	1006	Yes

	Student Activities Fund	Charter School Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets										
Deposits and investments	$ 3,470,545	$ 9,677,844	$ 2,363,771	$ 19,336,825	$ 12,842,100	$ 1,786,187	$ 51,191,227	$ 57,389,144	$ 60,147,467	$ 218,205,110
Receivables	-	474,420	868,013	1,181,824	6,158,726	-	-	-	-	8,682,983
Due from other funds	-	1,767,079	-	-	100,000	-	-	-	-	1,867,079
Prepaid expenditures	-	511,650	-	-	-	-	-	-	-	511,650
Stores inventories	-	-	69,150	-	379,214	-	-	-	-	448,364
Total assets	$ 3,470,545	$ 12,430,993	$ 3,300,934	$ 20,518,649	$ 19,480,040	$ 1,786,187	$ 51,191,227	$ 57,389,144	$ 60,147,467	$ 229,715,186
Liabilities and Fund Balances										
Liabilities										
Accounts payable	$ -	$ 395,874	$ 59,380	$ 140,268	$ 832,495	$ 344,796	$ 1,784,323	$ -	$ -	$ 3,557,136
Due to other funds	-	-	121,157	2,762,621	193,387	-	352,361	164,143	-	3,593,669
Unearned revenue	-	25,000	-	-	-	-	-	-	-	25,000
Total liabilities	-	420,874	180,537	2,902,889	1,025,882	344,796	2,136,684	164,143	-	7,175,805
Fund Balances										
Nonspendable	-	511,650	72,650	-	379,214	-	-	-	-	963,514
Restricted	3,470,545	1,303,764	3,220	15,668,039	18,074,944	-	49,054,543	57,225,001	60,147,467	204,947,523
Committed	-	-	3,044,527	-	-	1,441,391	-	-	-	4,485,918
Assigned	-	10,194,705	-	1,947,721	-	-	-	-	-	12,142,426
Total fund balances	3,470,545	12,010,119	3,120,397	17,615,760	18,454,158	1,441,391	49,054,543	57,225,001	60,147,467	222,539,381
Total liabilities and fund balances	$ 3,470,545	$ 12,430,993	$ 3,300,934	$ 20,518,649	$ 19,480,040	$ 1,786,187	$ 51,191,227	$ 57,389,144	$ 60,147,467	$ 229,715,186

	Student Activities Fund	Charter School Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues										
Local Control Funding Formula	$ -	$ 10,052,210	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,052,210
Federal sources	-	146,214	1,039,641	246,910	14,147,773	-	-	-	-	15,580,538
Other State sources	-	1,585,572	2,778,478	26,671,469	13,472,046	-	-	16,490,615	309,194	61,307,374
Other local sources	7,047,129	(7,642)	1,818,956	4,744,993	179,640	(36,843)	13,519,337	126,999	53,849,498	81,242,067
Total revenues	7,047,129	11,776,354	5,637,075	31,663,372	27,799,459	(36,843)	13,519,337	16,617,614	54,158,692	168,182,189
Expenditures										
Current										
Instruction	-	5,884,828	2,935,804	16,046,120	-	-	-	-	-	24,866,752
Instruction-related activities										
Supervision of instruction	-	43,541	667,389	3,551,788	-	-	-	-	-	4,262,718
Instructional library, media, and technology	-	98,302	45,295	-	-	-	-	-	-	143,597
School site administration	-	586,516	2,092,903	-	-	-	-	-	-	2,679,419
Pupil services										
Food services	-	-	-	-	19,807,928	-	-	-	-	19,807,928
All other pupil services	-	861,778	376,626	257,193	-	-	-	-	-	1,495,597
Administration										
All other administration	-	255,437	127,616	954,878	521,694	-	-	-	-	1,859,625
Plant services	-	57,185	369,371	-	-	886,326	2,394,067	-	-	3,706,949
Ancillary services	7,055,530	-	-	-	-	-	-	-	-	7,055,530
Facility acquisition and construction	-	-	26,831	1,260,288	15,010	1,446,211	6,746,281	323,544	-	9,818,165
Debt service										
Principal	-	-	-	252,000	220,000	-	2,415,000	-	41,300,001	44,187,001
Interest and other	-	-	-	-	177,200	-	2,850,144	-	9,747,891	12,775,235
Total expenditures	7,055,530	7,787,587	6,641,835	22,322,267	20,741,832	2,332,537	14,405,492	323,544	51,047,892	132,658,516
Excess (Deficiency) of Revenues Over Expenditures	(8,401)	3,988,767	(1,004,760)	9,341,105	7,057,627	(2,369,380)	(886,155)	16,294,070	3,110,800	35,523,673
Other Financing Sources (Uses)										
Transfers in	-	-	846,880	-	-	3,800,000	-	-	-	4,646,880
Premium on bond issuance	-	-	-	-		-	-	-	4,592,504	4,592,504
Transfers out	-	-	-	-	-	-	(1,330,000)	(3,886,387)	-	(5,216,387)

	Student Activities Fund	Charter School Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Net Financing Sources (Uses)	-	-	846,880	-	-	3,800,000	(1,330,000)	(3,886,387)	4,592,504	4,022,997
Net Change in Fund Balances	(8,401)	3,988,767	(157,880)	9,341,105	7,057,627	1,430,620	(2,216,155)	12,407,683	7,703,304	39,546,670
Fund Balance - Beginning as Restated	3,478,946	8,021,352	3,278,277	8,274,655	11,396,531	10,771	51,270,698	44,817,318	52,444,163	182,992,711
Fund Balance - Ending	$ 3,470,545	$ 12,010,119	$ 3,120,397	$ 17,615,760	$ 18,454,158	$ 1,441,391	$ 49,054,543	$ 57,225,001	$ 60,147,467	$222,539,381

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 Clovis Unified School District (the District) under programs of the federal government for the year ended June 30, 2023. 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 Clovis Unified School District, it is not intended to and does not present the net position, changes in net position or fund balances of Clovis Unified School District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

The District does not draw for indirect administrative expenses and has not elected to use the ten percent de minimus cost rate.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. For the fiscal year ended June 30, 2023, the District had used $1,554,018 in food commodities.

SEFA Reconciliation

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amount consists of COVID-19, Child Development: ARP California State Preschool Program One-Time Stipend prior year revenues expended in the current year, COVID-19, Child Development: ARP California State Preschool Program – Rate Supplement and Supply Chain Assistance (SCA) Funds unspent revenues received.

Description	Federal Financial Assistance Listing Number	Amount
Total Federal Revenues reported on the financial statements		$ 61,838,656
CCDF Cluster: COVID-19, Child Development: ARP California State Preschool Program One-time Stipend	93.575	202,169
COVID-19, Child Development: ARP California State Preschool Program - Rate Supplement	93.575	(246,910)
Supply Chain Assistance (SCA) Funds	10.555	(59,282)
Total Federal Financial Assistance		$ 61,734,633

Local Education Agency Organization Structure

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

Schedule of 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.

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District, and displays information for each Charter School on whether or not the Charter School is included in the District audit.

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

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

Independent Auditor's Reports
June 30, 2023

Clovis Unified School District

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

To the Governing Board
Clovis Unified School District
Clovis, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clovis Unified School District (the District), as of and for the year ended June 30, 2023, 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 14, 2023.

Adoption of New Accounting Standard

As discussed in Notes 1 and 16 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the governmental activities net position and the Charter School Non-Major Governmental Fund beginning fund balance as of July 1, 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.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Eide Bailly LLP

Fresno, California
December 14, 2023

CPAs & BUSINESS ADVISORS

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

To the Governing Board
Clovis Unified School District
Clovis, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clovis Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. 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, 2023.

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

Fresno, California
December 14, 2023

Independent Auditor's Report on State Compliance

To the Governing Board
Clovis Unified School District
Clovis, California

Report on Compliance

Opinion on State Compliance

We have audited Clovis Unified School District's (the District) compliance with the requirements specified in the *2022-2023 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, 2023.

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, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2022-2023 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 *2022-2023 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 *2022-2023 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 *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2022-2023 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	No (see below)
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes

2022-2023 K-12 Audit Guide Procedures	Procedures Performed
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (see below)
Gann Limit Calculation	Yes
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)
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes
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	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	No (see below)
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes - Classroom Based	No (see below)
Charter School Facility Grant Program	No (see below)

We did not perform Independent Study attendance procedures because the ADA earned from the program is not below the threshold that required the program to be tested.

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

We did not perform Juvenile Court Schools procedures because the program is not offered by the District.

We did not perform Middle or Early College High Schools procedures because the program is not offered by the District.

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

The District did not elect to operate as a school district of choice; therefore, we did not perform procedures related to District of Choice.

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

The District does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety 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 procedures for the Charter Schools Mode of Instruction nor Annual Instruction Minutes Classroom-Based because the District's charter school is entirely nonclassroom-based.

Additionally, we did not perform procedures for the Charter School Facility Grant Program because the District did not receive funding for this program.

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 *2022-2023 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

Fresno, California
December 14, 2023

Schedule of Findings and Questioned Costs
June 30, 2023

Clovis Unified School District

Financial Statements

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

Federal Awards

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

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing Number
Special Education Cluster	84.027, 84.027A, 84.173, 84.173A
Supporting Effective Instruction State Grants - Teacher Quality	84.367
COVID-19, Elementary and Secondary School Emergency Relief Fund II (ESSER II)	84.425D
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER II: State Reserve	84.425D
COVID-19, Expanded Learning Opportunities (ELO) Grant GEER II	84.425C
COVID-19, Elementary and Secondary School Emergency Relief Fund III (ESSER III)	84.425U
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III: State Reserve, Emergency Needs	84.425U
COVID-19, Elementary and Secondary School Emergency Relief Fund III (ESSER III): Learning Loss	84.425U
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III: State Reserve, Learning Loss	84.425U
COVID-19, American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425W

Dollar threshold used to distinguish between type A and type B programs	$ 1,852,039
Auditee qualified as low-risk auditee?	No

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.