Financial Statements
June 30, 2023

Coachella Valley Unified School District

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Independent Auditor's Report

Governing Board
Coachella Valley Unified School District
Thermal, 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 Coachella Valley 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 Coachella Valley Unified School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Notes 1 and 17 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 as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
April 15, 2024

COACHELLA VALLEY UNIFIED SCHOOL DISTRICT

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This section of Coachella Valley Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023, with comparative information for the year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

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

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

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

The Primary unit of the government is the Coachella Valley Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

In the *Statement of Net Position* and the *Statement of Activities*, we show the District's activities as follows:

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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 Change 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 HIGHLIGHTS OF THE PAST YEAR

The District was able to maintain a strong ending balance in the combined General Fund. This resulted from careful monitoring of expenditures, including the continued support in one-time funding in response to the pandemic. These one-time dollars have provided additional resources unique to our students' needs.

An extensive summer school was implemented District wide to continue to support student's learning loss due to the pandemic.

As has been the practice of the District, Coachella Valley Unified School District does not reallocate categorical program carryover from the prior year until the financial records for the prior year are closed. Consequently, the original budget may not include all available revenues or expenditures related to categorical carryover, while the subsequent budget revisions and actual results reflect these carryovers.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $121,395,435 for the fiscal year ended June 30, 2023. Of this amount, $(247,364,040) was unrestricted net position (deficit). Restricted net position is reported separately to show legal constraints from debt covenants grantors, constitutional provisions and enabling legislation that limit the governing board's ability to use those net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2023	2022 as restated
Assets		
Current and other assets	$ 300,983,937	$ 212,256,991
Capital assets, right-to-use leased assets, and right-to-use subscription IT assets	453,255,362	455,865,058
Total assets	754,239,299	668,122,049
Deferred outflows of resources	87,540,635	66,672,697
Liabilities		
Current liabilities	46,297,228	38,289,627
Long-term liabilities	620,488,016	543,821,968
Total liabilities	666,785,244	582,111,595
Deferred inflows of resources	53,599,255	127,925,937
Net Position		
Net investment in capital assets	228,097,637	217,243,954
Restricted	140,661,838	79,351,131
Unrestricted (deficit)	(247,364,040)	(271,837,871)
Total net position	$ 121,395,435	$ 24,757,214

The $(247,364,040) in unrestricted deficit Net Position of all governmental activities represents the accumulated results of all past years' operations. Unrestricted (deficit) net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. The unrestricted (deficit) net position decreased by 9.0% ($247,364,040 deficit compared to $271,837,871 deficit in the prior year).

Changes in Net Position

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

Table 2

	Governmental Activities	
	2023	2022 *
Revenues		
Program revenues		
Charges for services and sales	$ 7,466,250	$ 8,299,163
Operating grants and contributions	172,611,054	103,648,445
Capital grants and contributions	5,382	815
General revenues		
Federal and State aid not restricted	207,613,325	184,132,510
Property taxes	73,143,283	63,234,901
Other general revenues	3,156,672	(2,210,425)
Total revenues	463,995,966	357,105,409
Expenses		
Instruction-related	244,054,261	212,816,993
Pupil services	55,645,044	43,833,438
Administration	18,557,893	14,032,095
Plant services	33,994,436	24,203,733
All other services	15,106,111	15,790,180
Total expenses	367,357,745	310,676,439
Change in net position	$ 96,638,221	$ 46,428,970

* 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

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was $367,357,745. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $73,143,283 because the cost was paid by those who benefited from the programs ($7,466,250) or by other governments and organizations who subsidized certain programs with grants and contributions ($172,616,436) We paid for the remaining "public benefit" portion of our governmental activities with $207,613,325 in Federal and State unrestricted funds and with other revenues, such as interest and general entitlements ($3,156,672).

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

Table 3

	Total Cost of Services		Net Cost of Services	
	2023	2022 *	2023	2022 *
Instruction-related	$ 244,054,261	$ 212,816,993	$ (113,592,449)	$ (138,426,169)
Pupil services	55,645,044	43,833,438	(23,459,848)	(20,417,177)
Administration	18,557,893	14,032,095	(14,250,722)	(11,041,810)
Plant services	33,994,436	24,203,733	(31,398,326)	(19,953,687)
All other services	15,106,111	15,790,180	(4,573,714)	(8,880,173)
Total	$ 367,357,745	$ 310,676,439	$ (187,275,059)	$ (198,719,016)

* 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 DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $251,858,626, which is an increase of $78,750,480 from last year.

Table 4

	Balances and Activity			
Governmental Fund	July 01, 2022	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2023
General Fund	$ 73,294,508	$ 404,779,443	$ 340,809,868	$ 137,264,083
Student Activity Fund	913,646	1,210,726	1,249,509	874,863
Adult Education Fund	1,169,083	3,033,752	3,201,638	1,001,197
Child Development Fund	182,641	5,802,736	5,876,782	108,595
Cafeteria Fund	3,520,242	19,333,959	17,362,465	5,491,736
Deferred Maintenance Fund	1,325,611	422,960	644,352	1,104,219
Building Fund	34,190,072	883,956	568,629	34,505,399
Capital Facilities Fund	21,406,170	7,353,643	122,928	28,636,885
County School Facilities Fund	190,428	4,929	2,073	193,284
Special Reserve Fund for Capital Outlay Projects	14,736,178	7,131,777	3,276,553	18,591,402
Capital Projects Fund for Blended Component Units	417,853	39,498	-	457,351
Bond Interest and Redemption Fund	21,761,714	20,047,041	18,179,143	23,629,612
Total	$ 173,108,146	$ 470,044,420	$ 391,293,940	$ 251,858,626

The primary reasons for these increases are:

The increase of $63.9 million in the General Fund was a result of are primarily restricted as well as one-time COVID-19 related funding carryover, Expanded Learning Opportunity Program, and Learning Recovery Program. The increase of $1.9 million in the Cafeteria Funds continues to be the result of cost saving measures taken by the District to address the program's structural deficit.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget to deal with changes brought about by anticipated increases or decreases in revenues and expenditures. The final revision to the 2022-2023 Budget, Estimated Actuals, was adopted on June 22, 2023.

Significant revenue revisions made to the 2022-2023 budget were due to changes in various categorical programs including one-time revenues.

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

At June 30, 2023, the District had $453,255,362 in a broad range of capital assets, right-to-use leased assets, and right-to-use subscription IT assets (net of depreciation and amortization), including land and construction in progress, buildings and improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net decrease (including additions, deductions, depreciation, and amortization) of $2,609,696, or 0.6% from last year (Table 5).

Table 5

	Governmental Activities	
	2023	2022 as restated
Land and construction in progress	$ 172,753,040	$ 171,676,237
Buildings and improvements	264,809,845	273,000,311
Furniture and equipment	14,299,199	9,708,083
Right-to-use leased assets	512,528	564,102
Right-to-use subscription IT assets	880,750	916,325
Total	$ 453,255,362	$ 455,865,058

Financing for these capital projects came from general obligation bonds, state construction match funding, certificates of participation, redevelopment revenues, and general funds.

We present more detailed information about our capital assets, right-to-use leased assets, and right-to-use subscription IT assets in Notes to the Financial Statements.

Long-Term Liabilities

At the end of this year, the District had $620,488,016 in long-term liabilities outstanding versus $543,821,968 last year, an increase of $76,666,048 or 14.1%. These long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2023	2022 as restated
Long-Term Liabilities		
General obligation bonds	$ 263,290,476	$ 269,012,017
Unamortized premiums	8,671,676	9,374,066
Certificates of participation	30,598,380	32,752,380
Unamortized premiums	509,366	551,814
Leases	522,944	572,390
Subscription-based IT arrangements	366,824	916,325
Financed purchase agreement	6,916,197	7,451,136
Compensated absences	5,148,459	4,610,220
Other postemployment benefits (OPEB) liability	75,641,358	80,560,510
Aggregate net pension liability	228,822,336	138,021,110
Total	$ 620,488,016	$ 543,821,968

The District's general obligation current bond rating is "A2". The State limits the amount of general obligation debt that Districts can issue to 2.5% of the assessed value of all taxable property within the District's boundaries.

We present more detailed information regarding our long-term obligations in the Notes to the Financial Statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Please direct questions about this report, or requests for additional financial information to the Assistant Superintendent-Business Services at Coachella Valley Unified School District, 87-225 Church Street, P.O. Box 847, Thermal, California, 92274.

	Governmental Activities
Assets	
Deposits and investments	$ 266,431,667
Receivables	33,635,661
Stores inventories	689,671
Lease receivable	226,938
Capital assets not depreciated	172,753,040
Capital assets, net of accumulated depreciation	279,109,044
Right-to-use leased assets, net of accumulated amortization	512,528
Right-to-use subscription IT assets, net of accumulated amortization	880,750
Total assets	754,239,299
Deferred Outflows of Resources	
Deferred charge on refunding	4,345,929
Deferred outflows of resources related to OPEB	12,238,356
Deferred outflows of resources related to pensions	70,956,350
Total deferred outflows of resources	87,540,635
Liabilities	
Accounts payable	35,169,532
Interest payable	3,268,977
Unearned revenue	7,463,047
Claims liability	395,672
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	15,409,991
Long-term liabilities other than OPEB and pensions due in more than one year	300,614,331
Net other postemployment benefits (OPEB) liability	75,641,358
Aggregate net pension liability	228,822,336
Total liabilities	666,785,244
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	24,332,276
Deferred inflows of resources related to pensions	29,040,041
Deferred inflows of resources related to leases	226,938
Total deferred inflows of resources	53,599,255
Net Position	
Net investment in capital assets	228,097,637
Restricted for	
Debt service	20,360,635
Capital projects	28,830,169
Educational programs	78,931,557
Self-insurance	5,870,122
Other activities	6,669,355
Unrestricted (deficit)	(247,364,040)
Total net position	$ 121,395,435

		Program Revenues			Net (Expenses) Revenues and Change in Net Position
Functions/Programs	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	$ 212,920,524	$ 62,377	$ 119,385,474	$ 5,382	$ (93,467,291)
Instruction-related activities					
Supervision of instruction	6,530,258	-	5,504,251	-	(1,026,007)
Instructional library, media, and technology	5,364	-	2,473	-	(2,891)
School site administration	24,598,115	-	5,501,855	-	(19,096,260)
Pupil services					
Home-to-school transportation	19,719,709	-	5,156,617	-	(14,563,092)
Food services	16,896,147	357,051	19,788,508	-	3,249,412
All other pupil services	19,029,188	48,826	6,834,194	-	(12,146,168)
Administration					
Data processing	6,498,720	-	149,477	-	(6,349,243)
All other administration	12,059,173	10,129	4,147,565	-	(7,901,479)
Plant services	33,994,436	256,785	2,339,325	-	(31,398,326)
Ancillary services	1,250,797	-	1,210,726	-	(40,071)
Community services	6,192	-	-	-	(6,192)
Enterprise services	381	-	-	-	(381)
Interest on long-term liabilities	12,504,226	-	-	-	(12,504,226)
Other outgo	1,344,515	6,731,082	2,590,589	-	7,977,156
Total governmental activities	$ 367,357,745	$ 7,466,250	$ 172,611,054	$ 5,382	(187,275,059)
General Revenues and Subventions					
Property taxes, levied for general purposes					46,310,831
Property taxes, levied for debt service					19,987,185
Taxes levied for other specific purposes					6,845,267
Federal and State aid not restricted to specific purposes					207,613,325
Interest and investment earnings					1,681,070
Miscellaneous					1,475,602
Subtotal, general revenues and subventions					283,913,280
Change in Net Position					96,638,221
Net Position - Beginning, as restated					24,757,214
Net Position - Ending					$ 121,395,435

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Deposits and investments	$ 149,807,706	$ 33,936,951	$ 76,295,379	$ 260,040,036
Receivables	25,803,302	580,676	7,150,380	33,534,358
Due from other funds	1,688,609	372	119,391	1,808,372
Stores inventories	31,042	-	658,629	689,671
Lease receivable	226,938	-	-	226,938
Total assets	$ 177,557,597	$ 34,517,999	$ 84,223,779	$ 296,299,375
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 33,891,752	$ 12,564	$ 1,005,351	$ 34,909,667
Due to other funds	150,529	36	1,690,532	1,841,097
Unearned revenue	6,024,295	-	1,438,752	7,463,047
Total liabilities	40,066,576	12,600	4,134,635	44,213,811
Deferred Inflows of Resources				
Deferred inflows of resources related to leases	226,938	-	-	226,938
Fund Balances				
Nonspendable	81,042	-	660,654	741,696
Restricted	78,931,557	34,505,399	59,586,487	173,023,443
Committed	-	-	1,104,219	1,104,219
Assigned	-	-	18,737,784	18,737,784
Unassigned	58,251,484	-	-	58,251,484
Total fund balances	137,264,083	34,505,399	80,089,144	251,858,626
Total liabilities, deferred inflows of resources, and fund balances	$ 177,557,597	$ 34,517,999	$ 84,223,779	$ 296,299,375

Total Fund Balance - Governmental Funds		$ 251,858,626
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	$ 676,152,360	
Accumulated depreciation is	(224,290,276)	
Net capital assets		451,862,084
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	814,182	
Accumulated amortization is	(301,654)	
Net right-to-use leased assets		512,528
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	1,377,672	
Accumulated amortization is	(496,922)	
Net right-to-use subscription IT assets		880,750
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(3,268,977)
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.		5,870,122
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		
Deferred charge on refunding	4,345,929	
Net other postemployment benefits (OPEB) liability	12,238,356	
Aggregate net pension liability	70,956,350	
Total deferred outflows of resources		87,540,635

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		
Net OPEB liability	$ (24,332,276)	
Aggregate net pension liability	(29,040,041)	
Total deferred inflows of resources		$ (53,372,317)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(228,822,336)
The District's net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(75,641,358)
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	(216,881,017)	
Unamortized premium on general obligation bonds	(8,671,676)	
Certificates of participation	(30,598,380)	
Unamortized premium on certificates of participation	(509,366)	
Leases	(522,944)	
Subscription-based IT arrangements	(366,824)	
Financed purchase agreements	(6,916,197)	
Compensated absences (vacations)	(5,148,459)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(46,409,459)	
Total long-term liabilities		(316,024,322)
Total net position - governmental activities		$ 121,395,435

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Local Control Funding Formula	$ 244,231,080	$ -	$ -	$ 244,231,080
Federal sources	55,182,416	-	19,831,729	75,014,145
Other State sources	89,217,708	-	7,855,440	97,073,148
Other local sources	15,463,735	883,956	36,293,852	52,641,543
Total revenues	404,094,939	883,956	63,981,021	468,959,916
Expenditures				
Current				
Instruction	216,444,180	-	7,258,583	223,702,763
Instruction-related activities				
Supervision of instruction	6,621,991	-	301,767	6,923,758
Instructional library, media, and technology	5,364	-	-	5,364
School site administration	25,138,610	-	707,753	25,846,363
Pupil services				
Home-to-school transportation	18,963,388	-	-	18,963,388
Food services	415,289	-	16,857,240	17,272,529
All other pupil services	19,162,813	-	508,445	19,671,258
Administration				
Data processing	6,513,799	-	-	6,513,799
All other administration	11,691,114	-	670,088	12,361,202
Plant services	29,971,316	257,468	137,009	30,365,793
Ancillary services	1,288	-	1,249,509	1,250,797
Community services	6,027	-	-	6,027
Other outgo	1,344,515	-	-	1,344,515
Facility acquisition and construction	2,046,509	311,161	772,503	3,130,173
Debt service				
Principal	1,818,390	-	13,194,000	15,012,390
Interest and other	265,275	-	8,258,546	8,523,821
Total expenditures	340,409,868	568,629	49,915,443	390,893,940
Excess (Deficiency) of Revenues Over Expenditures	63,685,071	315,327	14,065,578	78,065,976
Other Financing Sources (Uses)				
Transfers in	-	-	400,000	400,000
Other sources - leases	223,157	-	-	223,157
Other sources - SBITAs	461,347	-	-	461,347
Transfers out	(400,000)	-	-	(400,000)
Net Financing Sources (Uses)	284,504	-	400,000	684,504
Net Change in Fund Balances	63,969,575	315,327	14,465,578	78,750,480
Fund Balance - Beginning	73,294,508	34,190,072	65,623,566	173,108,146
Fund Balance - Ending	$ 137,264,083	$ 34,505,399	$ 80,089,144	$ 251,858,626

Total Net Change in Fund Balances - Governmental Funds		$ 78,750,480
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities. This is the amount by which depreciation and amortization expense exceeds capital outlay in the period.		
Depreciation and amortization expense	$ (12,929,963)	
Capital outlay	10,320,267	
Net expense adjustment		(2,609,696)
Right-to-use leased assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(223,157)
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.		(461,347)
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.		(538,239)
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 aggregate pension liability during the year.		14,920,185
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.		(5,220,780)

Governmental funds report the effect of premiums, discounts, and the deferred charge on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	$ 744,838
Deferred charge on refunding amortization	(610,554)
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	11,040,000
Certificates of participation	2,154,000
Leases	272,603
Subscription-based IT arrangements	1,010,848
Financed purchase agreements	534,939
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	(4,114,689)
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.	988,790
Change in net position of governmental activities	$ 96,638,221

	Governmental Activities - Internal Service Fund
Assets	
Current assets	
Deposits and investments	$ 6,391,631
Receivables	101,303
Due from other funds	32,725
Total current assets	6,525,659
Liabilities	
Current liabilities	
Accounts payable	259,865
Claims liability	395,672
Total current liabilities	655,537
Net Position	
Restricted	$ 5,870,122

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for services	$ 5,630,296
Operating Expenses	
Payroll costs	2,219,182
Other operating cost	2,554,147
Total operating expenses	4,773,329
Operating Income	856,967
Nonoperating Revenues (Expenses)	
Fair market value adjustments	(31,892)
Interest income	163,715
Total nonoperating income	131,823
Change in Net Position	988,790
Total Net Position - Beginning	4,881,332
Total Net Position - Ending	$ 5,870,122

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash received from assessments made to other funds	$ 5,525,019
Cash payments to other suppliers of goods or services	(2,561,043)
Net Cash From Operating Activities	744,794
Investing Activities	
Interest on investments	131,823
Net Change in Cash and Cash Equivalents	876,617
Cash and Cash Equivalents, Beginning	5,515,014
Cash and Cash Equivalents, Ending	$ 6,391,631
Reconciliation of Operating Income to Net Cash From Operating Activities	
Operating income	$ 856,967
Changes in assets and liabilities	
Receivables	(90,733)
Due from other fund	(14,544)
Accounts payable	(14,825)
Claims liability	7,929
Net Cash From Operating Activities	$ 744,794

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Coachella Valley Unified School District (the District) was organized on July 1, 1973, 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 fourteen K-6 schools, three 7-8 schools, one 7-12 high school, two four-year high schools, one continuation high school, an adult education extension program, eleven Head Start classrooms, one Early Head Start classroom, four State preschool classrooms, and eight childcare centers. There were no boundary changes during the year.

A reporting entity is comprised of the primary government, component units, 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 Coachella Valley Unified School District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit described below has a financial and operational relationship, which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units* and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because their purpose is to acquire real property to be used for the benefit of the District.

The District has a financial and operational relationship with the Coachella Valley Unified School District Property Acquisition Corporation (PAC) which meets the reporting entity definition criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as component units of the District. Accordingly, the financial activities of the PAC have been included in the Capital Project Fund for Blended Component Units of the District's financial statements.

Other Related Entities

Charter School The District has approved a charter for the NOVA Academy Charter School pursuant to *Education Code* Section 47605. The NOVA Academy Charter School is operated by a separate governing board and is not considered a component unit of the District. The District receives revenue on behalf of the NOVA Academy Charter School which it passes on to the Charter. The NOVA Academy Charter School receives Federal and State funds for specific purposes that is subject to review and audit by grantor agencies.

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.

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.

Non-Major Governmental Funds

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

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

- **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 lA), 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.).

- **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 and redevelopment agency funds for the City of La Quinta, Riverside County, and the City of Coachella monies for capital outlay purposes (*Education Code* Section 42840). In addition, the capital project and debt service activity for the 2003 Certificates of Participation (School Financing Project and East Coachella School Facilities Project) and the 2006 and 2006B Certificates of Participation is accounted for in the Special Reserve Fund for Capital Outlay Projects.

- **Capital Project Fund for Blended Component Units** The Capital Project Fund for Blended Component Units is used to account for the acquisition of real property financed by the Coachella Valley Unified School District Property Acquisition Corporation which is considered a blended component unit of the LEA under Generally Accepted Accounting Principles.

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

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

Proprietary Funds Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Proprietary funds 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 any activity for which services are provided to other funds of the District on a cost-reimbursement basis. The District operates a dental and vision program that is accounted for in an internal service fund.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide 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 direct expenses and program revenues for each governmental program and excludes fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation of capital assets and amortization of right-to-use leased assets and right-to-use subscription IT assets. Program revenues include charges paid by the recipients of the goods or services offered by the programs, 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 a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

- **Proprietary Funds** Proprietary Funds are accounted for using a 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 change 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 obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

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.

Prepaid Expenditures (Expenses)

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

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental type funds and expenses in the proprietary type funds 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. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise fund is also capitalized.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statement of net position. The valuation basis for general capital assets are 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.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the capital assets of governmental funds.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/ infrastructure, five to 50 years; equipment, two 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 columns of the Statement of Net Position.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Liabilities

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

Debt Issuance Costs, Premiums and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund statement of net position. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

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

Deferred Outflows/Inflows of Resources

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

Pensions

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

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

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 shorter of the subscription term or useful life of the underlying asset. The amortization period varies from one to two 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, only the governing board or chief business officer 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 three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position 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 net position, restricted by enabling legislation of $140,661,838.

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 charges to other funds for the dental and vision program. Operating expenses are necessary costs incurred to provide the good or service 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

Transfers between governmental in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds 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 on the financial statements. Interfund transfers are eliminated in the governmental activities columns 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 Riverside 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 is disclosed in Note 17 and the additional disclosures required by this standard are included in Notes 5 and 10.

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	$ 260,040,036
Proprietary funds	6,391,631
Total deposits and investments	$ 266,431,667

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

Cash on hand and in banks	$ 1,374,166
Cash in revolving	52,025
Cash collection awaiting deposit	1,592,305
Investments	263,413,171
Total deposits and investments	$ 266,431,667

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 manages its exposure to interest rate risk by investing in the Riverside County Treasury Investment Pool and purchasing 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 $263,413,171 with Riverside County Treasury Investment Pool that has an average weighted maturity of 475 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. While the District's investment in the Riverside County Treasury Investment Pool is not required to be rated, as of year-end it reflected an Aaa rating by Moody's Investors Service.

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, the District's bank balance of $1,421,495 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 3 - Fair Value Measurements

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

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

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

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

As of June 30, 2023, the District’s investments of $263,413,171 in the Riverside County Treasury Investment Pool are uncategorized.

Note 4 - 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	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Total
Federal Government					
Categorical aid	$ 14,887,261	$ -	$ 4,563,242	$ -	$ 19,450,503
State Government					
Categorical aid	4,960,229	-	1,776,395	-	6,736,624
Lottery	1,197,360	-	-	-	1,197,360
Special education	1,025,420	-	-	-	1,025,420
Local Government					
Interest	2,371,729	580,676	743,505	101,303	3,797,213
Other local sources	1,361,303	-	67,238	-	1,428,541
Total	$ 25,803,302	$ 580,676	$ 7,150,380	$ 101,303	$ 33,635,661

Note 5 - 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	$ 35,587,508	$ -	$ -	$ 35,587,508
Construction in progress	136,088,729	1,076,803	-	137,165,532
Total capital assets not being depreciated	171,676,237	1,076,803	-	172,753,040
Capital assets being depreciated				
Land improvements	59,636,393	1,922,350	-	61,558,743
Buildings and improvements	381,938,454	416,145	-	382,354,599
Furniture and equipment	53,265,513	6,220,465	-	59,485,978
Total capital assets being depreciated	494,840,360	8,558,960	-	503,399,320
Total capital assets	666,516,597	9,635,763	-	676,152,360
Accumulated depreciation				
Land improvements	(28,078,309)	(2,676,072)	-	(30,754,381)
Buildings and improvements	(140,496,227)	(7,852,889)	-	(148,349,116)
Furniture and equipment	(43,557,430)	(1,629,349)	-	(45,186,779)
Total accumulated depreciation	(212,131,966)	(12,158,310)	-	(224,290,276)
Net depreciable capital assets	282,708,394	(3,599,350)	-	279,109,044
Right-to-use leased assets being amortized				
Furniture and equipment	816,518	223,157	(225,493)	814,182
Accumulated amortization				
Furniture and equipment	(252,416)	(274,731)	225,493	(301,654)
Net right-to-use leased assets	564,102	(51,574)	-	512,528
Right-to-use subscription IT assets being amortized				
Right-to-use subscription IT assets	916,325	461,347	-	1,377,672
Accumulated amortization	-	(496,922)	-	(496,922)
Net right-to-use subscription IT assets	916,325	(35,575)	-	880,750
Governmental activities capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net	$ 455,865,058	$ (2,609,696)	$ -	$ 453,255,362

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

Governmental Activities	
Instruction	$ 679,757
Supervision of instruction	38,717
Home-to-school transportation	5,752,125
Food services	151,259
All other pupil services	43,877
Data processing	137,996
All other administration	274,731
Plant services	5,851,501
Total depreciation and amortization expense governmental activities	$ 12,929,963

Note 6 - Lease Receivables

Lease receivables are recorded by the District at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the District charges the lessee. The District has accrued a receivable for leasing a portion of its undeveloped land. During the fiscal year, the District recognized $223,695 in lease revenue related to the agreement. As of June 30, 2023, the District recorded $226,938 in leases receivable and deferred inflows of resources for these arrangements. The interest rate on the lease was 3.0%.

Note 7 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances at June 30, 2023, between major funds, non-major governmental funds and internal service funds are as follows:

	Due From			
Due To	General Fund	Building Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ -	$ 1,688,609	$ 1,688,609
Building Fund	-	-	372	372
Non-Major Governmental Funds	119,011	-	380	119,391
Internal Service Fund	31,518	36	1,171	32,725
Total	$ 150,529	$ 36	$ 1,690,532	$ 1,841,097

A balance of $493,754 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for the reimbursement of payroll and indirect costs.

A balance of $1,008,226 is due to the General Fund from the Child Development Non-Major Governmental Fund for the reimbursement of operating and indirect costs.

A balance of $115,778 is due to the Cafeteria Non-Major Governmental Fund from the General Fund for the reimbursement of operating and indirect costs.

Remaining balances resulted from the time lag between the date that (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.

Interfund Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following:

The General Fund transferred to the Defered Maintenance Non-Major Governmental Fund to set aside funds for future routine maintenance costs.	$ 400,000

Note 8 - Accounts Payable

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

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Total
LCFF apportionment	$ 10,903,604	$ -	$ -	$ -	$ 10,903,604
Salaries and benefits	8,938,905	11,600	364,645	3,814	9,318,964
Other vendors payable	14,049,243	964	640,706	256,051	14,946,964
Total	$ 33,891,752	$ 12,564	$ 1,005,351	$ 259,865	$ 35,169,532

Note 9 - Unearned Revenues

Unearned revenues at June 30, 2023, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	$ 3,163,563	$ -	$ 3,163,563
State categorical aid	2,860,732	1,438,752	4,299,484
Total	$ 6,024,295	$ 1,438,752	$ 7,463,047

Note 10 - 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	$ 269,012,017	$ 5,318,459	$ (11,040,000)	$ 263,290,476	$ 12,180,000
Unamortized premiums	9,374,066	-	(702,390)	8,671,676	-
Certificates of participation	32,752,380	-	(2,154,000)	30,598,380	2,236,000
Unamortized premiums	551,814	-	(42,448)	509,366	-
Leases	572,390	223,157	(272,603)	522,944	184,606
Subscription-based IT arrangements	916,325	461,347	(1,010,848)	366,824	216,691
Financed purchase agreements	7,451,136	-	(534,939)	6,916,197	592,694
Compensated absences	4,610,220	538,239	-	5,148,459	-
Total	$ 325,240,348	$ 6,541,202	$ (15,757,228)	$ 316,024,322	$ 15,409,991

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. Payments for the certificates of participation are made by the Special Reserve Fund for Capital Outlay Projects. Payments for financed purchase agreements, leases, and subscription-based IT arrangements will be paid by the General Fund. The compensated absences will be paid by the General Fund and the Cafeteria Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2022	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2023
8/1/1998	8/1/2023	3.70-5.28%	$ 9,999,278	$ 4,437,291	$ -	$ 178,481	$ (1,900,000)	$ 2,715,772
8/19/2005	8/1/2030	3.00-5.09%	49,998,180	1,956,923	-	100,878	-	2,057,801
5/12/2010	8/1/2043	6.82-10.51%	24,990,463	55,707,778	-	3,998,186	-	59,705,964
7/12/2012	8/1/2043	3.00-5.97%	54,999,882	19,255,025	-	1,040,914	(1,200,000)	19,095,939
4/25/2013	8/1/2028	0.91-3.55%	20,255,000	9,880,000	-	-	(1,075,000)	8,805,000
1/23/2014	8/1/2028	1.50-5.00%	38,145,000	22,855,000	-	-	(3,005,000)	19,850,000
7/14/2014	8/1/2030	2.00-5.00%	17,455,000	14,100,000	-	-	(1,055,000)	13,045,000
9/15/2015	8/1/2023	2.89-5.38%	5,865,000	3,090,000	-	-	(1,495,000)	1,595,000
9/15/2015	8/1/2031	1.50-5.25%	11,550,000	11,205,000	-	-	-	11,205,000
6/2/2016	8/1/2045	2.00-4.00%	39,680,000	35,380,000	-	-	(255,000)	35,125,000
10/25/2016	8/1/2046	3.00-5.00%	50,330,000	48,380,000	-	-	-	48,380,000
10/3/2019	8/1/2037	1.79-3.24%	44,900,000	42,765,000	-	-	(1,055,000)	41,710,000
				$ 269,012,017	$ -	$ 5,318,459	$ (11,040,000)	$ 263,290,476

1997 General Obligation Bonds, Series B

On August 1, 1998, the District issued the 1997 Series B current and capital appreciation General Obligation Bonds in the amount of $9,999,278 (accreting to $22,525,000) to fund school construction. The bonds have a final maturity to occur on August 1, 2023, with interest rates varying from 3.70 to 5.28%. At June 30, 2023, the principal outstanding was $2,715,772.

2005 General Obligation Bonds, Series A

On August 19, 2005, the District issued the 2005 Series A current and capital appreciation General Obligation Bonds in the amount of $49,998,180 (accreting to $52,140,000) to finance the construction, renovation and repair of District facilities. The bonds have a final maturity to occur on August 1, 2030, with interest rates varying from 3.00 to 5.09%. The District issued the 2014 General Obligation Refunding Bonds in the amount of $38,145,000. The net proceeds from the Refunding Bonds were used to advance refund, a portion of the District's outstanding 2005 General Obligation Bonds, Series A. The District also issued the 2014 Refunding General Obligation Bonds, Series B in the amount of $17,455,000. The net proceeds from the sale of the bonds were used to provide advance refunding a portion of the District's 2005 General Obligation Bonds, Series A and Series B in the amount of $5,200,000 and $11,850,000, respectively. As the advance refundings met the requirements of an in-substance defeasance, the associated assets and liability were removed from the District's financial statements. At June 30, 2023, the principal balance outstanding was $2,057,801.

2005 General Obligation Bonds, Series C

On May 12, 2010, the District issued the 2005 Series C General Obligation Bonds in the amount of $24,990,463 (accreting to $143,307,445) to finance the construction, renovation, and repair of District facilities, to finance a portion of the interest due on the Bonds and to pay issuance costs. The bonds have a final maturity to occur on August 1, 2043, with interest rates varying from 6.82 to 10.51%. At June 30, 2023, the principal balance outstanding was $59,705,964.

2005 General Obligation Bonds, Series D

On July 12, 2012, the District issued the 2005 Series D General Obligation Bonds in the amount of $54,999,882. The Series D Bonds represent the fourth series of the authorized bonds to be issued under the authorization as approved by voters. The bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting $51,500,000 and maturing to an aggregate principal debt service balance of $96,400,000. The bonds mature August 1, 2043, with interest rates varying from 3.00 to 5.97%. Proceeds from the bonds were used to finance the construction, renovation, and repair of District facilities, to finance a portion of the interest due on the Bonds and to pay issuance costs. At June 30, 2023, the principal balance outstanding was $19,095,939.

2012 General Obligation Bonds, Series A

On April 25, 2013, the District issued the 2012 Series A General Obligation Bonds in the amount of $20,255,000 to finance the purchase of technology equipment and the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. The bonds have a final maturity to occur on August 1, 2028, with interest rates varying from 0.91 to 3.55%. At June 30, 2023, the principal balance outstanding was $8,805,000.

2014 General Obligation Refunding Bonds

On January 23, 2014, the District issued the 2014 General Obligation Refunding Bonds in the amount of $38,145,000. The bonds have a final maturity to occur on August 1, 2028, with interest rates varying from 1.50 to 5.00%. The net proceeds from the issuance were used to advance refund the District's outstanding 2005 General Obligation Bonds, Series A and to pay the costs of issuance associated with the refunding bonds, with the prepayment to occur on August 1, 2015. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as a deferred charge on refunding on the statement of net position and are amortized to interest expense over the life of the liability. At June 30, 2023, the principal balance outstanding was $19,850,000.

2014 Refunding General Obligation Bonds, Series B

On July 17, 2014, the District issued the 2014 Refunding General Obligation Bonds, Series B in the amount of $17,455,000. The refunding bonds were issued as current interest bonds. The bonds have a final maturity which occurs on August 1, 2030, with interest rates varying from 2.0 to 5.0%. Proceeds from the sale of the bonds were used to provide advance refunding for a portion of the District's 2005 General Obligation Bonds, Series A and Series B in the amount of $5,200,000 and $11,850,000, respectively. As of June 30, 2023, the principal balance outstanding was $13,045,000.

2012 General Obligation Bonds, Series B

On September 15, 2015, the District issued the 2012 General Obligation Bonds, Series B in the amount of $5,865,000. The bonds were issued as current interest bonds. The bonds have a final maturity which occurs on August 1, 2023 with interest rates varying from 2.89 to 5.38%. Proceeds from the sale of the bonds were used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2023, the principal balance outstanding was $1,595,000.

2015 General Obligation Refunding Bonds

On September 15, 2015, the District issued the 2015 General Obligation Refunding Bonds in the amount of $11,550,000. The refunding bonds were issued as current interest bonds. The bonds have a final maturity which occurs on August 1, 2031 with interest rates varying from 1.50 to 5.25%. Proceeds from the sale of the bonds were used to provide advance refunding of the District’s 2005 General Obligation Bonds, Series B in the amount $11,000,000. As of June 30, 2023, the principal balance outstanding was $11,205,000.

2005 General Obligation Bonds, Series 2016-E

On June 2, 2016, the District issued the 2005 General Obligation Bonds, Series 2016-E in the amount of $39,680,000. The bonds represent the fifth issuance from the 2005 election of bonds authorized not to exceed $250,000,000. The bonds were issued as current interest bonds. The bonds have a final maturity which occurs on August 1, 2045 with interest rates varying from 2.0 to 4.00%. Proceeds from the sale of the bonds were used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2023, the principal balance outstanding was $35,125,000.

2005 General Obligation Bonds, Series 2016-F

On October 4, 2016, the District issued the 2005 General Obligation Bonds, Series 2016-F in the amount of $50,330,000. The bonds represent the sixth issuance from the 2005 election of bonds authorized not to exceed $250,000,000. The bonds were issued as current interest bonds. The bonds have a final maturity which occurs on August 1, 2046 with interest rates varying from 3.0 to 5.0%. Proceeds from the sale of the bonds were used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2023, the principal balance outstanding was $48,380,000.

General Obligation Refunding, Series 2019

On October 3, 2019, the District issued the 2019 General Obligation Refunding Bonds in the amount of $44,900,000. The refunding bonds were issued as current interest bonds. The bonds have a final maturity which occurs on August 1, 2037 with interest rates of 1.79 to 3.24%. Proceeds from the sale of the bonds were used to provide advance refunding of the District’s 2010 General Obligation Refunding Bonds in the amount $1,175,000 and the District’s General Obligation Bonds, 2005 Election, Series D in the amount $39,355,000. As of June 30, 2023 the principal balance outstanding was $41,710,000.

The bonds mature as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest to Maturity	Current Interest to Maturity	Interest to Maturity
2024	$ 12,084,007	$ 95,993	$ 6,847,127	$ 19,027,127
2025	8,263,717	-	6,565,609	14,829,326
2026	8,913,290	256,283	6,246,659	15,416,232
2027	9,632,664	451,710	5,909,921	15,994,295
2028	10,228,947	602,336	5,565,755	16,397,038
2029-2033	50,612,789	7,141,263	23,214,142	80,968,194
2034-2038	47,910,586	23,856,861	18,558,082	90,325,529
2039-2043	28,637,281	54,297,272	15,987,822	98,922,375
2044-2047	87,007,195	33,107,806	7,835,838	127,950,839
Total	$ 263,290,476	$ 119,809,524	$ 96,730,955	$ 479,830,955

Certificates of Participation

The outstanding balance on certificates of participation is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Certificates Outstanding July 1, 2022	Issued	Redeemed	Certificates Outstanding June 30, 2023
9/1/2013	9/1/2031	4.15%	$ 9,475,000	$ 6,140,000	$ -	$ (505,000)	$ 5,635,000
9/16/2014	9/1/2036	2.00-5.00%	21,915,000	19,245,000	-	(840,000)	18,405,000
7/29/2021	9/1/2030	1.34%	8,247,380	7,367,380	-	(809,000)	6,558,380
				$ 32,752,380	$ -	$ (2,154,000)	$ 30,598,380

2013 Refunding Certificates of Participation

On September 1, 2013, the District entered into a lease agreement with Public Property Financing Corporation for $9,475,000. The lease refinancing has a final maturity of September 1, 2031, with an interest rate of 4.15%. The net proceeds from the issuance were used to provide current refunding of the District's outstanding 2003 Certificates of Participation (School Financing Project) and 2003 Certificates of Participation (East Coachella School Financing Project) with the prepayment occurring September 16, 2013. Contributions from the 2003 Certificates of Participation (School Financing Project) and 2003 Certificates of Participation (East Coachella School Financing Project) reserve funds resulted in additional funds of $1,557,684 placed with an escrow agent to satisfy prepayment of the remaining balance of the certificates. As of June 30, 2023, the principal balance outstanding was $5,635,000.

2014 Refunding Certificates of Participation

On September 16, 2014, the District issued 2014 Refunding Certificates of Participation in the amount of $21,915,000. The refunding certificates were issued as current interest certificates. The certificates have a final maturity which occurs on September 1, 2036 with interest rates varying from 2.0 to 5.0%. Proceeds from the sale of the certificates were used to provide advance refunding of the District's 2006B Certificates of Participation in the amount of $22,500,000. As of June 30, 2023, the principal outstanding was $18,405,000.

2022 Refunding Certificates of Participation

On July 29, 2021, the District issued 2022 Refunding Certificates of Participation in the amount of $8,247,380. The refunding certificates were issued as current interest certificates. The certificates have a final maturity which occurs on September 1, 2030 with an interest rate 1.34%. Proceeds from the sale of the certificates were used to provide current refunding of the District's 2011 Certificates of Participation. As of June 30, 2023, the principal balance outstanding was $6,558,380.

The certificates mature as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 2,236,000	$ 1,047,793	$ 3,283,793
2025	2,311,000	976,560	3,287,560
2026	2,382,000	903,135	3,285,135
2027	2,404,000	827,486	3,231,486
2028	2,526,000	746,123	3,272,123
2029-2033	12,634,380	2,484,038	15,118,418
2033-2037	6,105,000	506,900	6,611,900
Total	$ 30,598,380	$ 7,492,035	$ 38,090,415

Leases

The District has entered into agreements to lease various equipment. At June 30, 2023, the District has recognized right-to-use assets of $512,528 (net of accumulated amortization) and a lease liability of $522,944 related to these agreements. The District is required to make principal and interest payments through fiscal year 2028. The lease agreements have interest rates ranging from 1.5% to 3.5%.

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	$ 184,606	$ 11,729	$ 196,335
2025	157,117	6,539	163,656
2026	112,595	2,187	114,782
2027	45,579	717	46,296
2028	23,047	101	23,148
Total	$ 522,944	$ 21,273	$ 544,217

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District has entered into SBITA agreements for the use of instructional software. As of June 30, 2023, the District recognized a right-to-use subscriptions IT asset of $880,750 and a subscriptions liability of $366,824 related to these agreements. During the fiscal year, the District recorded $496,922 in amortization expense. The District is required to make annual principal and interest payments through August 2025. The subscriptions have an interest rate of 10.0%.

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	$ 216,691	$ 36,682	$ 253,373
2025	150,133	15,013	165,146
Total	$ 366,824	$ 51,695	$ 418,519

Financed Purchase Agreements

The District has entered into various financed purchase agreements for vehicles and land improvement. As of June 30, 2023, the principle outstanding was $6,916,197.

The financed purchase agreements repayment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 592,694	$ 230,050	$ 822,744
2025	658,762	210,195	868,957
2026	732,662	187,994	920,656
2027	811,672	163,182	974,854
2028	896,652	135,624	1,032,276
2029-2031	3,223,755	214,905	3,438,660
Total	$ 6,916,197	$ 1,141,950	$ 8,058,147

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2023, amounted to $5,148,459.

Note 11 - 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	$ 74,728,142	$ 12,238,356	$ 24,332,276	$ 5,244,471
Medicare Premium Payment (MPP) Program	913,216	-	-	(142,826)
Total	$ 75,641,358	$ 12,238,356	$ 24,332,276	$ 5,101,645

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 four of GASB Statement No. 75.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	82
Active employees	1,758
Total	1,840

Benefits Provided

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

The benefit payment requirements of Plan members and the District are established and may be amended by the District, the Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. The District paid $1,566,914 in benefits during the current fiscal year.

Total OPEB Liability of the District

The District's total OPEB liability of $74,728,142 was measured as of June 30, 2022, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability as of June 30, 2022 (measurement date) was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total OPEB liability to June 30, 2022. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75%, average, including inflation
Discount rate	3.54%
Healthcare cost trend rates	4.00% for 2022

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actual experience study for the period July 1, 2020 to June 30, 2021.

	Total OPEB Liability
Balance, June 30, 2021	$ 79,504,468
Service cost	4,790,923
Interest	1,752,116
Changes of assumptions	(9,752,451)
Benefit payments	(1,566,914)
Net change in total OPEB liability	(4,776,326)
Balance, June 30, 2022 (Measurement Date)	$ 74,728,142

Changes of assumptions include a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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 (2.54%)	$ 81,950,467
Current discount rate (3.54%)	74,728,142
1% increase (4.54%)	69,463,893

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

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 rates:

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (3.00%)	$ 64,725,175
Current healthcare cost trend rate (4.00%)	74,728,142
1% increase (5.00%)	86,187,090

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

For the year ended June 30, 2023, the District recognized OPEB expense of $5,244,471. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 2,300,322	$ -
Differences between expected and actual experience	-	14,208,307
Changes of assumptions	9,938,034	10,123,969
Total	$ 12,238,356	$ 24,332,276

The deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the total OPEB liability in the subsequent fiscal year. The remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (1,298,568)
2025	(1,298,568)
2026	(1,298,568)
2027	(1,298,568)
2028	(1,298,568)
Thereafter	(7,901,402)
Total	$ (14,394,242)

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 $913,216 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 0.2772%, and 0.2648%, resulting in a net increase in the proportionate share of 0.0124%.

For the year ended June 30, 2023, the District recognized OPEB expense of $(142,826).

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%)	$ 995,581
Current discount rate (3.54%)	913,216
1% increase (4.54%)	841,898

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 837,909
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	913,216
1% increase (5.50% Part A and 6.40% Part B)	998,580

Note 12 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	$ 50,000	$ -	$ 2,025	$ 52,025
Stores inventories	31,042	-	658,629	689,671
Total nonspendable	81,042	-	660,654	741,696
Restricted				
Legally restricted programs	78,931,557	-	89,649	79,021,206
Student activity	-	-	874,863	874,863
Adult education	-	-	873,761	873,761
Food service	-	-	4,831,082	4,831,082
Capital projects	-	34,505,399	29,287,520	63,792,919
Debt service	-	-	23,629,612	23,629,612
Total restricted	78,931,557	34,505,399	59,586,487	173,023,443
Committed				
Deferred maintenance program	-	-	1,104,219	1,104,219
Assigned				
Capital projects	-	-	18,591,402	18,591,402
Child development	-	-	18,946	18,946
Adult education	-	-	127,436	127,436
Total assigned	-	-	18,737,784	18,737,784
Unassigned				
Reserve for economic uncertainties	10,203,761	-	-	10,203,761
Remaining unassigned	48,047,723	-	-	48,047,723
Total unassigned	58,251,484	-	-	58,251,484
Total	$ 137,264,083	$ 34,505,399	$ 80,089,144	$ 251,858,626

Note 13 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters. During the fiscal year ending June 30, 2023, the District participated in the Riverside Schools' Insurance Authority (RSIA) public entity risk pool for property and liability insurance coverage. Settled claims have not exceeded the insured coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2023, the District participated in the Riverside Schools Risk Management Authority (RSRMA) public entity risk pool. The intent of RSRMA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in RSRMA. The workers' compensation experience of the participating districts is calculated and applied to a common premium rate. Participation in RSRMA is limited to local educational agencies that can meet RSRMA selection criteria.

Employee Medical Benefits

The District purchases medical insurance from commercial insurance companies.

Claims Liability

The District is self-insured for its dental and vision programs. The District records an estimated liability for dental and vision insurance claims against the District. Claims liability 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 Liability

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

	Dental & Vision
Liability Balance, June 30, 2021	$ 369,912
Claims and changes in estimates	2,067,960
Claims payments	(2,050,129)
Liability Balance, June 30, 2022	387,743
Claims and changes in estimates	3,173,305
Claims payments	(3,165,376)
Liability Balance, June 30, 2023	$ 395,672
Assets Available to Pay Claims at June 30, 2023	$ 6,525,659

Note 14 - 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	$ 128,354,409	$ 35,964,373	$ 24,337,644	$ 11,477,932
CalPERS	100,467,927	34,991,977	4,702,397	9,842,921
Total	$ 228,822,336	$ 70,956,350	$ 29,040,041	$ 21,320,853

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	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	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 $22,695,044.

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	$ 128,354,409
State’s proportionate share of the net pension liability	64,279,387
Total	$ 192,633,796

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 0.1847% and 0.1761%, resulting in a net increase in the proportionate share of 0.0086%.

For the year ended June 30, 2023, the District recognized pension expense of $11,477,932. In addition, the District recognized pension expense and revenue of $5,184,090 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	$ 22,695,044	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	6,798,594	8,436,962
Differences between projected and actual earnings on pension plan investments	-	6,276,779
Differences between expected and actual experience in the measurement of the total pension liability	105,290	9,623,903
Changes of assumptions	6,365,445	-
Total	$ 35,964,373	$ 24,337,644

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (4,610,760)
2025	(4,994,977)
2026	(7,503,473)
2027	10,832,431
Total	$ (6,276,779)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 4,133,334
2025	(2,918,909)
2026	(3,208,024)
2027	(1,807,996)
2028	(1,298,313)
Thereafter	308,372
Total	$ (4,791,536)

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%)	$ 217,993,393
Current discount rate (7.10%)	128,354,409
1% increase (8.10%)	53,927,102

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, 2014. 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 provide 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 are 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 $13,545,994.

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 $100,467,927. 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 0.2920% and 0.2846%, resulting in a net increase in the proportionate share of 0.0074%.

For the year ended June 30, 2023, the District recognized pension expense of $9,842,921. At June 30, 2023, the District reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 13,545,994	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,697,351	2,202,627
Differences between projected and actual earnings on pension plan investments	11,862,530	-
Differences between expected and actual experience in the measurement of the total pension liability	454,056	2,499,770
Changes of assumptions	7,432,046	-
Total	$ 34,991,977	$ 4,702,397

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 1,978,293
2025	1,754,609
2026	896,277
2027	7,233,351
Total	$ 11,862,530

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 824,629
2025	2,018,708
2026	2,060,596
2027	(22,877)
Total	$ 4,881,056

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%)	$ 145,131,008
Current discount rate (6.90%)	100,467,927
1% increase (7.90%)	63,555,533

Alternative Retirement Program

The District also contributes to the Accumulation Program for Part-time and Limited-Service Employees (APPLE), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

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 APPLE as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 3.75% of an employee's gross earnings. An employee is required to contribute 3.75% of his or her gross earnings to the pension plan.

During the year, the District's required and actual contributions amounted to $223,573, which was 3.75% of its current year covered payroll. Employees' required actual contributions amounted to $223,573, which was 3.75% of the covered payroll.

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 $10,311,756 (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 15 - 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:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Modernization at various sites		
Desert Mirage HS CTE Classroom Refurbishment	$ 48,944	August 21, 2023
Peter Pendleton Relocation of 1 Toilet Trailer	285,163	August 30, 2023
Sea View ES Relocation of 4 Portable Classrooms	478,204	August 30, 2023
Coral Mountain Academy Relocation of 1 Portable Classroom	157,719	August 30, 2023
Total	$ 970,030	

Note 16 - Participation in Public Entity Risk Pools

The District is a member of the Riverside Schools Insurance Authority (RSIA) and the Riverside Schools Risk Management Authority (RSRMA) public entity risk pools. The District pays an annual premium to each entity for its workers' compensation, and property and liability coverage. The relationships between the District and the pools 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 available from the respective entities.

During the year ended June 30, 2023, the District made payments of $1,718,199 and $6,667,535 to RSIA and RSRMA, respectively, for services received.

Note 17 - 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 was 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	$ 24,757,214
Right-to-use subscription IT assets, net of amortization	916,325
Subscription liabilities	(916,325)
Net Position - Beginning, as restated on July 1, 2022	$ 24,757,214

Required Supplementary Information
June 30, 2023

Coachella Valley Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 216,219,521	$ 246,886,426	$ 244,231,080	$ (2,655,346)
Federal sources	48,715,219	72,645,689	55,182,416	(17,463,273)
Other State sources	27,152,653	87,037,269	89,217,708	2,180,439
Other local sources	11,811,949	11,631,627	15,463,735	3,832,108
Total revenues	303,899,342	418,201,011	404,094,939	(14,106,072)
Expenditures				
Current				
Certificated salaries	117,295,871	135,300,917	126,511,780	8,789,137
Classified salaries	47,130,501	53,461,054	53,547,780	(86,726)
Employee benefits	97,832,784	105,120,909	95,556,962	9,563,947
Books and supplies	18,838,157	28,127,984	16,154,640	11,973,344
Services and operating expenditures	40,446,289	50,540,098	39,014,002	11,526,096
Other outgo	3,602,022	9,202,602	674,428	8,528,174
Capital outlay	535,951	378,040	6,866,611	(6,488,571)
Debt service				
Debt service - principal	534,939	534,939	1,818,390	(1,283,451)
Debt service - interest and other	247,855	247,855	265,275	(17,420)
Total expenditures	326,464,369	382,914,398	340,409,868	42,504,530
Excess (Deficiency) of Revenues Over Expenditures	(22,565,027)	35,286,613	63,685,071	28,398,458
Other Financing Sources (Uses)				
Other sources - leases	-	-	223,157	223,157
Other sources - SBITAs	-	-	461,347	461,347
Transfers out	(400,000)	(400,000)	(400,000)	-
Net Financing Sources (Uses)	(400,000)	(400,000)	284,504	684,504
Net Change in Fund Balances	(22,965,027)	34,886,613	63,969,575	29,082,962
Fund Balance - Beginning	73,294,508	73,294,508	73,294,508	-
Fund Balance - Ending	$ 50,329,481	$ 108,181,121	$ 137,264,083	$ 29,082,962

Coachella Valley Unified School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2023

	2023	2022	2021
Total OPEB Liability			
Service cost	$ 4,790,923	$ 7,154,683	$ 5,545,399
Interest	1,752,116	1,890,415	2,514,103
Difference between expected and actual experience	-	(13,853,038)	-
Changes of assumptions	(9,752,451)	3,235,959	7,739,566
Benefit payments	(1,566,914)	(2,548,317)	(2,466,231)
Net change in total OPEB liability	(4,776,326)	(4,120,298)	13,332,837
Total OPEB Liability - Beginning	79,504,468	83,624,766	70,291,929
Total OPEB Liability - Ending	$ 74,728,142	$ 79,504,468	$ 83,624,766
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, 2022	June 30, 2021	June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 5,366,070	$ 5,508,402	$ 5,360,975
Interest	2,611,199	2,430,464	2,022,425
Difference between expected and	(4,372,252)	-	-
Changes of assumptions	1,415,653	(1,659,372)	-
Benefit payments	(1,522,923)	(1,381,389)	(1,328,259)
Net change in total OPEB liability	3,497,747	4,898,105	6,055,141
Total OPEB Liability - Beginning	66,794,182	61,896,077	55,840,936
Total OPEB Liability - Ending	$ 70,291,929	$ 66,794,182	$ 61,896,077
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, 2019	June 30, 2018	June 30, 2017

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

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

Year ended June 30,	2023	2022	2021
Proportion of the net OPEB liability	0.2772%	0.2648%	0.2725%
Proportionate share of the net OPEB liability	$ 913,216	$ 1,056,042	$ 1,327,918
Covered payroll	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]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.3241%	0.3439%	0.3418%
Proportionate share of the net OPEB liability	$ 1,207,076	$ 1,316,417	$ 1,438,118
Covered payroll	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]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	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.

CalSTRS	2023	2022	2021	2020	2019
Proportion of the net pension liability	0.1847%	0.1761%	0.1798%	0.1832%	0.1916%
Proportionate share of the net pension liability	$ 128,354,409	$ 80,156,440	$ 174,272,134	$ 165,486,352	$ 176,102,741
State's proportionate share of the net pension liability	64,279,387	40,331,612	89,837,306	90,283,853	100,824,055
Total	$ 192,633,796	$ 120,488,052	$ 264,109,440	$ 255,770,205	$ 276,926,796
Covered payroll	$ 111,481,803	$ 100,848,446	$ 98,183,766	$ 101,549,134	$ 104,733,520
Proportionate share of the net pension liability as a percentage of its covered payroll	115.13%	79.48%	177.50%	162.96%	168.14%
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

	2018	2017	2016	2015
Proportion of the net pension liability	0.1888%	0.1735%	0.1732%	0.1675%
Proportionate share of the net pension liability	$ 174,614,705	$ 140,359,988	$ 116,584,701	$ 94,892,874
State's proportionate share of the net pension liability	103,300,584	79,904,437	61,660,455	59,111,944
Total	$ 277,915,289	$ 220,264,425	$ 178,245,156	$ 154,004,818
Covered payroll	$ 101,146,741	$ 87,381,314	$ 81,010,529	$ 75,059,672
Proportionate share of the net pension liability as a percentage of its covered payroll	172.64%	160.63%	143.91%	126.42%
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

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

CalPERS	2023	2022	2021	2020	2019
Proportion of the net pension liability	0.2920%	0.2846%	0.2870%	0.3050%	0.3353%
Proportionate share of the net pension liability	$ 100,467,927	$ 57,864,670	$ 88,052,116	$ 88,876,477	$ 89,400,243
Covered payroll	$ 45,622,409	$ 41,612,618	$ 41,532,448	$ 42,858,316	$ 44,970,736
Proportionate share of the net pension liability as a percentage of its covered payroll	220.22%	139.06%	212.01%	207.37%	198.80%
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

	2018	2017	2016	2015
Proportion of the net pension liability	0.3337%	0.3303%	0.2932%	0.2690%
Proportionate share of the net pension liability	$ 79,671,576	$ 65,235,966	$ 43,216,585	$ 30,537,951
Covered payroll	$ 42,347,804	$ 39,579,016	$ 32,504,689	$ 28,274,050
Proportionate share of the net pension liability as a percentage of its covered payroll	188.14%	164.82%	132.95%	108.01%
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.

CalSTRS	2023	2022	2021	2020	2019
Contractually required contribution	$ 22,695,044	$ 18,862,721	$ 16,287,024	$ 16,789,424	$ 16,532,199
Less contributions in relation to the contractually required contribution	22,695,044	18,862,721	16,287,024	16,789,424	16,532,199
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 118,822,220	$ 111,481,803	$ 100,848,446	$ 98,183,766	$ 101,549,134
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%

	2018	2017	2016	2015
Contractually required contribution	$ 15,113,047	$ 12,724,260	$ 9,376,015	$ 7,193,735
Less contributions in relation to the contractually required contribution	15,113,047	12,724,260	9,376,015	7,193,735
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 104,733,520	$ 101,146,741	$ 87,381,314	$ 81,010,529
Contributions as a percentage of covered payroll	14.43%	12.58%	10.73%	8.88%

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

CalPERS	2023	2022	2021	2020	2019
Contractually required contribution	$ 13,545,994	$ 10,452,094	$ 8,613,812	$ 8,190,614	$ 7,741,069
Less contributions in relation to the contractually required contribution	13,545,994	10,452,094	8,613,812	8,190,614	7,741,069
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 53,393,749	$ 45,622,409	$ 41,612,618	$ 41,532,448	$ 42,858,316
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%

	2018	2017	2016	2015
Contractually required contribution	$ 6,984,405	$ 5,881,263	$ 4,688,926	$ 3,826,127
Less contributions in relation to the contractually required contribution	6,984,405	5,881,263	4,688,926	3,826,127
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 44,970,736	$ 42,347,804	$ 39,579,016	$ 32,504,689
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 States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

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

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

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

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. 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.
- *Changes of Assumptions* – The discount rate changed from 2.16% in 2021 to 3.54% in 2022.

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

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

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

Coachella Valley 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	84.060	[1]	$ 1,412
Passed Through California Department of Education (CDE)			
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	21,960,642
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	6,264,343
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund - Learning Loss	84.425U	10155	2,969,414
COVID-19 Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	84.425D	15618	2,083,602
COVID-19 Expanded Learning Opportunities (ELO) Grant: GEER II	84.425C	15619	478,205
COVID-19 After School Education and Safety (ASES) Rate Increase: ESSER III State Reserve Summer Learning Programs	84.425U	15652	645,331
Subtotal			34,401,537
Adult Education - Adult Secondary Education	84.002	13978	542,915
Adult Education - English Literacy & Civics Education State Leadership (16-17)	84.002	14110	92,230
Adult Education - Adult Basic Education & ELA (Section 231)	84.002A	14508	110,940
Subtotal			746,085
Title I Grants to Local Educational Agencies - Income and Neglected	84.010	14329	9,789,164
Title I Grants to Local Educational Agencies - School Improvement Funding for LEAs	84.010	15438	346,691
Subtotal			10,135,855
Title III, English Language Acquisition State Grants - English Learner Student Program	84.365	14346	920,391
Carl D. Perkins Career and Technical Education - Secondary, Section 131	84.048	14894	207,996
Title II, Part A, Supporting Effective Instruction	84.367	14341	1,166,518
Title IV, Part A, Student Support and Academic Enrichment Program	84.424	15396	657,637
ESSA: Title IV, Part B, 21st Century Community Learning Centers Program - Core	84.287C	14535	510,620
ESSA: Title IV, Part B, 21st Century Community Learning Centers - Equitable 21st	84.287C	14765	85,570
ESSA: Title IV, Part B, 21st Century Community Learning Centers Program - 21st Core	84.287C	14788	1,511,305
ESSA: Title IV, Part B, 21st Century Community Learning Centers Program - Assets Equitable	84.287C	14603	49,470
Subtotal			2,156,965

[1] Direct award

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Passed Through Riverside County Office of Education (RCOE)			
Migrant Education State Grants Program - Regular	84.011	14326	$ 664,856
Migrant Education State Grants Program - Summer	84.011	10005	328,392
Subtotal			993,248
Passed Through Riverside County SELPA			
Special Education Cluster (IDEA):			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	2,872,174
COVID-19 ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	321,941
Subtotal			3,194,115
IDEA Preschool Grants, Part B, Sec 619	84.173	13430	53,471
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	637
Subtotal			54,108
Subtotal Special Education Cluster (IDEA)			3,248,223
Total U.S. Department of Education			54,635,867
U.S. Department of Health and Human Services			
Passed Through RCOE			
Head Start Cluster			
Head Start	93.600	10016	3,347,684
Subtotal Head Start Cluster			3,347,684
COVID-19 ARP California State Preschool Program One-time Stipend	93.575	15640	29,400
Total U.S. Department of Health and Human Services			3,377,084
U.S. Department of Agriculture			
Passed Throgh CDE			
Child Nutrition Cluster			
Basic School Breakfast	10.553	13525	4,493
Especially Need Breakfast	10.553	13526	2,419,599
Subtotal			2,424,092
School Programs (NSL Sec 4)	10.555	13523	1,742,184
School Programs (NSL Sec 11)	10.555	13524	7,154,140
Supply Chain Assitance for School Meals	10.555	15655	394,871
Subtotal			9,291,195
Fresh Fruit and Vegetable Program (FFVP)	10.582	14968	171,523
Total Child Nutrition Cluster			11,886,810

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Passed Through California Department of Social Services			
Child and Adult Care Food Program - Center and Family Day Care Homes	10.558	13524	$ 966,672
Child and Adult Care Food Program - Center and Family Day Care Homes	10.558	13534	127,379
Child and Adult Care Food Program - Cash in Lieu	10.558	13529	2,209,427
Subtotal			3,303,478
Total U.S. Department of Agriculture			15,190,288
Corporation for National and Community Service			
AmeriCorps State and National	94.006	10043	17,731
Total Corporation for National and Community Service			17,731
Federal Communications Commission			
COVID-19 Emergency Connectivity Fund (ECF)	32.009	[1]	1,312,309
Total Federal Communications Commission			1,312,309
Total Federal Financial Assistance			$ 74,533,279

[1] Direct award

ORGANIZATION

The Coachella Valley Unified School District was established in 1973 and consists of an area comprising approximately 1,250 square miles. The District operates fourteen K-6 schools, three 7-8 schools, one 7-12 high school, two four-year high schools, one continuation high school, an adult education extension program, eleven Head Start classrooms, one Early Head Start classroom, four State preschool classrooms, and eight childcare centers. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Joey Acuna	President	2026
Jocelyn Vargas	Vice President	2024
Silvia Paz	Clerk	2026
Adonis Galarza-Toledo	Member	2024
Jesus Gonzalez	Member	2024
Trinidad Arredondo	Member	2024
Valerie Garcia	Member	2026

ADMINISTRATION

NAME	TITLE
Dr. Luis Valentino	Superintendent
Mayela Salcedo	Assistant Superintendent, Business Services
Dr. Frances Esparza	Assistant Superintendent, Educational Services
Maria McLeod	Interim Assistant Superintendent, Human Resources

	Final Report	
	Revised Second Period Report 5BC59BB6	Annual Report 5BC59BC3
Regular ADA		
Transitional kindergarten through third	4,433.65	4,454.21
Fourth through sixth	3,463.37	3,471.44
Seventh and eighth	2,241.50	2,235.07
Ninth through twelfth	4,504.43	4,417.57
Total Regular ADA	14,642.95	14,578.29
Extended Year Special Education		
Transitional kindergarten through third	8.86	8.86
Fourth through sixth	13.06	13.06
Seventh and eighth	4.70	4.70
Ninth through twelfth	3.42	3.42
Total Extended Year Special Education	30.04	30.04
Total ADA	14,672.99	14,608.33

All sites, except for Sea View Elementary School and West Shore High School

					Traditional Calendar			Multitrack Calendar			
Grade Level	1986-1987 Minutes Requirement	2022-2023 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Status
Kindergarten	36,000	52,880	-	52,880	180	-	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		53,640	-	53,640	180	-	180	N/A	N/A	N/A	Complied
Grade 2		53,640	-	53,640	180	-	180	N/A	N/A	N/A	Complied
Grade 3		53,640	-	53,640	180	-	180	N/A	N/A	N/A	Complied
Grades 4 - 8	54,000										
Grade 4		58,935	-	58,935	180	-	180	N/A	N/A	N/A	Complied
Grade 5		58,935	-	58,935	180	-	180	N/A	N/A	N/A	Complied
Grade 6		65,400	-	65,400	180	-	180	N/A	N/A	N/A	Complied
Grade 7		65,400	-	65,400	180	-	180	N/A	N/A	N/A	Complied
Grade 8		65,400	-	65,400	180	-	180	N/A	N/A	N/A	Complied
Grades 9 - 12	64,800										
Grade 9		65,400	-	65,400	180	-	180	N/A	N/A	N/A	Complied
Grade 10		65,400	-	65,400	180	-	180	N/A	N/A	N/A	Complied
Grade 11		65,400	-	65,400	180	-	180	N/A	N/A	N/A	Complied
Grade 12		65,400	-	65,400	180	-	180	N/A	N/A	N/A	Complied

Sea View Elementary School and West Shore High School

Grade Level	1986-1987 Minutes Requirement	2022-2023 Actual Minutes	Number of Minutes Credited Form J-13A *	Total Minutes Offered	Traditional Calendar Number of Actual Days	Traditional Calendar Number of Days Credited Form J-13A *	Traditional Calendar Total Days Offered	Multitrack Calendar Number of Actual Days	Multitrack Calendar Number of Days Credited Form J-13A	Multitrack Calendar Total Days Offered	Status
Kindergarten	36,000	52,630	1,010	53,640	177	3	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		52,755	885	53,640	177	3	180	N/A	N/A	N/A	Complied
Grade 2		52,755	885	53,640	177	3	180	N/A	N/A	N/A	Complied
Grade 3		52,755	885	53,640	177	3	180	N/A	N/A	N/A	Complied
Grades 4 - 5	54,000										
Grade 4		58,065	975	59,040	177	3	180	N/A	N/A	N/A	Complied
Grade 5		58,065	975	59,040	177	3	180	N/A	N/A	N/A	Complied
Grades 9 - 12	64,800										
Grade 9		64,500	1,080	65,580	177	3	180	N/A	N/A	N/A	Complied
Grade 10		64,500	1,080	65,580	177	3	180	N/A	N/A	N/A	Complied
Grade 11		64,500	1,080	65,580	177	3	180	N/A	N/A	N/A	Complied
Grade 12		64,500	1,080	65,580	177	3	180	N/A	N/A	N/A	Complied

* The District received an approved J-13A waiver for 3 days, totaling 1,010 minutes for kindergarten, 885 minutes for grades 1-3, 975 minutes for grades 4-5, and 1,080 minutes for grades 9-12.

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2023.

	(Budget) 2024 [1]	2023	2022 [1]	2021 [1]
General Fund				
Revenues	$ 391,078,101	$ 404,094,939	$ 312,962,932	$ 284,214,342
Other sources	-	684,504	-	-
Total revenues and other sources	391,078,101	404,779,443	312,962,932	284,214,342
Expenditures	406,352,589	340,409,868	290,627,721	264,038,271
Other uses	400,000	400,000	400,000	725,726
Total expenditures and other uses	406,752,589	340,809,868	291,027,721	264,763,997
Increase/(Decrease) in Fund Balance	(15,674,488)	63,969,575	21,935,211	19,450,345
Ending Fund Balance	$ 121,589,595	$ 137,264,083	$ 73,294,508	$ 51,359,297
Available Reserves [2]	$ 50,820,021	$ 58,251,484	$ 37,552,381	$ 30,781,266
Available Reserves as a Percentage of Total Outgo	12.49%	17.09%	12.90%	11.63%
Long-Term Liabilities	N/A	$ 620,488,016	$ 543,821,643	$ 679,069,358
K-12 Average Daily Attendance at P-2	14,501	14,673	14,717	16,636

The General Fund balance has increased by $85,904,786 over the past two years. The fiscal year 2023-2024 budget projects a decrease of $15,674,488 (11.4%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in all of the past three years, but anticipates incurring an operating deficit during the 2023-2024 fiscal year. Total long-term liabilities have decreased by $58,581,342 over the past two years.

Average daily attendance has decreased by 1,963 over the past two years. A decrease of 172 ADA is anticipated during fiscal year 2023-2024.

[1] Financial information for 2024, 2022, and 2021 are included for analytical purpose only and has not been subject to audit.
[2] Available reserve consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

Name of Charter School	Charter Number	Included in Audit Report
NOVA Academy	1188	No

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund
Assets				
Deposits and investments	$ 874,863	$ 844,467	$ 1,538,822	$ 1,002,250
Receivables	-	474,362	1,212,867	4,752,407
Due from other funds	-	-	3,232	116,159
Stores inventories	-	-	-	658,629
Total assets	$ 874,863	$ 1,318,829	$ 2,754,921	$ 6,529,445
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 130,740	$ 198,940	$ 542,703
Due to other funds	-	186,892	1,008,634	495,006
Unearned revenue	-	-	1,438,752	-
Total liabilities	-	317,632	2,646,326	1,037,709
Fund Balances				
Nonspendable	-	-	-	660,654
Restricted	874,863	873,761	89,649	4,831,082
Committed	-	-	-	-
Assigned	-	127,436	18,946	-
Total fund balances	874,863	1,001,197	108,595	5,491,736
Total liabilities and fund balances	$ 874,863	$ 1,318,829	$ 2,754,921	$ 6,529,445

	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects
Assets				
Deposits and investments	$ 1,200,095	$ 28,224,314	$ 190,029	$ 18,333,576
Receivables	19,478	430,185	3,255	257,826
Due from other funds	-	-	-	-
Stores inventories	-	-	-	-
Total assets	$ 1,219,573	$ 28,654,499	$ 193,284	$ 18,591,402
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 115,354	$ 17,614	$ -	$ -
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	115,354	17,614	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	28,636,885	193,284	-
Committed	1,104,219	-	-	-
Assigned	-	-	-	18,591,402
Total fund balances	1,104,219	28,636,885	193,284	18,591,402
Total liabilities and fund balances	$ 1,219,573	$ 28,654,499	$ 193,284	$ 18,591,402

	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets			
Deposits and investments	$ 457,351	$ 23,629,612	$ 76,295,379
Receivables	-	-	7,150,380
Due from other funds	-	-	119,391
Stores inventories	-	-	658,629
Total assets	$ 457,351	$ 23,629,612	$ 84,223,779
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ -	$ -	$ 1,005,351
Due to other funds	-	-	1,690,532
Unearned revenue	-	-	1,438,752
Total liabilities	-	-	4,134,635
Fund Balances			
Nonspendable	-	-	660,654
Restricted	457,351	23,629,612	59,586,487
Committed	-	-	1,104,219
Assigned	-	-	18,737,784
Total fund balances	457,351	23,629,612	80,089,144
Total liabilities and fund balances	$ 457,351	$ 23,629,612	$ 84,223,779

	Student Actiivty Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund
Revenues				
Federal sources	$ -	$ 746,085	$ 3,379,634	$ 15,706,010
Other State sources	-	2,219,163	2,421,398	3,149,708
Other local sources	1,210,726	68,504	1,704	478,241
Total revenues	1,210,726	3,033,752	5,802,736	19,333,959
Expenditures				
Current				
Instruction	-	1,969,377	5,289,206	-
Instruction-related activities				
Supervision of instruction	-	289,428	12,339	-
School site administration	-	514,831	192,922	-
Pupil services				
Food services	-	-	-	16,857,240
All other pupil services	-	221,332	287,113	-
Administration				
All other administration	-	94,891	95,202	479,995
Plant services	-	111,779	-	25,230
Ancillary services	1,249,509	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total expenditures	1,249,509	3,201,638	5,876,782	17,362,465
Excess (Deficiency) of Revenues Over Expenditures	(38,783)	(167,886)	(74,046)	1,971,494
Other Financing Sources				
Transfers in	-	-	-	-
Net Change in Fund Balances	(38,783)	(167,886)	(74,046)	1,971,494
Fund Balance - Beginning	913,646	1,169,083	182,641	3,520,242
Fund Balance - Ending	$ 874,863	$ 1,001,197	$ 108,595	$ 5,491,736

	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects
Revenues				
Federal sources	$ -	$ -	$ -	$ -
Other State sources	-	-	-	-
Other local sources	22,960	7,353,643	4,929	7,131,777
Total revenues	22,960	7,353,643	4,929	7,131,777
Expenditures				
Current				
Instruction	-	-	-	-
Instruction-related activities				
Supervision of instruction	-	-	-	-
School site administration	-	-	-	-
Pupil services				
Food services	-	-	-	-
All other pupil services	-	-	-	-
Administration				
All other administration	-	-	-	-
Plant services	-	-	-	-
Ancillary services	-	-	-	-
Facility acquisition and construction	644,352	122,928	2,073	3,150
Debt service				
Principal	-	-	-	2,154,000
Interest and other	-	-	-	1,119,403
Total expenditures	644,352	122,928	2,073	3,276,553
Excess (Deficiency) of Revenues Over Expenditures	(621,392)	7,230,715	2,856	3,855,224
Other Financing Sources				
Transfers in	400,000	-	-	-
Net Change in Fund Balances	(221,392)	7,230,715	2,856	3,855,224
Fund Balance - Beginning	1,325,611	21,406,170	190,428	14,736,178
Fund Balance - Ending	$ 1,104,219	$ 28,636,885	$ 193,284	$ 18,591,402

	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues			
Federal sources	$ -	$ -	$ 19,831,729
Other State sources	-	65,171	7,855,440
Other local sources	39,498	19,981,870	36,293,852
Total revenues	39,498	20,047,041	63,981,021
Expenditures			
Current			
Instruction	-	-	7,258,583
Instruction-related activities			
Supervision of instruction	-	-	301,767
School site administration	-	-	707,753
Pupil services			
Food services	-	-	16,857,240
All other pupil services	-	-	508,445
Administration			
All other administration	-	-	670,088
Plant services	-	-	137,009
Ancillary services	-	-	1,249,509
Facility acquisition and construction	-	-	772,503
Debt service			
Principal	-	11,040,000	13,194,000
Interest and other	-	7,139,143	8,258,546
Total expenditures	-	18,179,143	49,915,443
Excess (Deficiency) of Revenues Over Expenditures	39,498	1,867,898	14,065,578
Other Financing Sources			
Transfers in	-	-	400,000
Net Change in Fund Balances	39,498	1,867,898	14,465,578
Fund Balance - Beginning	417,853	21,761,714	65,623,566
Fund Balance - Ending	$ 457,351	$ 23,629,612	$ 80,089,144

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Coachella Valley 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 District, it is not intended to and does not present the net position or changes in net position and fund balance, or cash flows of the District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

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

Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2023, the District did not report any commodities in inventory.

SEFA Reconciliation

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of Supply Chain Assistance for School Meals and COVID-19 ARP California Preschool One-time Stipend funds that were recorded as revenues in the current year but were not spent. These unspent balances are reported as legally restricted ending balances within the Child Development Fund and Cafeteria Fund. In addition, Mental Health Average Daily Attendance Allocation (Part B, Sec 611) and COVID-19 ARP California State Preschool Rate Supplement funds were recorded in the prior period as revenues, but were expended as of June 30, 2023.

	Federal Financial Assistance Listing Number	Amount
Total Federal Revenues reported on the financial statements		$ 75,014,145
Supply Chain Assistance for School Meals	10.555	(515,722)
COVID-19 ARP California State Preschool One-time Stipend	93.575	(3,150)
COVID-19 ARP California State Preschool Rate Supplements	93.575	600
Mental Health Average Daily Attendance Allocation, Part B, Sec 611	84.027A	37,406
Total Federal Financial Assistance		$ 74,533,279

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 - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

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

Independent Auditor's Reports
June 30, 2023

Coachella Valley 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
Coachella Valley Unified School District
Thermal, 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 Coachella Valley 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 April 15, 2024.

Adoption of New Accounting Standard

As discussed in Notes 1 and 17 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 as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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*.

We noted certain matters that we reported to management of the District in a separate letter dated April 15, 2024.

Purpose of this Report

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

Eide Bailly LLP

Rancho Cucamonga, California
April 15, 2024

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
Coachella Valley Unified School District
Thermal, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coachella Valley 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

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

Eide Bailly LLP

Rancho Cucamonga, California
April 15, 2024

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

To the Governing Board
Coachella Valley Unified School District
Thermal, California

Report on Compliance

Opinion on State Compliance

We have audited Coachella Valley 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	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
GANN Limit Calculation	Yes

2022-2023 K-12 Audit Guide Procedures	Procedures Performed
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
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	N/A
After/Before School Education and Safety Program	Yes, 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	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

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.

The District does not offer Before School Education and Safety Program; therefore, we did not perform any 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.

The Charter School is independent of the District; therefore, we did not perform any procedures related to charter schools.

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

Rancho Cucamonga, California
April 15, 2024

Schedule of Findings and Questioned Costs
June 30, 2023

Coachella Valley 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	Yes
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)	Yes

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing Number
COVID-19 Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U
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 After School Education and Safety (ASES) Rate Increase: ESSER III State Reserve Summer Learning Program	84.425U
Child Nutrition Cluster	10.553, 10.555, 10.582
Special Education Cluster (IDEA)	84.027, 84.173, 84.173A

Dollar threshold used to distinguish between type A and type B programs	$2,235,998
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.

The following finding represents a significant deficiency in internal control over compliance and an instance of noncompliance including questioned costs that is required to be reported by the Uniform Guidance. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
50000	Federal Compliance

2023-001 50000 – Equipment and Real Property Management (Significant Deficiency, Noncompliance)

Federal Program Affected

Federal Agency: U.S. Department of Education
Pass-Through Entity: California Department of Education (CDE)
Program Name: COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II)
Assistance Listing Number: 84.425D

Criteria or Specific Requirements

Title 2, *Code of Federal Regulations*, Part 200, Subpart E, Section 200.439 requires the District to obtain written approval from the California Department of Education (CDE) prior to purchasing equipment for which the per unit costs exceeds $5,000.

Condition

The District expended $91,781 of ESSER II funds on capital expenditures that were not preapproved by the pass-through agency, as required.

Questioned Costs

As a result of the condition identified above, a total of $91,781 in questioned costs were identified.

Context

The conditioned was identified as a result of inquiry with the District's personnel and review of ESSER II expenditures and related invoices.

Effect

The District currently assumes all the risk of non-compliance with requirements stated under Title 2, *Code of Federal Regulations*, Part 200, Subpart E, Section 200.439 due to the lack of preapproval from the pass-through agency, as required.

Cause

The condition identified appears to have materialized due to oversight related to the requirement under Title 2, *Code of Federal Regulations*, Part 200, Subpart E, Section 200.439.

Repeat Finding

No.

Recommendation

The District should ensure all equipment purchases are subject to the pre-approval process as stated in Title 2, *Code of Federal Regulations*, Part 200, Subpart E, Section 200.439, and implement procedures to address the deficiency currently identified.

District Response and Corrective Action

Fiscal Services is in the process of obtaining approval of the capital expense. Moving forward, all ESSER requisitions that require CDE approval will not be approved until written documentation has been received and is submitted as part of the back-up documentation.

None reported.

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

Financial Statements Finding

2022-001 30000 – Internal Control

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all adjusting entries, reclassifying entries, and conversion entries used in the preparation of the District's financial statements. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of our engagement, we identified certain material misstatements of balances within the District's 2021-2022 unaudited actuals financial report. The following misstatements were noted:

1) General Fund
   a. Understatement of Accounts Receivable: $1,409,296
   b. Overstatement of Cash in County Treasury (FMV): $1,514,511
2) Building Fund
   a. Overstatement of Cash in County Treasury (FMV): $658,487
3) Capital Facilities Fund
   a. Overstatement of Cash in County Treasury (FMV): $394,429
4) Bond Interest and Redemption Fund
   a. Overstatement of Cash in County Treasury (FMV): $419,376
5) Non-Major Governmental Funds
   a. Overstatement of Cash in County Treasury (FMV): $347,537
   b. Understatement of Cash in Banks: $92,194
6) Internal Service Fund
   a. Overstatement of Cash in County Treasury (FMV): 106,115
   b. Understatement of Claims Liability: $387,743

These misstatements were caused by an error, which have been detailed in the Supplementary Information in the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements schedule.

Questioned Costs

There were no questioned costs associated with this condition.

Context

The condition was identified through review of available District records related to the financial account balances in the Governmental Funds.

Effect

The condition identified had the following impact to the financial statements:

1) General Fund
   - Overstatement of Ending Fund Balance: $105,215
2) Building Fund
   - Overstatement of Ending Fund Balance: $658,487
3) Capital Facilities Fund
   - Overstatement of Ending Fund Balance: $394,429
4) Bond Interest and Redemption Fund
   - Overstatement of Ending Fund Balance: $419,376
5) Non-Major Governmental Funds
   - Overstatement of Ending Fund Balance: $255,343
6) Internal Service Fund
   - Overstatement of Ending Fund Balance: $493,858

The net effect of these errors resulted in misstatements that were not detected or prevented by the District's internal accounting control and review processes.

Cause

The cause of the condition identified appears to be due to inadequate review processes related to the preparation of the District's year-end financial statements.

Recommendation

A thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries should take place before the financial statements are finalized by the District's business department.

Current Status

Implemented.

State Compliance Finding

2022-002 40000 – Comprehensive School Safety Plan

Criteria or Specific Requirements

As required by California *Education Code* Section 32286(a), each school site is required to annually review and update its comprehensive school safety plan by March 1.

Condition

The District's review process for determining school sites have updated and reviewed their comprehensive school safety plan by March 1 requires enhancement. Specifically, our testing of the comprehensive school safety plan for Oasis Elementary noted the plan was updated subsequent to March 1.

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The condition was identified as a result of our inquiry with the District's Risk Management Personnel and through the review of supporting documents.

Effect

The District has not complied with requirements identified in California *Education Code* Section 32286(a) which states that each school site is required to annually review and update its comprehensive school safety plan by March 1.

Cause

The condition identified appears to have materialized due to the site making revisions prior to adopting the plan.

Recommendation

The District should become familiar with all the requirements identified in California *Education Code* Section 32286(a). The District must update and review the comprehensive school safety plan by March 1.

Current Status

Implemented.

Management
Coachella Valley Unified School District
Thermal, California

In planning and performing our audit of the financial statements of Coachella Valley Unified School District (the District) for the year ended June 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated April 15, 2024, on the government-wide financial statements of the District.

Associated Student Body (ASB)

Toro Canyon Middle School

<u>Observation</u>

Based on review of the cash receipting procedures, it was noted that two deposits tested were not deposited in a timely manner. The delays in deposits ranged approximately 36 days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.

<u>Recommendation</u>

The ASB should, at minimum, make their deposits once a week to minimize the amount of cash held at the sites. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure including the maximum cash on hand that should be maintained at the site.

Coachella Valley High School

<u>Observation</u>

Based on review of the cash receipting procedures, it was noted that 36 deposits tested were not deposited in a timely manner. The delays in deposits ranged from seven to twenty-four days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.

Recommendation

The ASB should, at minimum, make their deposits once a week to minimize the amount of cash held at the sites. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure including the maximum cash on hand that should be maintained at the site.

Observation

Based on review of the cash disbursement procedures, it was noted that three disbursements were for purchases made before pre-approval was obtained by all required parties. In addition, receiving documentation could not be identified for five disbursements.

Recommendation

The District should review the Fiscal Crisis and Management Assistance Team (FCMAT) ASB Manual and provide adequate training to individuals involved in ASB. The District should ensure that a purchase request form is prepared for all purchases, that all ASB purchases are pre-approved by the student body as evidenced in meeting minutes, that invoices are not paid without appropriate receiving documentation, and that all three required signatures (representative of the student body, authorized school official, and club advisor) are obtained for all disbursements.

We will review the status of the current year comments during our next audit engagement.

Eide Bailly LLP

Rancho Cucamonga, California
April 15, 2024