

CLOVIS UNIFIED SCHOOL DISTRICT

FRESNO COUNTY
CLOVIS, CALIFORNIA

ANNUAL FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT

JUNE 30, 2014

JLG
Jeanette L. Garcia & Associates
CERTIFIED PUBLIC ACCOUNTANT

CLOVIS UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
 JUNE 30, 2014

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
TABLE OF CONTENTS	i
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	Exhibit A 14
Statement of Activities	Exhibit B 15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	Exhibit C 16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	Exhibit D 17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	Exhibit E 18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	Exhibit F 19
Statement of Net Position - Proprietary Fund	Exhibit G 20
Statement of Revenues, Expenditures, and Changes in Fund Net Position - Proprietary Fund	Exhibit H 21
Statement of Cash Flows - Proprietary Fund	Exhibit I 22
Statement of Assets and Liabilities - Fiduciary Funds	Exhibit J 23
NOTES TO FINANCIAL STATEMENTS	24
<u>REQUIRED SUPPLEMENTARY INFORMATION SECTION</u>	
Budgetary Comparison Schedule - General Fund	55
Other Postemployment Benefits (OPEB)	
Schedule of Funding Progress	56

CLOVIS UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
 JUNE 30, 2014

PAGE

SUPPLEMENTARY INFORMATION SECTION

COMBINING FINANCIAL STATEMENTS - NONMAJOR

Special Revenue Funds - Nonmajor

Combining Balance Sheet	Statement 1	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement 2	58

Debt Service Fund - Nonmajor

Balance Sheet	Statement 3	59
Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement 4	60

Capital Projects Funds - Nonmajor

Combining Balance Sheet	Statement 5	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement 6	62

Agency Funds

Combining Statement of Assets and Liabilities - Agency Funds	Statement 7	63
Combining Statement of Assets and Liabilities - Student Body Funds	Statement 8	64
Combining Statement of Changes in Assets and Liabilities - Student Body Funds	Statement 9	65
Combining Statement of Assets and Liabilities - High Schools	Statement 10	66
Combining Statement of Changes in Assets and Liabilities - High Schools	Statement 11	67
Combining Statement of Assets and Liabilities - Intermediate Schools	Statement 12	69
Combining Statement of Changes in Assets and Liabilities - Intermediate Schools	Statement 13	70
Combining Statement of Changes in Assets and Liabilities - Elementary Schools	Statement 14	72

SUPPLEMENTARY SCHEDULES

Governing Board and Organization	Schedule 1	73
Schedule of Average Daily Attendance	Schedule 2	74
Schedule of Instructional Time	Schedule 3	75
Schedule of Financial Trends and Analysis	Schedule 4	76
Schedule of Expenditures of Federal Awards	Schedule 5	77
Reconciliation of Annual Financial and Budget Report Form with Audited Financial Statements	Schedule 6	79
Schedule of Charter Schools	Schedule 7	80

NOTES TO SUPPLEMENTARY INFORMATION		81
------------------------------------	--	----

CLOVIS UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2014

	<u>PAGE</u>
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	82
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE	84
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE	86
<u>FINDINGS AND RECOMMENDATIONS SECTION</u>	
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS	88
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS	90

Financial Section



Jeanette L. Garcia,
CPA

Jeanette L. Garcia & Associates

1980 Orange Tree Lane, Suite 280

Redlands, CA 92374

Phone: (909) 335-6100

Fax: (909) 335-6122

www.jlgcpa.net

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Clovis Unified School District
Clovis, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clovis Unified School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Clovis Unified School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Member:

American
Institute of
Certified Public
Accountants

California
Society of
Certified Public
Accountants

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clovis Unified School District, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, General Fund Budgetary Comparison Schedule on page 55 and Other Postemployment Benefits Schedule of Funding Progress on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clovis Unified School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying other supplemental information is presented for purposes of additional analysis as required by the State's audit guide, Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14, published by the Education Audit Appeals Panel, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, other supplementary information and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, other supplementary information and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, on our consideration of the Clovis Unified School 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 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 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 Clovis Unified School District's internal control over financial reporting and compliance.

Jeanette L. Garcia + Associates

Redlands, California
December 5, 2014

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014

This section of Clovis Unified School District's (the District) annual financial report presents the management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014.

FINANCIAL HIGHLIGHTS

The District continued its long history of implementing conservative budgets and proactively addressing the State of California's fiscal crisis resulting in the District maintaining reserve levels well above the State's minimum amount of two percent. The most significant adjustment to our government-wide financials is the change in the balance of our Capital Assets, which improved over \$63 million. That change was primary related to site purchases and construction.

OVERVIEW OF THE FINANCIAL STATEMENTS

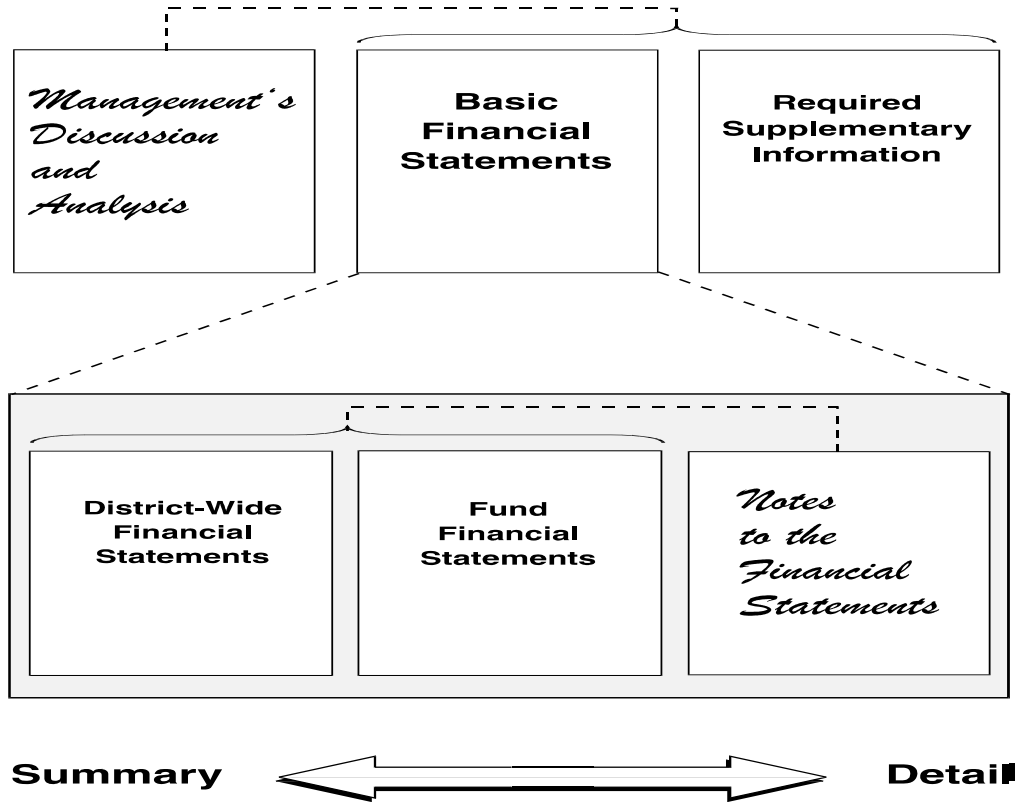
This annual report consists of three parts; management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

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

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014

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



**CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014**

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

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

Type of Statements	Government-wide	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District, except fiduciary activities	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as student body activities.
Required financial statements	<ul style="list-style-type: none"> •Statement of net position •Statement of activities 	<ul style="list-style-type: none"> •Balance sheet •Statement of revenues, expenditures & changes in fund balances •Reconciliation to government-wide financial statements 	<ul style="list-style-type: none"> •Statement of fiduciary net position •Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; standard funds do not currently contain nonfinancial assets, though they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014

GOVERNMENT-WIDE STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- Fiduciary funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position: The District's combined net position was lower on June 30, 2014, than it was the year before, decreasing 8.5 percent to \$406.2 million (See Table A-1).

Table A-1
Clovis Unified Net Position
(in millions of dollars)

	Governmental Activities		
	2013-14	2012-13	Percentage Change
Current and Other Assets	\$ 247.2	\$ 270.9	(8.7)
Capital Assets	751.1	687.8	9.2
Total Assets	<u>998.3</u>	<u>958.7</u>	<u>4.1</u>
Long-Term Debt Outstanding	494.5	428.7	15.3
Other Liabilities	97.6	85.9	13.6
Total Liabilities	<u>592.1</u>	<u>514.6</u>	<u>15.1</u>
Net Investment in Capital Assets	454.2	408.4	11.2
Restricted	111.8	124.0	(9.8)
Unrestricted	(159.8)	(88.3)	81.0
Total Net Position	<u>\$ 406.2</u>	<u>\$ 444.1</u>	<u>(8.5)</u>

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014

Changes in net position: The District's total revenues were \$391.9 million (see Table A-2). Property taxes and state aid formula accounted for most of the District's revenue, with state aid contributing about 53¢ of every dollar raised and property taxes contributing about 20¢ of every dollar raised. Another 16¢ came from categorical programs, capital grants 8¢, and the remainder from fees charged for services of 4¢ and miscellaneous sources of 6¢.

The total cost of all programs and services was \$429.7 million (See Table A-2). The District's expenses are predominantly related to educating and caring for students 75%. The purely administrative activities of the District accounted for just 6% of total costs. Maintenance and operations was \$50.8 million, accounting for 12% of the District's expenses. Expenses surpassed revenues, decreasing net position by \$37.8 million over last year.

Table A-2
Clovis Unified Net Position
(in millions of dollars)

	Governmental Activities		
	2013-14	2012-13	Percentage Change
Revenues:			
General Revenues:			
State Aid Formula	\$ 207.4	\$ 192.8	7.6
Property Taxes	79.0	73.5	7.5
Other	22.0	25.9	(15.1)
Program Revenues:			
Charges for Services	17.1	14.3	19.6
Categorical Revenues	63.2	59.7	5.9
Capital Grants	3.2	10.3	(68.9)
Total Revenues	<u>391.9</u>	<u>376.5</u>	<u>4.1</u>
Expenses:			
Instruction Related	271.8	242.7	12.0
Pupil Services	49.2	37.6	30.9
General Administration	25.9	15.7	65.0
Plant Services	50.8	39.1	29.9
Other	32.0	16.5	93.9
Total Expenses	<u>429.7</u>	<u>351.6</u>	<u>22.2</u>
Increase (Decrease) in Net Position	<u>\$ (37.8)</u>	<u>\$ 24.9</u>	<u>(251.8)</u>

**CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014**

GOVERNMENTAL ACTIVITIES

Revenues for the District's governmental activities were \$391.9 million, while total expenses were \$429.7 million. The decrease in net position for governmental activities was \$37.8 million in 2014.

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

- Staffing formulas that maintain equality
- Maintaining an awareness of fiscal issues and active participation from the Employee Compensation Committee and Employee Benefit Committee

Table A-3 presents the cost of six major District activities: instruction; student transportation services; all other pupil services; food services; general administration; plant services. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3
Net Cost of Clovis Unified Governmental Activities
(in millions of dollars)

	2013-14			2012-13			
	Cost of Services	Fees & Aid Generated	Net Cost Of Services	Cost of Services	Fees & Aid Generated	Net Cost of Services	Percentage Change
Instruction	\$ 271.8	\$ 50.6	\$ 221.2	\$ 242.7	\$ 53.4	\$ 189.3	16.9
Student Transportation	9.2	-	9.2	7.0	2.3	4.7	95.7
All Other Pupil Services	27.9	4.6	23.3	19.6	4.2	15.4	54.6
Food Services	12.1	11.8	0.3	11.0	12.3	(1.3)	(76.9)
General Administration	25.9	1.0	24.9	15.7	1.3	14.4	72.9
Plant Services	50.8	5.3	45.5	39.1	4.1	35.0	30.0
Total	<u>\$ 397.7</u>	<u>\$ 73.3</u>	<u>\$ 324.4</u>	<u>\$ 335.1</u>	<u>\$ 77.6</u>	<u>\$ 257.5</u>	<u>26.0</u>

- The cost of governmental activities this year was \$429.7 million.
- Some of the costs were paid by the users of the District's programs (\$17.1 million).
- The federal and state governments subsidized certain programs with operating grants and contributions (\$63.2 million).
- Most of the District's costs, \$286.4 million, however, were paid for by District taxpayers and the taxpayers of California, in general.
- Governmental activities were paid for with \$79 million in property taxes, \$207.4 million of unrestricted state aid based on the statewide education aid formula, and with investment earnings.

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Net increases in both revenue and expense for federal, state and local grant awards.
- Posting of deferred categorical revenue.
- The adopted budget's revenues over expenditures resulted in the District anticipating to have a surplus of \$0.2 million. The adopted budget was structured in such a way that the District could manage any changes from the State. Actual revenues to expenditures resulted in a deficit of \$3.6 million, however \$2.0 million of the fund balance is restricted for restricted program carryover and \$1.6 million is assigned for local carryover and mandated block grant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By June 30, 2014, the District had invested \$751.1 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (See Table A-4). This amount represents a net increase of \$63.3 million or 9.2% from last year. Total depreciation expense for the year exceeded \$21.3 million.

Table A-4 - Capital Assets, net of depreciation
(in millions of dollars)

	Governmental Activities		
	2013-14	2012-13	Percentage Change
Land	\$ 77.3	\$ 58.9	31.2
Site Improvements	49.8	52.6	(5.3)
Construction in Progress	73.2	59.1	23.9
Buildings	509.3	500.6	1.7
Furniture and Equipment	41.5	16.6	150.0
 Total	 \$ 751.1	 \$ 687.8	 9.2

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014

The District has work in progress related to modernization projects at fourteen school sites, a district-wide video surveillance project and expansion of the District's main warehouse. In addition to the work in progress, the District has plans to begin modernizations at an additional eleven school sites, construct a new Technology Service Center, a new Elementary School, and a new Career Technical Education building in 2014-15. The projects will primarily be funded with revenue from Measure A and augmented with Developer Fees, State bond funds, and interest on investments.

In 2014-15, the District projects spending another \$64 million on above mentioned work in progress projects. The projects scheduled to commence in 2014-15 are projected to cost \$88 million in their entirety.

ALL DEBT/LONG-TERM DEBT

At year-end, the District had \$494.5 million in general obligation bonds and other long-term debt. This is an increase of 15.3% from last year, as shown in Table A-5.

Table A-5
Clovis Unified Outstanding Long-Term Debt
(in millions of dollars)

	Governmental Activities		Percentage Change
	2013-14	2012-13	
General Obligation Bonds	\$ 282.7	\$ 254.3	11.2
Postemployment Benefits	194.6	146.5	32.8
Compensated Absences	1.8	1.7	5.9
Certificates of Participation	11.1	21.9	(49.3)
Child Development Portables	0.4	0.5	(20.0)
Capital Lease Agreements	2.8	2.7	3.7
Golden Handshake	1.1	1.1	-
Total	\$ 494.5	\$ 428.7	15.3

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2014

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The 2013-14 fiscal year is the first year of the Local Control Funding Formula (LCFF). The LCFF attempts to fund students based on their need based on their needs related to household income, second language learner, or foster youth. The LCFF will provide additional funding for Clovis Unified School District over the eight year implementation; however, Clovis Unified School District will not receive as much additional funding as the vast majority of its neighboring districts due to its lower percentage of students who are eligible for additional funding.
- Enrollment growth and student attendance is key to the District's financial projections.
- The continued improvement of the economy within the State of California.
- Planned decrease in the deferral of State funded programs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
 JUNE 30, 2014

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Cash and Cash Equivalents (Note 2)	\$ 192,967,762
Accounts Receivable (Note 3)	50,876,372
Inventory	2,196,834
Prepaid Expenses	1,174,928
Total Current Assets	247,215,896
Capital Assets: (Note 6)	
Land	77,329,721
Site Improvements	111,304,252
Buildings	687,234,173
Furniture and Equipment	66,389,887
Work in Progress	73,237,481
Less Accumulated Depreciation	(264,386,166)
Total Capital Assets	751,109,348
TOTAL ASSETS	998,325,244
<u>LIABILITIES</u>	
Accounts Payable and Other Current Liabilities	96,434,750
Unearned Revenue	1,108,956
Total Current Liabilities	97,543,706
Long-Term Liabilities (Note 15)	
Portion due or payable within one year	22,013,652
Portion due or payable after one year	472,541,567
Total Long-Term Liabilities	494,555,219
TOTAL LIABILITIES	592,098,925
<u>NET POSITION</u>	
Net Investment in Capital Assets	454,160,008
Restricted for:	
Capital Projects	58,748,678
Debt Service	32,467,023
Educational Programs	1,955,928
Other Purposes (expendable)	15,176,915
Other Purposes (nonexpendable)	3,547,714
Unrestricted	(159,829,947)
TOTAL NET POSITION	\$ 406,226,319

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental:					
Instruction	\$ 208,269,714	\$ 242,072	\$ 33,660,653	\$ 3,231,557	\$ (171,135,432)
Instruction-Related Services:					
Supervision of Instruction	24,803,304	78,201	12,958,590	-	(11,766,513)
Instructional Library, Media, and Technology	7,950,699	-	465,258	-	(7,485,441)
School Site Administration	30,785,152	-	3,857	-	(30,781,295)
Pupil Services:					
Home-to-School Transportation	9,208,648	-	-	-	(9,208,648)
Food Services	12,090,795	3,941,178	7,818,595	-	(331,022)
All Other Pupil Services	27,903,102	12,821	4,623,761	-	(23,266,520)
General Administration:					
Data Processing	3,939,247	-	-	-	(3,939,247)
All Other General Administration	21,980,195	210,083	852,309	-	(20,917,803)
Plant Services	50,839,250	4,471,123	823,090	-	(45,545,037)
Ancillary Services	11,236,024	-	-	-	(11,236,024)
Community Services	1,101,974	-	-	-	(1,101,974)
Enterprise Activities	6,126,708	-	-	-	(6,126,708)
Interest on Long-Term Debt	12,819,175	-	-	-	(12,819,175)
Other Outgo	689,340	8,192,049	2,000,830	-	9,503,539
Total Governmental Activities	<u>\$ 429,743,327</u>	<u>\$ 17,147,527</u>	<u>\$ 63,206,943</u>	<u>\$ 3,231,557</u>	<u>(346,157,300)</u>
General Revenues:					
Taxes:					
Property Taxes, levied for general purposes					49,685,569
Property Taxes, levied for debt service					29,167,342
Property Taxes, levied for other specific purposes					95,928
Federal and State Aid not restricted to specific purposes					207,405,115
Interest and Investment Earnings					1,417,929
Interagency Revenues					955,244
Miscellaneous					19,584,177
Total General Revenues					<u>308,311,304</u>
Change in Net Position					(37,845,996)
Net Position - July 1, 2013					<u>444,072,315</u>
Net Position - June 30, 2014					<u>\$ 406,226,319</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
 JUNE 30, 2014

	GENERAL FUND	BUILDING FUND	SCHOOL FACILITIES FUND	BOND INTEREST AND REDEMPTION FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash (Note 2)						
Cash in County Treasury	\$ 40,954,314	\$ 48,925,852	\$ 3,673,104	\$ 31,390,204	\$ 29,335,326	\$ 154,278,800
Cash on Hand and in Banks	3,070,136	-	-	-	3,654,154	6,724,290
Cash in Revolving Fund	144,000	-	-	-	3,500	147,500
Cash with Fiscal Agent	36,200	-	-	-	-	36,200
Accounts Receivable (Note 3)	44,750,806	183,507	36,807	61,059	1,319,984	46,352,163
Due from Grantor Government	-	-	-	-	1,252,599	1,252,599
Due from Other Funds (Note 4A)	6,318,992	65,526	5,259,954	-	1,454,582	13,099,054
Inventory	1,925,860	-	-	-	270,974	2,196,834
Prepaid Expenditures	1,019,228	-	-	-	155,700	1,174,928
TOTAL ASSETS	\$ 98,219,536	\$ 49,174,885	\$ 8,969,865	\$ 31,451,263	\$ 37,446,819	\$ 225,262,368
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 37,218,011	\$ 5,736,077	\$ 8,814,188	\$ -	\$ 571,201	\$ 52,339,477
Due to Other Funds (Note 4A)	7,525,033	5,261,541	41,914	-	1,014,651	13,843,139
Unearned Revenue	723,312	-	-	-	385,644	1,108,956
Total Liabilities	45,466,356	10,997,618	8,856,102	-	1,971,496	67,291,572
Fund Balances (Note 5)						
Nonspendable	3,089,087	-	-	-	458,627	3,547,714
Restricted	1,955,928	38,177,267	-	-	30,230,627	70,363,822
Committed	-	-	-	-	2,023,024	2,023,024
Assigned	1,569,213	-	-	-	2,763,045	4,332,258
Unassigned	46,138,952	-	113,763	31,451,263	-	77,703,978
Total Fund Balances	52,753,180	38,177,267	113,763	31,451,263	35,475,323	157,970,796
TOTAL LIABILITIES AND FUND BALANCES	\$ 98,219,536	\$ 49,174,885	\$ 8,969,865	\$ 31,451,263	\$ 37,446,819	\$ 225,262,368

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
 JUNE 30, 2014

Total Fund Balances - Governmental Funds		\$ 157,970,796
Amounts reported for governmental activities in the statement of net position are different because:		
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation. The cost of the assets is \$1,015,495,514 and accumulated depreciation is \$264,386,166.		
		751,109,348
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period it is incurred. The additional liability for unmatured interest owing at the end of the period was:		
		(8,316,250)
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities at year-end consist of:		
General Obligation Bonds	\$ 282,760,492	
Certificates of Participation	11,068,005	
Postemployment Benefits	194,682,972	
Compensated Absences	1,848,674	
Capital Leases	2,753,625	
Other (SERP & Child Development)	<u>1,441,451</u>	(494,555,219)
Internal service funds are used to conduct certain activities for which costs are charged to other funds. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities.		
		17,642
Adjustment for Rounding		<u>2</u>
Total Net Position - Governmental Activities		<u>\$ 406,226,319</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	GENERAL FUND	BUILDING FUND	SCHOOL FACILITIES FUND	BOND INTEREST AND REDEMPTION FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Local Control Fund Formula						
State Apportionments	\$ 199,547,532	\$ -	\$ -	\$ -	\$ 2,079,699	\$ 201,627,231
Local Sources	49,685,570	-	-	-	-	49,685,570
LCFF Transfers	(407,849)	-	-	-	407,849	-
Total LCFF Sources	248,825,253	-	-	-	2,487,548	251,312,801
Federal Revenues	15,036,105	-	-	-	9,166,687	24,202,792
Other State Revenues	39,397,945	-	3,231,557	345,310	3,289,876	46,264,688
Other Local Revenues	15,441,337	966,231	118,127	29,035,018	34,810,155	80,370,868
Total Revenues	318,700,640	966,231	3,349,684	29,380,328	49,754,266	402,151,149
EXPENDITURES						
Instruction	178,758,550	-	-	-	10,459,900	189,218,450
Instruction-Related Services:						
Supervision of Instruction	20,486,938	-	-	-	2,052,080	22,539,018
Instructional Library, Media and Technology	4,321,379	-	-	-	63,918	4,385,297
School Site Administration	20,802,060	-	-	-	1,551,378	22,353,438
Pupil Services:						
Home-to-School Transportation	8,319,607	-	-	-	-	8,319,607
Food Services	29,072	-	-	-	11,677,842	11,706,914
All Other Pupil Services	20,328,111	-	-	-	439,241	20,767,352
General Administration:						
Data Processing	2,213,071	-	-	-	-	2,213,071
All Other General Administration	13,821,054	-	-	-	1,082,008	14,903,062
Plant Services	36,291,828	213,514	-	-	2,746,382	39,251,724
Facilities Acquisition and Construction	476,112	37,419,158	42,950,897	-	2,971,087	83,817,254
Ancillary Services	6,321,406	-	-	-	-	6,321,406
Other Outgo	680,914	10,262,246	-	-	-	10,943,160
Debt Service:						
Principal	951,696	1,425,090	-	21,559,066	9,928,323	33,864,175
Interest	21,626	481,625	-	10,282,925	433,921	11,220,097
Total Expenditures	313,823,424	49,801,633	42,950,897	31,841,991	43,406,080	481,824,025
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,877,216	(48,835,402)	(39,601,213)	(2,461,663)	6,348,186	(79,672,876)
OTHER FINANCING SOURCES (USES)						
Interfund Transfers In (Note 4B)	1,690,470	11,695,445	36,752,330	-	5,010,371	55,148,616
Interfund Transfers Out (Note 4B)	(11,127,883)	(37,025,261)	-	(1,257,149)	(11,738,323)	(61,148,616)
Proceeds from Sale of Bonds	-	49,996,579	-	-	-	49,996,579
Proceeds from Capital Leases	930,000	-	-	-	-	930,000
Total Other Financing Sources (Uses)	(8,507,413)	24,666,763	36,752,330	(1,257,149)	(6,727,952)	44,926,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(3,630,197)	(24,168,639)	(2,848,883)	(3,718,812)	(379,766)	(34,746,297)
FUND BALANCE - JULY 1, 2013	56,383,377	62,345,906	2,962,646	35,170,075	35,855,089	192,717,093
FUND BALANCE - JUNE 30, 2014	\$ 52,753,180	\$ 38,177,267	\$ 113,763	\$ 31,451,263	\$ 35,475,323	\$ 157,970,796

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds	\$ (34,746,297)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$84,662,315 exceed depreciation expense of \$21,304,937 in the period.	63,357,378
In governmental funds, interest on long-term debt is recognized in the period it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred.	(1,599,078)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	33,366,169
In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in the governmental funds as proceeds from debt, net of issue premium or discount, were:	(50,926,579)
In the statement of activities, compensated absences (vacation) and postemployment benefits are measured by the amount 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).	(47,241,109)
The activities of the Internal Service Fund were incorporated into the government-wide statements, but the Internal Service Fund is not included as a governmental fund.	(4,572)
If a planned project is canceled and will not be completed, costs previously capitalized as Work in Progress must be written off to expense.	(5,865)
In governmental funds, the entire proceeds from disposal of assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported.	(46,046)
Adjustment for Rounding	<u>3</u>
Change in Net Position of Governmental Activities	<u><u>\$ (37,845,996)</u></u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
 JUNE 30, 2014

	Governmental Activities
	<u>Internal Service Fund</u>
<u>ASSETS</u>	
Cash (Note 2)	
Cash in County Treasury	\$ 29,797,698
Cash on Hand and in Banks	1,983,274
Accounts Receivable (Note 3)	270,724
Due from Other Funds (Note 4A)	<u>3,623,303</u>
 TOTAL ASSETS	 <u>35,674,999</u>
<u>LIABILITIES</u>	
Liabilities	
Accounts Payable	<u>35,657,358</u>
<u>NET POSITION</u>	
Unassigned (Note 5)	<u><u>\$ 17,641</u></u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Local Revenue	\$ 46,811,616
Operating Expenses	
Classified Salaries	159,668
Employee Benefits	75,642
Books and Supplies	449
Services and Other Operating Expenses	52,580,429
Total Operating Expenses	52,816,188
Operating Loss	(6,004,572)
Nonoperating Revenues (Expenses)	
Interfund Transfer In (Note 4B)	6,000,000
Change in Net Position	(4,572)
Net Position - July 1, 2013	22,213
Net Position - June 30, 2014	\$ 17,641

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Contributions	\$ 45,932,126
Cash Received from General Fund	14,700,000
Cash Paid for Salaries and Benefits	(235,310)
Cash Paid for Supplies	(449)
Cash Paid for Other Operating Expenses	(2,143)
Cash Paid for Retiree Benefits	(52,375,409)
	8,018,815
Net Cash Provided by Operating Activities	8,018,815
Cash Flows from Financing Activities	
Operating Subsidies and Transfers from Other Funds	3,750,000
	3,750,000
Net Increase in Cash	11,768,815
Cash - July 1, 2013	20,012,157
	20,012,157
Cash - June 30, 2014	\$ 31,780,972
	31,780,972
<u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</u>	
Operating Loss	\$ (6,004,572)
Adjustments to Reconcile Operating Loss To Net	
Cash Provided by Operating Activities	
Increase in Accounts Receivable	(256,188)
Decrease in Due from Other Funds	14,076,697
Increase in Accounts Payable	202,878
	14,023,387
Total Adjustments	14,023,387
Net Cash Provided by Operating Activities	\$ 8,018,815
	8,018,815

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash (Note 2)	
Cash in County Treasury	\$ 5,813,780
Cash on Hand and in Banks	1,991,899
Accounts Receivable	51,330
Inventory	<u>35,313</u>
TOTAL ASSETS	<u>\$ 7,892,322</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 10,045
Due to Other Funds (Note A)	3,000,886
Due to Student Groups/Other Agencies	<u>4,881,391</u>
TOTAL LIABILITIES	<u>\$ 7,892,322</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Clovis Unified School District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practices within California school districts. The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and by the American Institute of Certified Public Accountants. The following is a summary of the significant accounting policies:

Fund Accounting

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

Major Governmental Funds:

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

Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from bond proceeds. The District maintains five of these funds.

School Facilities Fund is used to account for revenues and expenditures for School Facilities Program (SB 50) approved projects.

Bond Interest and Redemption Fund is used to account for the accumulation of resources for, and the repayment of District bonds, interest and related costs.

Non-major Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains five nonmajor special revenue funds.

- Charter School Fund is used to account for resources dedicated to charter school programs maintained by the District.
- Adult Education Fund is used to account for resources dedicated to adult education programs maintained by the District.
- Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's food service operations.
- Child Development Fund is used to account for resources dedicated to child development programs maintained by the District.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

- Deferred Maintenance Fund is used for the purpose of major repair of District property.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. The District maintains one nonmajor debt service fund.

- The Central Valley School Districts Financing Corporation is used to account for the interest and redemption of principal of certificates of participation issued by the Central Valley School Districts Financing Corporation.

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains two nonmajor capital projects funds.

- Capital Facilities Fund is used to account for resources received from developer fees.
- Special Reserve Fund is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code Section 42840 et seq.

Proprietary Funds:

Internal Service Funds are used to account for services rendered on a cost reimbursement basis within the District. The District maintains one internal service fund, the Self Insurance Fund, which is used to account for the costs associated with retiree benefits.

Fiduciary Funds:

Agency Funds are used to account for assets held by the District as trustee. The District maintains the Warrant/Pass-Through Fund which is used to account for District payroll transactions. The District also maintains an agency fund for each school that operates an associated student body.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Reporting Entity

Central Valley School Districts Financing Corporation

The Clovis Unified School District (the District) and the Central Valley School Districts Financing Corporation (the Corporation) have a financial and operational relationship which meets the reporting entity definition criteria of the GASB Statement No. 14, The Financial Reporting Entity, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. The Corporation is a nonprofit corporation organized under the General Nonprofit Corporation Law of the State of California. The Corporation was formed for the primary purpose of providing financing assistance to the District for construction, acquisition, improvement, and remodeling of public school buildings and facilities.

The District occupies all Corporation facilities under lease-purchase agreements effective through the years 2008 and 2017. At the end of the lease term, title of all Corporation property will pass to the District for no additional consideration.

The following are those aspects of the relationship between the District and the Corporation which satisfy GASB Statement No. 14 criteria.

Oversight Responsibility:

1. The Corporation's Board of Directors consists of two board members from Clovis Unified School District, two board members from Fresno Unified School District and the Fresno County Superintendent of Schools.
2. The District is able to impose its will upon the Corporation, based on the following:
 - All major financing arrangements, contracts and other transactions of the Corporation completed on behalf of Clovis Unified School District must have the consent of the District.
 - The District exercises influence over the operations of the Corporation as it relates to Clovis Unified School District facilities. The District anticipates it will be the sole lessee of all school district facilities owned by the Corporation.
3. The Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:
 - Any deficits incurred by the Corporation on behalf of the District will be reflected in the lease payments of the District.
 - Any surpluses of the Corporation generated on behalf of the District will revert to the District at the end of the lease period.
 - The District has assumed a financial, and potentially a legal obligation, for any debt incurred by the COPs issued on behalf of the School District.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Financial Presentation:

For financial presentation purposes, the Corporation's financial activity has been blended, or combined, with the financial data of the District. The financial statements present the Corporation's financial activity within the Central Valley School Districts Financing Corporation Fund. Certificates of Participation issued by the Corporation are included in General Long-Term Debt.

Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District and its component units.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. 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. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The Internal Service Fund is presented on the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the proprietary fund's Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds presents increases (i.e., revenues) and decreases (i.e., expenditures) 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 activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self-insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Revenues – exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 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. For the District, “available” means collectible within the current period or within 60 days after year-end.

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

Unearned Revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Budgets and Budgetary Accounting

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

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. The final revised budget that is presented in the financial statements consists of the original Board approved documents plus all revisions.

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

Accounting Estimates

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

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

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.

Inventories

Inventory in the General Fund, Adult Fund and Cafeteria Fund consists mainly of expendable supplies held for consumption. Inventories are recorded using the consumption method, in that inventory acquisitions are initially recorded in inventory (asset) accounts, and the cost is recorded as an expenditure at the time individual inventory items are requisitioned. Inventories are valued on the weighted average method. Reported inventories are equally offset by a fund balance reserve which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

Prepaid Expenditures

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Athletic Equipment	10
Audio Visual Equipment	10
Books and Multimedia	5
Business Machines	10
Communication Equipment	10
Computer Equipment	5
Computer Software	5
Construction	50
Contractors Equipment	10
Desktop	5
Furniture	20
Furniture - Hospital	10
Grounds and Maintenance Equipment	15
Hospital Equipment	10
Kitchen Equipment	15
Land	N/A
Land Improvements	20
Laptop	5
Licensed Vehicles	5
Machinery & Tools	15
Musical Instruments	10
Outdoor Equipment	20
Portable Structures	25
Printer	5
Scanner	5
Science and Engineering	10
Server	5
Swimming Pools	50

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due to/from other funds.” These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences

All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. An expenditure for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts is reported as other financing sources/uses.

Net Position in the Government-Wide Financial Statements

In the government-wide Statement of Net Position, the net position amount can be classified and displayed in three components:

- Net Investment in Capital Assets – This consists of capital assets net of accumulated depreciation and reduced by any long term borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.
- Restricted – This consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- Unrestricted – This consists of the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Fund Balance Reserves and Designations

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within the fund balance categories below:

- Nonspendable – This is fund balance associated with revolving cash funds, inventories and prepaids.
- Restricted – This includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – This includes amounts that can be used only for the specific purposes determined by a formal action of the Governing Board (the District’s highest level of decision-making authority).
- Assigned – These funds are intended to be used by the government (District) for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – This is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

When fund balance resources are available for a specific purpose in multiple classifications, the District would use the most restrictive funds first.

Local Control Funding Formula/Property Tax

As a result of the 2013-14 state budget package, the District’s state apportionments are based on a new Local Control Funding Formula (LCFF). The LCFF creates base, supplemental, and concentration grants (by grade span) in place of most previously existing K-12 funding streams, including revenue limits and most state categorical programs. Full implementation of LCFF is estimated to be in fiscal year 2020-21. Until then, the District will receive approximately the same level of funding as in 2012-13, plus an additional amount each year to bridge the gap between current year funding and the LCFF target levels.

The county is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

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

The County Auditor reports the amount of the District’s allocated property tax revenue to the California Department of Education. Property taxes are recorded as local LCFF sources by the District.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the State General Fund, and is known as the State Apportionment.

2. DEPOSITS

Cash at June 30, 2014, consisted of the following:

	Governmental Funds	Proprietary Fund	Fiduciary Funds	Total
Pooled Funds:				
Cash in County Treasury	\$ 154,278,800	\$ 29,797,698	\$ 5,813,780	\$ 189,890,278
Deposits:				
Cash on Hand and in Banks	6,724,290	1,983,274	1,991,899	10,699,463
Cash in Revolving Fund	147,500	-	-	147,500
Cash with Fiscal Agent	36,200	-	-	36,200
Total	\$ 161,186,790	\$ 31,780,972	\$ 7,805,679	\$ 200,773,441

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury as part of the investment pool which has a balance on June 30, 2014 of \$2,229,170,000. The County pools these funds with those of other Districts in the County and invests the cash. These pooled funds are carried at cost which approximates market value. The District is considered to be an involuntary participant in the external investment pool. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The fair market value of this pool as of June 30, 2014, as provided by the pool sponsor, was \$2,249,586,000. The County is required by Government Code Section 53635 pursuant to section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that 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 County Treasury and in Money Market Mutual Fund U.S. Treasury Fund obligations. Clovis Unified School District maintains an investment with the Fresno County Investment Pool with a fair value of approximately \$185,762,375 and an amortized book value of \$184,076,498. The average weighted maturity for this pool is 2.6 years.

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2014, the District had no significant interest rate risk related to cash and investments held.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District does not have a formal investment policy that limits its investment choices other than the limitations of State law.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not place limits on the amount it may invest in any one issuer. At June 30, 2014, the District had no concentration of credit risk.

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. 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 agencies. 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.

Cash in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

3. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014, consists of the following:

	GENERAL FUND	BUILDING FUND	SCHOOL FACILITIES FUND	BOND INTEREST AND REDEMPTION FUND	ALL OTHER GOVERNMENTAL FUNDS	PROPRIETARY FUND	FIDUCIARY FUND	TOTAL
Accounts Receivable								
Federal Sources								
Categorical Aid Programs	\$ 3,689,991	\$ -	\$ -	\$ -	\$ 461,257	\$ -	\$ -	\$ 4,151,248
State Sources								
LCFF	30,006,196	-	-	-	357,866	-	-	30,364,062
Categorical Aid Programs	5,653,865	-	-	-	246,821	-	-	5,900,686
Lottery	3,023,717	-	-	-	27,596	-	-	3,051,313
Total State	38,683,778	-	-	-	632,283	-	-	39,316,061
Local Sources								
Local Governments	65,674	-	-	-	-	-	-	65,674
Interest	-	183,507	36,807	61,059	75,043	-	-	356,416
Other	2,311,363	-	-	-	151,401	270,724	51,330	2,784,818
Total Local	2,377,037	183,507	36,807	61,059	226,444	270,724	51,330	3,206,908
Total Accounts Receivable	44,750,806	183,507	36,807	61,059	1,319,984	270,724	51,330	46,674,217
Due from Grantor Government								
Federal Sources								
Child Nutrition Program	-	-	-	-	1,182,392	-	-	1,182,392
State Sources								
Child Nutrition Program	-	-	-	-	70,207	-	-	70,207
Total Due from Grantor Government	-	-	-	-	1,252,599	-	-	1,252,599
Total Receivables	\$ 44,750,806	\$ 183,507	\$ 36,807	\$ 61,059	\$ 2,572,583	\$ 270,724	\$ 51,330	\$ 47,926,816

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

4. INTERFUND TRANSACTIONS

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

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Individual fund interfund receivable and payable balances at June 30, 2014, are as follows:

DUE FROM	DUE TO						Total
	General Fund	Building Fund	School Facilities Fund	All Other Governmental Funds	Proprietary Fund	Agency Fund	
General Fund	\$ 5,301,868	\$ 23,612	\$ -	\$ 1,454,582	\$ 623,303	\$ 121,668	\$ 7,525,033
Building Fund	1,587	-	5,259,954	-	-	-	5,261,541
School Facilities Fund	-	41,914	-	-	-	-	41,914
All Other Governmental Funds	1,014,651	-	-	-	-	-	1,014,651
Agency Fund	886	-	-	-	3,000,000	-	3,000,886
Total	<u>\$ 6,318,992</u>	<u>\$ 65,526</u>	<u>\$ 5,259,954</u>	<u>\$ 1,454,582</u>	<u>\$ 3,623,303</u>	<u>\$ 121,668</u>	<u>\$ 16,844,025</u>

B. Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2013-14 fiscal year were as follows:

TRANSFERS FROM	TRANSFERS TO					Total
	General Fund	Building Fund	School Facilities Fund	All Other Governmental Funds	Proprietary Fund	
General Fund	\$ -	\$ 1,731,967	\$ -	\$ 3,395,916	\$ 6,000,000	\$ 11,127,883
Building Fund	123,646	-	36,752,330	149,285	-	37,025,261
Bond Interest and Redemption Fund	1,257,149	-	-	-	-	1,257,149
All Other Governmental Funds	309,675	9,963,478	-	1,465,170	-	11,738,323
Total	<u>\$ 1,690,470</u>	<u>\$ 11,695,445</u>	<u>\$ 36,752,330</u>	<u>\$ 5,010,371</u>	<u>\$ 6,000,000</u>	<u>\$ 61,148,616</u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

5. **FUND EQUITY**

Ending fund equity is composed of the following elements:

	GENERAL FUND	BUILDING FUND	SCHOOL FACILITIES FUND	BOND INTEREST AND REDEMPTION FUND	ALL OTHER GOVERNMENTAL FUNDS	PROPRIETARY FUND	TOTAL
Nonspendable:							
Revolving Fund	\$ 144,000	\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ 147,500
Inventory	1,925,859	-	-	-	270,974	-	2,196,833
Prepaid Expenditures	1,019,228	-	-	-	184,153	-	1,203,381
Total Nonspendable	3,089,087	-	-	-	458,627	-	3,547,714
Restricted to:							
Legally Restricted Balances	1,955,928	38,177,267	-	-	30,230,627	-	70,363,822
Committed to:							
Deferred Maintenance	-	-	-	-	77,753	-	77,753
Adult Education	-	-	-	-	1,945,271	-	1,945,271
Total Commitments	-	-	-	-	2,023,024	-	2,023,024
Assigned to:							
Local Carryover	786,236	-	-	-	-	-	786,236
Mandated Block Grant	782,977	-	-	-	-	-	782,977
Other Assignments	-	-	-	-	2,763,045	-	2,763,045
Total Assignments	1,569,213	-	-	-	2,763,045	-	4,332,258
Unassigned to:							
Unassigned	46,138,952	-	113,763	31,451,263	-	17,641	77,721,619
Total Fund Equity	\$ 52,753,180	\$ 38,177,267	\$ 113,763	\$ 31,451,263	\$ 35,475,323	\$ 17,641	\$ 157,988,437

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2014, is shown below:

PRIMARY GOVERNMENT				
	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Land	\$ 58,904,072	\$ 18,425,649	\$ -	\$ 77,329,721
Site Improvements	110,224,078	1,183,454	103,280	111,304,252
Buildings	664,294,575	22,939,598	-	687,234,173
Furniture and Equipment	38,505,751	27,936,190	52,054	66,389,887
Work in Progress	59,065,922	83,469,773	69,298,214	73,237,481
Totals at Historical Cost	930,994,398	153,954,664	69,453,548	1,015,495,514
Less Accumulated Depreciation for:				
Site Improvements	57,580,688	3,985,035	57,234	61,508,489
Buildings	163,717,844	14,246,016	-	177,963,860
Furniture and Equipment	21,891,985	3,073,886	52,054	24,913,817
Total Accumulated Depreciation	243,190,517	21,304,937	109,288	264,386,166
Governmental Activities Capital Assets, Net	\$ 687,803,881	\$ 132,649,727	\$ 69,344,260	\$ 751,109,348

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:	
Instruction	\$ 13,759,046
Supervision of Instruction	552,727
All Other Pupil Services	2,530,518
Ancillary Services	3,079,368
Community Services	1,101,974
All Other General Administration	169,399
Plant Services	111,905
Total Depreciation Expense	\$ 21,304,937

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

7. BONDED DEBT

The outstanding general obligation bonded debt of the District at June 30, 2014 is the following:

Bond	Date of Bond	Year of Maturity	Rate of Interest	Amount of Original Issue	Bonds Outstanding July 1, 2013	Issued During Year	Matured/Defeased During Year	Bonds Outstanding June 30, 2014
2001 Series A	10/1/2001	2018	9.0%	\$ 49,996,471	\$ 17,177,762	\$ -	\$ 2,893,242	\$ 14,284,520
2001 Series B	10/1/2002	2027	3.6-5.23%	29,000,256	22,460,315	-	1,713,128	20,747,187
2004 Series A	12/1/2004	2029	3.8-6.15%	119,998,286	79,007,041	-	5,872,696	73,134,345
2004 Series B	3/1/2006	2030	4.0-5.0%	48,001,060	26,566,060	-	830,000	25,736,060
2008 Refunding	8/1/2008	2015	1.9-4.0%	64,715,000	11,545,000	-	5,105,000	6,440,000
2012 Refunding	5/31/2012	2021	2.0-5.0%	17,935,000	17,570,000	-	-	17,570,000
2012 Series A	8/15/2012	2037	1.0-5.5%	79,996,801	79,996,801	-	5,145,000	74,851,801
2012 Series B	7/25/2013	2038	2.0-6.12%	49,996,579	-	49,996,579	-	49,996,579
				<u>\$ 459,639,453</u>	<u>\$ 254,322,979</u>	<u>\$ 49,996,579</u>	<u>\$ 21,559,066</u>	<u>\$ 282,760,492</u>

The annual requirement to amortize the Election of 2001, Series A general obligation bonds payable, outstanding at June 30, 2014, is as follows:

Year Ending June 30	Principal	Interest	Total
2015	\$ 2,886,975	\$ 2,363,025	\$ 5,250,000
2016	2,872,338	2,697,662	5,570,000
2017	2,861,440	3,053,560	5,915,000
2018	2,843,696	3,426,304	6,270,000
2019	2,820,071	3,824,929	6,645,000
Total	<u>\$ 14,284,520</u>	<u>\$ 15,365,480</u>	<u>\$ 29,650,000</u>

The annual requirement to amortize the Election of 2001, Series B general obligation bonds payable, outstanding at June 30, 2014, is as follows:

Year Ending	Principal	Interest	Total
2015	\$ 1,645,824	\$ 1,039,176	\$ 2,685,000
2016	1,579,078	1,170,922	2,750,000
2017	1,518,131	1,291,869	2,810,000
2018	1,466,582	1,413,418	2,880,000
2019	1,415,593	1,539,407	2,955,000
2020-24	6,289,566	9,625,434	15,915,000
2025-28	6,832,413	16,487,587	23,320,000
Total	<u>\$ 20,747,187</u>	<u>\$ 32,567,813</u>	<u>\$ 53,315,000</u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

The annual requirement to amortize the Election of 2004, Series A general obligation bonds payable, outstanding at June 30, 2014, is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 5,859,827	\$ 2,900,173	\$ 8,760,000
2016	5,828,287	3,456,713	9,285,000
2017	5,814,851	4,030,149	9,845,000
2018	5,796,643	4,638,357	10,435,000
2019	-	-	-
2020-24	17,143,088	24,056,912	41,200,000
2025-29	27,966,154	60,483,846	88,450,000
2030	4,725,495	16,279,505	21,005,000
Total	\$ 73,134,345	\$ 115,845,655	\$ 188,980,000

The annual requirement to amortize the Election of 2004, Series B general obligation bonds payable, outstanding at June 30, 2014, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,000,000	\$ 538,800	\$ 1,538,800
2016	1,185,000	495,100	1,680,100
2017	1,385,000	443,700	1,828,700
2018	-	416,000	416,000
2019	-	416,000	416,000
2020-24	-	2,080,000	2,080,000
2025-29	13,999,664	10,312,836	24,312,500
2030-31	8,166,396	17,648,604	25,815,000
Total	\$ 25,736,060	\$ 32,351,040	\$ 58,087,100

The annual requirement to amortize the 2008 Refunding general obligation bonds payable, outstanding at June 30, 2014, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 3,170,000	\$ 163,150	\$ 3,333,150
2016	3,270,000	57,225	3,327,225
Total	\$ 6,440,000	\$ 220,375	\$ 6,660,375

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

The annual requirement to amortize the 2012 Refunding general obligation bonds payable, outstanding at June 30, 2014, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ -	\$ 749,550	\$ 749,550
2016	-	749,550	749,550
2017	-	749,550	749,550
2018	-	749,550	749,550
2019	8,895,000	563,650	9,458,650
2020-22	<u>8,675,000</u>	<u>594,775</u>	<u>9,269,775</u>
Total	<u>\$ 17,570,000</u>	<u>\$ 4,156,625</u>	<u>\$ 21,726,625</u>

The annual requirement to amortize the 2012 Series A general obligation bonds payable, outstanding at June 30, 2014, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 815,000	\$ 2,338,925	\$ 3,153,925
2016	-	2,334,850	2,334,850
2017	-	2,334,850	2,334,850
2018	535,000	2,324,150	2,859,150
2019	1,625,000	2,280,950	3,905,950
2020-24	11,819,221	11,609,929	23,429,150
2025-29	12,837,147	12,637,478	25,474,625
2030-34	23,426,153	16,242,097	39,668,250
2035-38	<u>23,794,280</u>	<u>14,257,420</u>	<u>38,051,700</u>
Total	<u>\$ 74,851,801</u>	<u>\$ 66,360,649</u>	<u>\$ 141,212,450</u>

The annual requirement to amortize the 2012 Series B general obligation bonds payable, outstanding at June 30, 2014, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,755,000	\$ 1,966,638	\$ 4,721,638
2016	-	1,939,087	1,939,087
2017	-	1,939,087	1,939,087
2018	-	1,939,087	1,939,087
2019	-	1,939,087	1,939,087
2020-24	3,230,547	11,664,892	14,895,439
2025-29	3,906,068	13,529,370	17,435,438
2030-34	10,989,964	12,231,354	23,221,318
2035-39	<u>29,115,000</u>	<u>4,415,350</u>	<u>33,530,350</u>
Total	<u>\$ 49,996,579</u>	<u>\$ 51,563,952</u>	<u>\$ 101,560,531</u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

The annual requirement to amortize general obligation bonds payable, outstanding at June 30, 2014, is summarized as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 18,132,626	\$ 12,059,437	\$ 30,192,063
2016	14,734,703	12,901,109	27,635,812
2017	11,579,422	13,842,765	25,422,187
2018	10,641,921	14,906,866	25,548,787
2019	14,755,664	10,564,023	25,319,687
2020-24	47,157,423	59,631,941	106,789,364
2025-29	65,541,445	113,451,118	178,992,563
2030-34	47,308,008	62,401,560	109,709,568
2035-39	52,909,280	18,672,770	71,582,050
Total	<u>\$ 282,760,492</u>	<u>\$ 318,431,589</u>	<u>\$ 601,192,081</u>

8. OTHER POSTEMPLOYMENT BENEFITS

The District implemented GASB Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension for the fiscal year ended June 30, 2014. This implementation allows the District to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements. In the 2007-08 fiscal year, the District re-established the Self Insurance Fund to account for funds set aside for postemployment benefits.

Plan Description. The District provides lifetime postemployment benefits to certificated and classified employees. To qualify, employees hired prior to August 31, 2007 must have 15 benefited service years with the District and attained the age of 55, and employees hired after September 1, 2007 must have 30 benefited service years with the District and attained the age of 55. Dental and vision benefits are provided for five years, but not beyond age 65. There are 2,904 active and 846 retired members in the plan. Benefits and eligibility for teachers and food service workers are established and amended through collective bargaining with the recognized bargaining agent for each group; and include postemployment health and dental coverage. Benefits and eligibility for administrators, secretaries and general support staff are established and amended by the governing body.

Funding Policy. The District has \$0 of invested plan assets accumulated for payment of future benefits. The employer makes all contributions, and for the year ended June 30, 2014, the District contributed \$46,811,616 to the Self Insurance Fund.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. A table showing the components of the District's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District's net OPEB obligation is not presented because the District has opted to record the total unfunded actuarial liability at June 30, 2014.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

	Government Activities
Annual required contribution (ARC)	\$ 230,040,422
Interest on net OPEB	6,959,050
Adjustment to ARC	(247,567,172)
Annual OPEB cost (expense)	(10,567,700)
Contribution made	57,546,603
Increase in OPEB obligation	46,978,903
OPEB obligation at beginning of year	173,976,252
OPEB obligation at end of year	220,955,155
Less amount recorded in Self Insurance Fund	(26,272,183)
Net OPEB obligation at end of year	\$ 194,682,972

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the OPEB obligation for 2014 was:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 30,940,554	142.86%	\$ 149,226,525
6/30/2013	51,383,102	87.58%	146,493,808
6/30/2014	(10,567,700)	-	194,682,972

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$220,955,155. The annual payroll for active employees covered by the plan in the actuarial valuation for the 2013-2014 fiscal year was \$194,851,256 for a ratio of the UAAL to covered payroll of 113%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a rate of 4.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 8% for medical and 8% for drugs and 4% for dental, reduced by decrements to an ultimate rate of 5.0% for medical after 5 years. Mortality, disability and retirement rates are from the 2012 RP-2000 Combined Mortality. The UAAL is being amortized as a level percentage of projected payrolls.

9. COMPENSATED ABSENCES

The total accumulated unpaid employee compensated absences as of June 30, 2014, amounted to \$1,848,674.

10. CERTIFICATES OF PARTICIPATION

A. In August 2006, the Central Valley School Districts Financing Corporation issued 2006 Certificates of Participation in the amount of \$7,820,000 with interest rates ranging from 4.00 to 4.50 percent.

The certificates mature through August 2016 as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 355,000	\$ 41,963	\$ 396,963
2016	370,000	25,650	395,650
2017	<u>385,000</u>	<u>8,663</u>	<u>393,663</u>
Total	<u>\$ 1,110,000</u>	<u>\$ 76,276</u>	<u>\$ 1,186,276</u>

B. In June 2010, the Central Valley Support Services JPA issued 2010 Certificates of Participation on behalf of CUSD in the amount of \$9,365,000 with interest rates ranging from 2.00 to 4.00 percent. As of June 30, 2014, the District drew down funds in the amount of \$8,332,947.

The certificates, in their entirety, mature through November 2021. The District's liability is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,050,000	\$ 260,150	\$ 1,310,150
2016	1,085,000	228,125	1,313,125
2017	1,115,000	195,125	1,310,125
2018	1,155,000	155,300	1,310,300
2019	1,205,000	108,100	1,313,100
2020	<u>1,067,947</u>	<u>55,542</u>	<u>1,123,489</u>
Total	<u>\$ 6,677,947</u>	<u>\$ 1,002,342</u>	<u>\$ 7,680,289</u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

- C. In January 2011, the Central Valley Support Services JPA issued 2011 Certificates of Participation on behalf of CUSD in the amount of \$4,450,000 with interest rates ranging from 2.00 to 4.50 percent. As of June 30, 2014, the District drew down funds in the amount of \$3,890,057.

The certificates, in their entirety, mature through November 2025. The District's liability is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 235,000	\$ 185,500	\$ 420,500
2016	245,000	175,900	420,900
2017	255,000	165,900	420,900
2018	265,000	155,500	420,500
2019	275,000	144,356	419,356
2020-24	1,565,000	509,432	2,074,432
2025	440,058	39,599	479,657
Total	<u>\$ 3,280,058</u>	<u>\$ 1,376,187</u>	<u>\$ 4,656,245</u>

The District currently has a total amount due of \$11,236,650 for Certificates of Participation. The funding sources for the total COP's balance as of June 30, 2014 are:

General Fund	\$ 9,881,730
Special Reserve (RCA) Fund	<u>1,186,275</u>
Total	<u>\$ 11,068,005</u>

11. CAPITAL LEASES

The District has entered into various lease agreements. The payments are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,086,087	\$ 16,448	\$ 1,102,535
2016	775,849	5,197	781,046
2017	465,229	-	465,229
2018	426,460	-	426,460
Total	<u>\$ 2,753,625</u>	<u>\$ 21,645</u>	<u>\$ 2,775,270</u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

12. CHILD DEVELOPMENT PORTABLES

The District financed the purchase of Child Development Portables through the California Department of Education's Child Care Facilities Revolving Fund. The agreement with CDE includes a 0% interest rate for the portable classrooms. During the term of the repayment, the title to the facilities shall be in the name of the State of California. Title shall pass to the District after repayment of all funds. The District bears all the responsibility of maintaining the facilities and keeping the facilities free and clear of any levies, liens and encumbrances.

The loans mature in 2019 and the payments are as follows:

<u>Year Ending June 30</u>	<u>Payment</u>
2015	\$ 80,406
2016	80,406
2017	80,406
2018	63,000
2019	<u>63,000</u>
Total	<u>\$ 367,218</u>

13. SUPPLEMENTARY RETIREMENT PLAN

The District adopted the PARS 403(b) Supplementary Retirement Plan in fiscal years 2008, 2009, and 2010 for certain eligible employees. The District shall make contributions into the eligible participant's 403(b) annuity contract held by Pacific Life Insurance Company. The future liability for the Supplementary Retirement Plan is as follows:

<u>Year Ending June 30</u>	<u>Payment</u>
2015	<u>\$ 1,074,233</u>
Total	<u>\$ 1,074,233</u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

14. RISK MANAGEMENT

The District is self-insured for workers' compensation, health, vision and dental programs. The District accounts for and finances its uninsured risks of loss in the General Fund. The General Fund provides coverage for up to a maximum of \$275,000 for each workers' compensation claim and \$350,000 for each health insurance claim. The District purchases commercial insurance for claims in excess of coverage provided by the General Fund and for all other risks of loss.

All funds of the District, which reflect salary costs, participate in the program and make payments to the General Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$17,009,238 reported in the General Fund and Self Insurance Fund at June 30, 2014 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in fiscal years 2010, 2011, 2012, 2013 and 2014 were:

	Liability July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Liability June 30
2009-10	\$ 15,292,675	\$ 38,187,040	\$ 37,977,666	\$ 15,502,049
2010-11	15,502,049	40,503,746	41,190,687	14,815,108
2011-12	14,815,108	45,848,013	43,102,795	17,560,326
2012-13	17,560,326	40,397,556	43,311,780	14,646,102
2013-14	14,646,102	51,279,995	48,916,859	17,009,238

Claim loss detail by coverage type is as follows:

Worker's Compensation:	
Current Position	\$ 9,357,439
Dental Program	625,600
Vision Program	80,182
Health and Prescription Program	<u>6,946,017</u>
Total	<u><u>\$ 17,009,238</u></u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

15. LONG-TERM DEBT

A schedule of changes in long-term debt for the fiscal year ended June 30, 2014, is shown below:

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014	Amounts Due Within One Year
Bonded Debt	\$ 254,322,979	\$ 49,996,579	\$ 21,559,066	\$ 282,760,492	\$ 18,132,626
Postemployment Benefits	146,493,808	48,189,164	-	194,682,972	-
Compensated Absences	1,722,495	126,179	-	1,848,674	-
Certificates of Participation	21,848,005	-	10,780,000	11,068,005	1,640,000
Capital Leases	2,742,405	930,000	918,780	2,753,625	1,086,387
Child Development Portables	475,541	-	108,323	367,218	80,406
Supplemental Retirement Plan	1,074,233	-	-	1,074,233	1,074,233
Total	\$ 428,679,466	\$ 99,241,922	\$ 33,366,169	\$ 494,555,219	\$ 22,013,652

16. CHARTER SCHOOLS

On May 19, 2012, the State Board of Education granted the Clovis Online Charter School a term of three years, from 2012-13 through 2014-15. The District accounts for the charter school within the Charter School Fund.

17. JOINT POWERS AGREEMENTS

The District has entered into joint powers agreements (JPAs) with other governmental units, as allowed by the California Government Code. These JPAs have budgeting and financial reporting requirements independent of member units, whose financial statements are not presented in these financial statements; however, fund transactions between the entities and Clovis Unified School District are included in these statements. Summarized below is certain information on these entities:

Schools Excess Liability Fund (SELF)

Purpose: To provide liability insurance coverage in excess of \$1,000,000 (up to \$25,000,000).

Participants: Other school districts in California.

Governing Board: One designee for each district votes for a 16 member Board of Directors.

The summary of financial information on the Schools Excess Liability Fund is available from Schools Excess Liability Fund, 1531 I Street, Suite 300, Sacramento, CA 95814.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

Alliance of Schools for Cooperative Insurance Programs (ASCIP)

Purpose: Arrange for and provide property and liability insurance for its members.

Participants: Other governmental agencies.

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

Central Valley Support Services (CVSS)

Purpose: To provide maintenance, operations, food service, transportation, printing, and warehouse/delivery services or any other support services approved by the Governing Board to its members.

Participants: Clovis Unified School District, Golden Valley Unified School District, and Fresno Unified School District.

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

Center for Advanced Research & Technology (CART)

Purpose: To provide for the financing and operation of a joint technical center for high school age students.

Participants: Clovis Unified School District and Fresno Unified School District.

Governing Board: Representatives from the member public educational agencies and related associations.

Condensed financial information of these JPAs are as follows:

	SELF*	ASCIP	CVSS	CART
	Audited June 30, 2013	Audited June 30, 2013	Audited June 30, 2014	Audited June 30, 2014
Total Assets	\$ 166,243	\$ 154,495,612	\$ 87,156,878	\$ 10,971,357
Total Liabilities	129,963	104,897,367	111,742,877	214,758
Net Position	<u>\$ 36,280</u>	<u>\$ 49,598,245</u>	<u>\$ (24,585,999)</u>	<u>\$ 10,756,599</u>
Total Revenues	\$ 11,589	\$ 58,938,664	\$ 4,900,410	\$ 2,370,281
Total Expenditures	14,165	50,030,839	5,148,840	2,491,469
Net Increase (Decrease) in Net Position	<u>\$ (2,576)</u>	<u>\$ 8,907,825</u>	<u>\$ (248,430)</u>	<u>\$ (121,188)</u>

* in thousands

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

18. COMMITMENTS AND CONTINGENCIES

A. Federal and State Allowances, Awards and Grants

The District has received Federal and State funds for specific purposes that are subject to review and audit by the grantor agencies. If the review or audit discloses exceptions, the District may incur a liability to grantor agencies.

B. Litigation

Various claims and litigation involving the District are currently outstanding. However, management of the District believes, based on consultation with legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

C. Construction Commitments

At June 30, 2014, the District had the following commitments with respect to the unfinished capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Commitments</u>	<u>Expected Date of Completion</u>
Clark Intermediate, Mod & New Admin	\$ 11,640,655	8/21/2015
Sierra Outdoor School, Modernize Classroom Buildings	9,576,556	4/17/2015
Clovis West High, Modernization	6,495,643	2/27/2015
Temperance-Kutner, Modernization	5,727,828	7/30/2015
Clovis High Phase II, Modernization	5,186,856	2/2/2015
Tarpey, Modernization	4,907,172	10/21/2014
Community Day School, Modernization	4,621,521	3/30/2015
Valley Oak, Modernization	3,494,778	9/16/2014
Dry Creek, Modernization	3,341,250	9/19/2014
Sierra Vista, Modernization	2,701,444	9/23/2014
District-Wide, Video Surveillance System	2,516,420	4/1/2015
Freedom, Modernization	1,019,140	8/21/2014
Various Sites, Paving Projects	780,860	8/25/2014
Pinedale, Modernization	691,983	8/30/2014
Metropolitan Area Network, City of Fresno Schools	532,831	8/30/2014
District Office, Warehouse/Freezer Expansion	481,253	8/13/2014
Fugman, Mod/Turf Renovation	339,662	9/14/2014
District Office, New Offices	189,141	8/30/2014
Buchanan High, Pool Boiler Replace	153,475	9/26/2014
Buchanan High, Tennis Court Resurfacing	120,828	8/1/2014
Alta Sierra Intermediate, Pool Boiler Replace	108,700	9/26/2014
Clovis Elementary, Boiler Replace	72,407	9/25/2014
	<hr/>	
Total	<u>\$ 64,700,403</u>	

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

19. EMPLOYEE RETIREMENT SYSTEMS

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

CalPERS

Plan Description

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

Funding Policy

Active plan members are required to contribute to PERS 7.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013-14 was 11.442%. The contribution requirements of the plan members are established by the state statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2014, 2013 and 2012 were \$6,317,704, \$5,423,519 and \$5,874,697, respectively, and equal 100% of the required contributions for each year.

STRS

Plan Description

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

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2013-14 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal years ending June 30, 2014, 2013 and 2012 were \$12,378,604, \$11,376,909 and \$11,235,029, respectively, and equal 100% of the required contributions for each year.

APPLE

Plan Description

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

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

Funding Policy

Participants in APPLE are required to contribute 3.75% of gross salary to APPLE. The District is required to contribute 3.75% of gross salary expenditures to APPLE. The District's contributions to APPLE for the fiscal year ending June 30, 2014, 2013 and 2012 were \$285,495, \$283,299 and \$266,474, respectively.

20. SUBSEQUENT EVENT

On August 19, 2014, the District issued General Obligation Bonds, Election of 2012, Series C, in the aggregate principal amount of \$64,995,505. The bonds bear interest rates ranging from 3.19% to 5.00% and are payable through August 2039.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

21. New Accounting Pronouncements

- A. In June 2012, the Governmental Accounting Standards Board (GASB) issued statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged. The District has not yet determined the effect on the financial statements.

- B. In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

Required Supplementary
Information

CLOVIS UNIFIED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive-(Negative)
	Original	Final		
REVENUES				
Local Control Fund Formula Sources				
State Apportionments	\$ 164,134,436	\$ 199,547,532	\$ 199,547,532	\$ -
Local Sources	45,020,075	49,685,570	49,685,570	-
LCFF Transfers	193,023	(407,849)	(407,849)	-
Total LCFF Sources	209,347,534	248,825,253	248,825,253	-
Federal Revenues	13,554,889	15,036,105	15,036,105	-
Other State Revenues	65,216,625	39,397,945	39,397,945	-
Other Local Revenues	13,083,759	15,441,337	15,441,337	-
Total Revenues	301,202,807	318,700,640	318,700,640	-
EXPENDITURES				
Certificated Salaries	139,159,696	144,640,079	144,640,079	-
Classified Salaries	48,293,636	56,894,114	56,894,114	-
Employee Benefits	66,241,515	65,828,907	65,828,907	-
Books and Salaries	21,099,623	20,457,230	20,457,230	-
Services and Other Operating Expenditures	22,829,328	24,264,860	24,264,860	-
Other Outgo	684,823	680,914	680,914	-
Direct Support/Indirect Costs	(956,535)	(932,722)	(932,722)	-
Capital Outlay	282,889	1,016,720	1,016,720	-
Debt Service:				
Principal	957,869	951,696	951,696	-
Interest	24,000	21,626	21,626	-
Total Expenditures	298,616,844	313,823,424	313,823,424	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,585,963	4,877,216	4,877,216	-
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In (Note 4B)	162,800	1,690,470	1,690,470	-
Interfund Transfers Out (Note 4B)	(3,478,847)	(11,127,883)	(11,127,883)	-
Proceeds from Capital Leases	929,569	930,000	930,000	-
Total Other Financing Sources (Uses)	(2,386,478)	(8,507,413)	(8,507,413)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 199,485	\$ (3,630,197)	(3,630,197)	\$ -
FUND BALANCE - JULY 1, 2013			56,383,377	
FUND BALANCE - JUNE 30, 2014			\$ 52,753,180	

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
OTHER POSTEMPLOYMENT BENEFITS (OPEB) SCHEDULE OF FUNDING PROGRESS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
July 1, 2008	\$ -	\$ 128,393,347	\$ 128,393,347	0%	\$ 163,718,940	78%
July 1, 2010	-	129,691,185	129,691,185	0%	172,688,964	75%
July 1, 2012	-	167,594,127	167,594,127	0%	153,061,973	109%
July 1, 2014	-	220,955,155	220,955,155	0%	194,851,256	113%

The Notes to Financial Statements are an integral part of this statement.

Supplementary Information

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	CHARTER SCHOOL FUND	ADULT FUND	CHILD DEVELOPMENT FUND	CAFETERIA FUND	DEFERRED MAINTENANCE FUND	TOTAL
<u>ASSETS</u>						
Cash						
Cash in County Treasury	\$ 570,808	\$ 1,290,882	\$ 2,031,867	\$ 4,646,806	\$ 122,890	\$ 8,663,253
Cash on Hand and in Banks	-	-	-	3,654,154	-	3,654,154
Cash in Revolving Fund	-	3,500	-	-	-	3,500
Accounts Receivable	386,996	609,551	255,179	3,107	871	1,255,704
Due From Grantor Governments	-	-	-	1,252,599	-	1,252,599
Due From Other Funds	-	319,319	32,411	-	-	351,730
Inventory	-	40,325	-	230,649	-	270,974
Prepaid Expenditures	-	64,551	8,308	18,428	-	91,287
TOTAL ASSETS	\$ 957,804	\$ 2,328,128	\$ 2,327,765	\$ 9,805,743	\$ 123,761	\$ 15,543,201
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts Payable	\$ 876	\$ 31,081	\$ 44,698	\$ 46,901	\$ 17,556	\$ 141,112
Due to Other Funds	128,184	72,732	218,907	594,707	-	1,014,530
Unearned Revenue	-	170,668	-	214,976	-	385,644
Total Liabilities	129,060	274,481	263,605	856,584	17,556	1,541,286
Fund Balances						
Nonspendable	-	108,376	8,308	249,077	28,452	394,213
Restricted	28,063	-	93,488	8,700,082	-	8,821,633
Committed	-	1,945,271	-	-	77,753	2,023,024
Assigned	800,681	-	1,962,364	-	-	2,763,045
Total Fund Balances	828,744	2,053,647	2,064,160	8,949,159	106,205	14,001,915
TOTAL LIABILITIES AND FUND BALANCES	\$ 957,804	\$ 2,328,128	\$ 2,327,765	\$ 9,805,743	\$ 123,761	\$ 15,543,201

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	CHARTER SCHOOL FUND	ADULT FUND	CHILD DEVELOPMENT FUND	CAFETERIA FUND	DEFERRED MAINTENANCE FUND	TOTAL
REVENUES						
Local Control Fund Formula Sources:						
State Apportionments	\$ 2,079,699	\$ -	\$ -	\$ -	\$ -	\$ 2,079,699
LCFF Transfers	407,849	-	-	-	-	407,849
Total LCFF Sources	2,487,548	-	-	-	-	2,487,548
Federal Revenues	-	1,052,332	-	8,114,355	-	9,166,687
Other State Revenues	168,498	73,607	2,326,861	620,910	-	3,189,876
Other Local Revenues	5,226	1,794,719	6,131,719	4,484,054	4,713	12,420,431
Total Revenues	2,661,272	2,920,658	8,458,580	13,219,319	4,713	27,264,542
EXPENDITURES						
Instruction	1,538,446	2,653,758	6,267,696	-	-	10,459,900
Instruction-Related Services:						
Supervision of Instruction	44,083	551,638	1,456,359	-	-	2,052,080
Instructional Library, Media and Technology	47,179	16,739	-	-	-	63,918
School Site Administration	498,143	1,053,235	-	-	-	1,551,378
Pupil Services:						
Food Services	-	-	-	11,677,842	-	11,677,842
All Other Pupil Services	192,153	147,723	99,365	-	-	439,241
General Administration:						
All Other General Administration	70,436	-	333,821	528,465	-	932,722
Plant Services	27,872	304,679	-	-	750,636	1,083,187
Facilities Acquisition and Construction	-	-	-	-	1,102,262	1,102,262
Debt Service:						
Principal	-	-	108,323	-	-	108,323
Total Expenditures	2,418,312	4,727,772	8,265,564	12,206,307	1,852,898	29,470,853
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	242,960	(1,807,114)	193,016	1,013,012	(1,848,185)	(2,206,311)
OTHER FINANCING SOURCES (USES)						
Interfund Transfers In	-	846,880	-	-	900,000	1,746,880
Interfund Transfers Out	-	-	(544,256)	(920,913)	-	(1,465,169)
Total Other Financing Sources (Uses)	-	846,880	(544,256)	(920,913)	900,000	281,711
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)						
	242,960	(960,234)	(351,240)	92,099	(948,185)	(1,924,600)
FUND BALANCES - JULY 1, 2013						
	585,784	3,013,881	2,415,400	8,857,060	1,054,390	15,926,515
FUND BALANCES - JUNE 30, 2014						
	\$ 828,744	\$ 2,053,647	\$ 2,064,160	\$ 8,949,159	\$ 106,205	\$ 14,001,915

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
BALANCE SHEET
NONMAJOR DEBT SERVICE FUND
 JUNE 30, 2014

	CENTRAL VALLEY SCHOOL DISTRICTS FINANCING CORPORATION FUND
<u>ASSETS</u>	
Cash	
Cash in County Treasury	\$ 1,010,963
Accounts Receivable	4,797
	<hr/>
TOTAL ASSETS	\$ 1,015,760
	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Accounts Payable	\$ -
Fund Balance	
Restricted	1,015,760
	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,015,760
	<hr/> <hr/>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	CENTRAL VALLEY SCHOOL DISTRICTS FINANCING CORPORATION FUND
<u>REVENUES</u>	
Other Local Revenues	\$ 10,293,813
<u>EXPENDITURES</u>	
Debt Service:	
Principal	9,820,000
Interest	433,921
Total Expenditures	10,253,921
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	39,892
<u>FUND BALANCE</u> - JULY 1, 2013	975,868
<u>FUND BALANCE</u> - JUNE 30, 2014	\$ 1,015,760

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2014

	CAPITAL FACILITIES FUND	SPECIAL RESERVE FUND	TOTAL
<u>ASSETS</u>			
Cash			
Cash in County Treasury	\$ 9,227,438	\$ 10,433,672	\$ 19,661,110
Accounts Receivable	33,513	25,969	59,482
Due From Other Funds	683,716	419,136	1,102,852
Prepaid Expenditures	-	64,414	64,414
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 9,944,667</u>	<u>\$ 10,943,191</u>	<u>\$ 20,887,858</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts Payable	\$ 47,907	\$ 382,182	\$ 430,089
Due to Other Funds	121	-	121
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>48,028</u>	<u>382,182</u>	<u>430,210</u>
Fund Balances			
Nonspendable	-	64,414	64,414
Restricted	9,896,639	10,496,595	20,393,234
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>9,896,639</u>	<u>10,561,009</u>	<u>20,457,648</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,944,667</u>	<u>\$ 10,943,191</u>	<u>\$ 20,887,858</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	CAPITAL FACILITIES FUND	SPECIAL RESERVE FUND	TOTAL
<u>REVENUES</u>			
Other State Revenue	\$ -	\$ 100,000	\$ 100,000
Other Local Revenue	11,119,445	976,466	12,095,911
	<u>11,119,445</u>	<u>1,076,466</u>	<u>12,195,911</u>
Total Revenues	11,119,445	1,076,466	12,195,911
<u>EXPENDITURES</u>			
General Administration			
All Other General Administration	149,286	-	149,286
Plant Services	982,501	680,694	1,663,195
Facilities Acquisition and Construction	-	1,868,825	1,868,825
	<u>1,131,787</u>	<u>2,549,519</u>	<u>3,681,306</u>
Total Expenditures	1,131,787	2,549,519	3,681,306
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,987,658</u>	<u>(1,473,053)</u>	<u>8,514,605</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Interfund Transfers In	149,286	3,114,205	3,263,491
Interfund Transfers Out	(9,879,596)	(393,558)	(10,273,154)
	<u>(9,730,310)</u>	<u>2,720,647</u>	<u>(7,009,663)</u>
Total Other Financing Sources (Uses)	(9,730,310)	2,720,647	(7,009,663)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	257,348	1,247,594	1,504,942
<u>FUND BALANCES - JULY 1, 2013</u>	<u>9,639,291</u>	<u>9,313,415</u>	<u>18,952,706</u>
<u>FUND BALANCES - JUNE 30, 2014</u>	<u>\$ 9,896,639</u>	<u>\$ 10,561,009</u>	<u>\$ 20,457,648</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
 JUNE 30, 2014

	WARRANT PASS-THROUGH FUND	ASSOCIATED STUDENT BODY FUNDS	TOTAL
<u>ASSETS</u>			
Cash			
Cash in County Treasury	\$ 5,813,780	\$ -	\$ 5,813,780
Cash on Hand and in Banks	121,668	1,870,231	1,991,899
Accounts Receivable	-	51,330	51,330
Inventory	-	35,313	35,313
TOTAL ASSETS	\$ 5,935,448	\$ 1,956,874	\$ 7,892,322
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ 10,045	\$ 10,045
Due to Other Funds	3,000,886	-	3,000,886
Due to Student Groups/Other Agencies	2,934,562	1,946,829	4,881,391
TOTAL LIABILITIES	\$ 5,935,448	\$ 1,956,874	\$ 7,892,322

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF ASSETS AND LIABILITIES
STUDENT BODY FUNDS
 JUNE 30, 2014

	HIGH SCHOOLS	INTERMEDIATE SCHOOLS	ELEMENTARY SCHOOLS	TOTAL
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 1,025,756	\$ 249,276	\$ 595,199	\$ 1,870,231
Accounts Receivable	51,330	-	-	51,330
Inventory	35,313	-	-	35,313
TOTAL ASSETS	\$ 1,112,399	\$ 249,276	\$ 595,199	\$ 1,956,874
<u>LIABILITIES</u>				
Accounts Payable	\$ 10,045	\$ -	\$ -	\$ 10,045
Due to Student Groups				
Club Accounts	602,213	82,649	-	684,862
General ASB Accounts	500,141	166,627	595,199	1,261,967
Total Due to Student Groups	1,102,354	249,276	595,199	1,946,829
TOTAL LIABILITIES	\$ 1,112,399	\$ 249,276	\$ 595,199	\$ 1,956,874

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JULY 30, 2014
HIGH SCHOOLS				
ASSETS				
Cash on Hand and in Banks	\$ 999,905	\$ 4,376,550	\$ 4,350,699	\$ 1,025,756
Account Receivable	-	51,330	-	51,330
Inventory	-	35,313	-	35,313
TOTAL ASSETS	\$ 999,905	\$ 4,463,193	\$ 4,350,699	\$ 1,112,399
LIABILITIES				
Accounts Payable	-	10,045	-	10,045
Due to Student Groups				
Club Accounts	625,270	1,195,603	1,218,660	602,213
General ASB Accounts	374,635	3,257,545	3,132,039	500,141
Total Due to Student Groups	999,905	4,453,148	4,350,699	1,102,354
TOTAL LIABILITIES	\$ 999,905	\$ 4,463,193	\$ 4,350,699	\$ 1,112,399
INTERMEDIATE SCHOOLS				
ASSETS				
Cash on Hand and in Banks	\$ 214,113	\$ 1,012,374	\$ 977,211	\$ 249,276
Inventory	-	-	-	-
TOTAL ASSETS	\$ 214,113	\$ 1,012,374	\$ 977,211	\$ 249,276
LIABILITIES				
Accounts Payable	-	-	-	-
Due to Student Groups				
Club Accounts	76,572	296,029	289,952	82,649
General ASB Accounts	137,541	716,345	687,259	166,627
Total Due to Student Groups	214,113	1,012,374	977,211	249,276
TOTAL LIABILITIES	\$ 214,113	\$ 1,012,374	\$ 977,211	\$ 249,276
ELEMENTARY SCHOOLS				
ASSETS				
Cash on Hand and in Banks	\$ 607,371	\$ 2,969,269	\$ 2,981,441	\$ 595,199
Inventory	-	-	-	-
TOTAL ASSETS	\$ 607,371	\$ 2,969,269	\$ 2,981,441	\$ 595,199
LIABILITIES				
Accounts Payable	-	-	-	-
Due to Student Groups				
Club Accounts	-	-	-	-
General ASB Accounts	607,371	2,969,269	2,981,441	595,199
Total Due to Student Groups	607,371	2,969,269	2,981,441	595,199
TOTAL LIABILITIES	\$ 607,371	\$ 2,969,269	\$ 2,981,441	\$ 595,199
TOTALS				
ASSETS				
Cash on Hand and in Banks	\$ 1,821,389	\$ 8,358,193	\$ 8,309,351	\$ 1,870,231
Account Receivable	-	51,330	-	51,330
Inventory	-	35,313	-	35,313
TOTAL ASSETS	\$ 1,821,389	\$ 8,444,836	\$ 8,309,351	\$ 1,956,874
LIABILITIES				
Accounts Payable	-	10,045	-	10,045
Due to Student Groups				
Club Accounts	701,842	1,491,632	1,508,612	684,862
General ASB Accounts	1,119,547	6,943,159	6,800,739	1,261,967
Total Due to Student Groups	1,821,389	8,434,791	8,309,351	1,946,829
TOTAL LIABILITIES	\$ 1,821,389	\$ 8,444,836	\$ 8,309,351	\$ 1,956,874

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS
 JUNE 30, 2014

	BUCHANAN HIGH SCHOOL	CLOVIS HIGH SCHOOL	CLOVIS EAST HIGH SCHOOL	CLOVIS NORTH HIGH SCHOOL
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 253,883	\$ 217,182	\$ 122,376	\$ 266,431
Accounts Receivable	-	-	-	-
Inventory	35,313	-	-	-
TOTAL ASSETS	\$ 289,196	\$ 217,182	\$ 122,376	\$ 266,431
<u>LIABILITIES</u>				
Accounts Payable	\$ 10,045	\$ -	\$ -	\$ -
Due to Student Groups				
Club Accounts	140,328	126,433	73,655	100,839
General ASB Accounts	138,823	90,749	48,721	165,592
Total Due to Student Groups	279,151	217,182	122,376	266,431
TOTAL LIABILITIES	\$ 289,196	\$ 217,182	\$ 122,376	\$ 266,431

	CLOVIS WEST HIGH SCHOOL	GATEWAY CONTINUATION HIGH SCHOOL	TOTAL
<u>ASSETS</u>			
Cash on Hand and in Banks	\$ 146,178	\$ 19,706	\$ 1,025,756
Accounts Receivable	51,330	-	51,330
Inventory	-	-	35,313
TOTAL ASSETS	\$ 197,508	\$ 19,706	\$ 1,112,399
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ 10,045
Due to Student Groups			
Club Accounts	160,958	-	602,213
General ASB Accounts	36,550	19,706	500,141
Total Due to Student Groups	197,508	19,706	1,102,354
TOTAL LIABILITIES	\$ 197,508	\$ 19,706	\$ 1,112,399

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
Buchanan High School				
ASSETS				
Cash on Hand and in Banks	\$ 240,944	\$ 870,043	\$ 857,104	\$ 253,883
Inventory	-	35,313	-	35,313
TOTAL ASSETS	\$ 240,944	\$ 905,356	\$ 857,104	\$ 289,196
LIABILITIES				
Accounts Payable	-	10,045	-	10,045
Due to Student Groups				
Club Accounts	156,205	222,605	238,482	140,328
General ASB Accounts	84,739	672,706	618,622	138,823
Total Due to Student Groups	240,944	895,311	857,104	279,151
TOTAL LIABILITIES	\$ 240,944	\$ 905,356	\$ 857,104	\$ 289,196
Clovis High School				
ASSETS				
Cash on Hand and in Banks	\$ 240,938	\$ 1,000,798	\$ 1,024,554	\$ 217,182
Inventory	-	-	-	-
TOTAL ASSETS	\$ 240,938	\$ 1,000,798	\$ 1,024,554	\$ 217,182
LIABILITIES				
Accounts Payable	-	-	-	-
Due to Student Groups				
Club Accounts	140,450	214,557	228,574	126,433
General ASB Accounts	100,488	786,241	795,980	90,749
Total Due to Student Groups	240,938	1,000,798	1,024,554	217,182
TOTAL LIABILITIES	\$ 240,938	\$ 1,000,798	\$ 1,024,554	\$ 217,182
Clovis East High School				
ASSETS				
Cash on Hand and in Banks	\$ 40,063	\$ 578,139	\$ 495,826	\$ 122,376
Inventory	-	-	-	-
TOTAL ASSETS	\$ 40,063	\$ 578,139	\$ 495,826	\$ 122,376
LIABILITIES				
Accounts Payable	-	-	-	-
Due to Student Groups				
Club Accounts	83,885	221,198	231,428	73,655
General ASB Accounts	(43,822)	356,941	264,398	48,721
Total Due to Student Groups	40,063	578,139	495,826	122,376
TOTAL LIABILITIES	\$ 40,063	\$ 578,139	\$ 495,826	\$ 122,376
Clovis North High School				
ASSETS				
Cash on Hand and in Banks	\$ 302,920	\$ 1,130,634	\$ 1,167,123	\$ 266,431
Inventory	-	-	-	-
TOTAL ASSETS	\$ 302,920	\$ 1,130,634	\$ 1,167,123	\$ 266,431
LIABILITIES				
Accounts Payable	-	-	-	-
Due to Student Groups				
Club Accounts	107,325	283,912	290,398	100,839
General ASB Accounts	195,595	846,722	876,725	165,592
Total Due to Student Groups	302,920	1,130,634	1,167,123	266,431
TOTAL LIABILITIES	\$ 302,920	\$ 1,130,634	\$ 1,167,123	\$ 266,431

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
<u>Clovis West High School</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 158,219	\$ 783,754	\$ 795,795	\$ 146,178
Accounts Receivable	-	51,330	-	51,330
Inventory	-	-	-	-
TOTAL ASSETS	\$ 158,219	\$ 835,084	\$ 795,795	\$ 197,508
<u>LIABILITIES</u>				
Accounts Payable	-	-	-	-
Due to Student Groups				
Club Accounts	137,405	253,331	229,778	160,958
General ASB Accounts	20,814	581,753	566,017	36,550
Total Due to Student Groups	158,219	835,084	795,795	197,508
TOTAL LIABILITIES	\$ 158,219	\$ 835,084	\$ 795,795	\$ 197,508
<u>Gateway Continuation High School</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 16,325	\$ 13,182	\$ 9,801	\$ 19,706
Inventory	-	-	-	-
TOTAL ASSETS	\$ 16,325	\$ 13,182	\$ 9,801	\$ 19,706
<u>LIABILITIES</u>				
Accounts Payable	-	-	-	-
Due to Student Groups				
Club Accounts	-	-	-	-
General ASB Accounts	16,325	13,182	9,801	19,706
Total Due to Student Groups	16,325	13,182	9,801	19,706
TOTAL LIABILITIES	\$ 16,325	\$ 13,182	\$ 9,801	\$ 19,706
<u>Adult School</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 496	-	\$ 496	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 496	\$ -	\$ 496	\$ -
<u>LIABILITIES</u>				
Accounts Payable	-	-	-	-
Due to Student Groups				
Club Accounts	-	-	-	-
General ASB Accounts	496	-	496	-
Total Due to Student Groups	496	-	496	-
TOTAL LIABILITIES	\$ 496	\$ -	\$ 496	\$ -
<u>Totals</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 999,905	\$ 4,376,550	\$ 4,350,699	\$ 1,025,756
Accounts Receivable	-	51,330	-	51,330
Inventory	-	35,313	-	35,313
TOTAL ASSETS	\$ 999,905	\$ 4,463,193	\$ 4,350,699	\$ 1,112,399
<u>LIABILITIES</u>				
Accounts Payable	-	10,045	-	10,045
Due to Student Groups				
Club Accounts	625,270	1,195,603	1,218,660	602,213
General ASB Accounts	374,635	3,257,545	3,132,039	500,141
Total Due to Student Groups	999,905	4,453,148	4,350,699	1,102,354
TOTAL LIABILITIES	\$ 999,905	\$ 4,463,193	\$ 4,350,699	\$ 1,112,399

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF ASSETS AND LIABILITIES
STUDENT BODY FUNDS
INTERMEDIATE SCHOOLS
 JUNE 30, 2014

	ALTA SIERRA INTERMEDIATE SCHOOL	C. TODD CLARK INTERMEDIATE SCHOOL	KASTNER INTERMEDIATE SCHOOL	REYBURN INTERMEDIATE SCHOOL	TOTAL
<u>ASSETS</u>					
Cash on Hand and in Banks	\$ 36,646	\$ 85,880	\$ 88,114	\$ 38,636	\$ 249,276
TOTAL ASSETS	\$ 36,646	\$ 85,880	\$ 88,114	\$ 38,636	\$ 249,276
<u>LIABILITIES</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Student Groups					
Club Accounts	6,367	21,746	40,773	13,763	82,649
General ASB Accounts	30,279	64,134	47,341	24,873	166,627
Total Due to Student Groups	36,646	85,880	88,114	38,636	249,276
TOTAL LIABILITIES	\$ 36,646	\$ 85,880	\$ 88,114	\$ 38,636	\$ 249,276

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
INTERMEDIATE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
<u>Alta Sierra Intermediate School</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 46,102	\$ 357,089	\$ 366,545	\$ 36,646
TOTAL ASSETS	\$ 46,102	\$ 357,089	\$ 366,545	\$ 36,646
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Student Groups				
Club Accounts	30,821	89,116	113,570	6,367
General ASB Accounts	15,281	267,973	252,975	30,279
Total Due to Student Groups	46,102	357,089	366,545	36,646
TOTAL LIABILITIES	\$ 46,102	\$ 357,089	\$ 366,545	\$ 36,646
<u>C. Todd Clark Intermediate School</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 98,584	\$ 282,339	\$ 295,043	\$ 85,880
TOTAL ASSETS	\$ 98,584	\$ 282,339	\$ 295,043	\$ 85,880
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Student Groups				
Club Accounts	17,446	95,195	90,895	21,746
General ASB Accounts	81,138	187,144	204,148	64,134
Total Due to Student Groups	98,584	282,339	295,043	85,880
TOTAL LIABILITIES	\$ 98,584	\$ 282,339	\$ 295,043	\$ 85,880
<u>Kastner Intermediate School</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 36,781	\$ 212,460	\$ 161,127	\$ 88,114
TOTAL ASSETS	\$ 36,781	\$ 212,460	\$ 161,127	\$ 88,114
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Student Groups				
Club Accounts	9,719	75,046	43,992	40,773
General ASB Accounts	27,062	137,414	117,135	47,341
Total Due to Student Groups	36,781	212,460	161,127	88,114
TOTAL LIABILITIES	\$ 36,781	\$ 212,460	\$ 161,127	\$ 88,114

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
INTERMEDIATE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
<u>Reyburn Intermediate School</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 32,646	\$ 160,486	\$ 154,496	\$ 38,636
TOTAL ASSETS	<u>\$ 32,646</u>	<u>\$ 160,486</u>	<u>\$ 154,496</u>	<u>\$ 38,636</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Student Groups				
Club Accounts	18,586	36,672	41,495	13,763
General ASB Accounts	14,060	123,814	113,001	24,873
Total Due to Student Groups	<u>32,646</u>	<u>160,486</u>	<u>154,496</u>	<u>38,636</u>
TOTAL LIABILITIES	<u>\$ 32,646</u>	<u>\$ 160,486</u>	<u>\$ 154,496</u>	<u>\$ 38,636</u>
<u>Totals</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 214,113	\$ 1,012,374	\$ 977,211	\$ 249,276
TOTAL ASSETS	<u>\$ 214,113</u>	<u>\$ 1,012,374</u>	<u>\$ 977,211</u>	<u>\$ 249,276</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Student Groups				
Club Accounts	76,572	296,029	289,952	82,649
General ASB Accounts	137,541	716,345	687,259	166,627
Total Due to Student Groups	<u>214,113</u>	<u>1,012,374</u>	<u>977,211</u>	<u>249,276</u>
TOTAL LIABILITIES	<u>\$ 214,113</u>	<u>\$ 1,012,374</u>	<u>\$ 977,211</u>	<u>\$ 249,276</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
ELEMENTARY SCHOOLS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>ELEMENTARY SCHOOL</u>	<u>BALANCE</u> <u>JULY 1, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
Bud Rank	\$ 14,893	\$ 123,580	\$ 117,873	\$ 20,600
Cedarwood	10,607	102,290	97,459	15,438
Century	24,018	110,434	111,224	23,228
Clovis	21,666	94,695	90,720	25,641
Cole	11,635	91,143	91,662	11,116
Copper Hills	22,293	77,522	94,201	5,614
Cox	19,327	87,791	83,977	23,141
Dry Creek	23,752	126,372	138,133	11,991
Fancher Creek	27,936	127,764	113,857	41,843
Fort Washington	10,207	60,849	64,897	6,159
Freedom	13,008	73,672	86,110	570
Fugman	26,546	131,895	138,935	19,506
Garfield	8,401	141,593	134,395	15,599
Gettysburg	32,148	99,872	107,084	24,936
Jefferson	23,292	71,128	77,215	17,205
Liberty	4,515	79,883	78,540	5,858
Lincoln	2,344	76,496	68,685	10,155
Maple Creek	16,995	74,752	69,789	21,958
Miramonte	28,267	74,737	74,816	28,188
Mountain View	24,217	111,473	113,783	21,907
Nelson	19,480	69,109	69,848	18,741
Oraze	19,296	83,870	87,809	15,357
Pinedale	11,297	69,086	61,445	18,938
Reagan	16,201	62,567	58,915	19,853
Red Bank	33,907	125,818	137,289	22,436
Riverview	7,962	123,109	122,163	8,908
Sierra Vista	15,622	44,217	48,352	11,487
Tarpey	25,537	97,379	91,107	31,809
Temperance-Kutner	37,041	72,959	70,169	39,831
Valley Oak	9,329	75,871	70,959	14,241
Weldon	20,912	81,738	88,029	14,621
Woods	24,720	125,605	122,001	28,324
Total	<u>\$ 607,371</u>	<u>\$ 2,969,269</u>	<u>\$ 2,981,441</u>	<u>\$ 595,199</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
GOVERNING BOARD AND ORGANIZATION
 JUNE 30, 2014

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Brian D. Heryford	President	December 2016
Jim Van Volkinburg, D.D.S.	Vice President	December 2014
Elizabeth J. Sandoval	Clerk	December 2014
Christopher Casado	Member	December 2016
Ginny L. Hovsepan	Member	December 2016
Richard Lake, CPA	Member	December 2016
Sandra A. Bengel	Member	December 2014

DISTRICT ADMINISTRATORS

Janet Young, Ed.D.	Superintendent
Michael Johnston	Associate Superintendent, Administrative Services
Cheryl Rogers, Ed.D.	Associate Superintendent, Human Resources
Michael Clear	Assistant Superintendent, Business Services
Carlo Prandini, Ph.D.	Associate Superintendent, School Leadership
Larry Corum	Director of Budget and Finance

ORGANIZATION

The Clovis Unified School District was established in 1960 and is located in Fresno County. The District encompasses an area of approximately 198 square miles. District boundaries include portions of the city of Fresno, Clovis, and unincorporated areas of Fresno County. There were no changes in boundaries in 2014-15. The District currently operates thirty-two elementary schools, five intermediate schools, five high schools, three alternative education schools, one adult school, the Clovis Online Charter School and the Center for Advanced Research and Technology (CART) as a joint high school with Fresno Unified School District.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Second Period Report <u>5B6A20ED</u>	Annual Report <u>1C5F177B</u>
TK/K-3		
Regular	12,008.71	12,002.65
Extended Year Special Education	12.99	12.99
Special Education - NPS	-	0.11
Extended Year Special Education - NPS	0.11	0.11
Subtotal TK/K-3	<u>12,021.81</u>	<u>12,015.86</u>
Grades 4-6		
Regular	9,008.65	9,005.44
Extended Year Special Education	7.85	7.85
Special Education - NPS	1.34	1.66
Extended Year Special Education - NPS	0.19	0.19
Community Day School	10.53	10.86
Subtotal Grades 4-6	<u>9,028.56</u>	<u>9,026.00</u>
Grades 7-8		
Regular	6,146.87	6,135.03
Extended Year Special Education	3.45	3.45
Special Education - NPS	-	0.11
Community Day School	22.62	20.72
Subtotal Grades 7-8	<u>6,172.94</u>	<u>6,159.31</u>
Grades 9-12		
Regular	11,667.36	11,587.78
Extended Year Special Education	11.38	11.38
Extended Year Special Education - NPS	0.17	0.17
Community Day School	49.09	44.68
Subtotal Grades 9-12	<u>11,728.00</u>	<u>11,644.01</u>
Grand Total	<u>38,951.31</u>	<u>38,845.18</u>
	<u>E6DF98DA</u>	<u>E0F3794C</u>
Clovis Online Charter		
Grades 7-8 (100% non-classroom based)	39.20	41.59
Grades 9-12 (100% non-classroom based)	316.91	323.58
Grand Total	<u>356.11</u>	<u>365.17</u>

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

GRADE LEVEL	1986-87 MINUTES REQUIREMENT	RECALCULATED 1986-87 MINUTES REQUIREMENT*	2013-14 ACTUAL MINUTES	NUMBER OF DAYS TRADITIONAL CALENDAR	NUMBER OF DAYS MULTITRACK CALENDAR	STATUS
Kindergarten	36,000	35,000	36,045	180	N/A	In Compliance
Grades 1-3	50,400	49,000	56,475	180	N/A	In Compliance
Grades 4-8	54,000	52,500	56,420	180	N/A	In Compliance
Grades 9-12	64,800	63,000	65,173	180	N/A	In Compliance

* Amounts reduced as permitted by Education Code Section 46201.2(a).

Note: The District participated in Longer Day incentives and did not meet or exceed its target funding.

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>General Fund</u>	<u>(BUDGET) 2015*</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues and Other Financial Sources	\$ 339,008,843	\$ 321,321,110	\$ 301,370,539	\$ 300,566,978
Expenditures	348,104,528	313,823,424	299,751,611	285,985,400
Other Uses and Transfers Out	5,944,885	11,127,883	3,479,461	7,027,161
Total Outgo	354,049,413	324,951,307	303,231,072	293,012,561
Change in Fund Balance	\$ 15,040,570	\$ (3,630,197)	\$ (1,860,533)	\$ 7,554,417
Ending Fund Balance	\$ 37,712,610	\$ 52,753,180	\$ 56,383,377	\$ 58,243,910
Available Reserves	\$ 32,529,932	\$ 46,138,952	\$ 50,982,537	\$ 47,828,159
Reserved for Economic Uncertainties	\$ -	\$ -	\$ 18,252,991	\$ -
Unassigned Fund Balance	\$ 32,529,932	\$ 46,138,952	\$ 32,729,546	\$ 47,828,159
Available Reserves as a Percentage of Total Outgo	9.19%	14.20%	16.81%	16.32%
Total Long-Term Debt	**	\$ 494,762,907	\$ 428,679,466	\$ 378,416,559
Average Attendance at P-2 ***	39,341	38,951	37,833	37,216

The General Fund balance has decreased by \$5,490,730 over the past two years. The fiscal year 2014-15 budget projects a decrease of \$15,040,570. For a district this size, the State recommends available reserves of at least 2% of total General Fund expenditures, transfers out, and other uses. Clovis Unified School District has met the State's minimum requirements.

Average daily attendance has increased by 1,735 ADA over the past two years. An increase of 390 ADA is anticipated during the fiscal year 2014-15.

* Based on July 1 Budget, included for analytical purposes only and has not been subjected to audit.

** Not determined

*** Excludes Charter School ADA

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CATALOG NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>GENERAL FUND</u>			
U.S. Department of Education			
Direct:			
Indian Education	84.060	10011	\$ 97,665
Passed through the California Department of Education (CDE):			
* NCLB Title I	84.010	14329	5,697,698
* NCLB Title I-Part A, Program Improvement	84.010	14957	21,113
* NCLB Title I, Part D	84.010	14357	41,110
IDEA, Education for the Handicapped			
Local Assistance	84.027	13379	5,095,400
Preschool Local Entitlement	84.027	13682	685,218
Preschool Grant	84.173	13430	103,143
Preschool Staff Development	84.173	13431	1,423
Mental Health Services	84.027	14468	451,432
Early Interventions, Part C	84.181	23761	81,623
VATEA, Secondary	84.048	14894	199,030
Workability II, Transitions Partnership	84.158	10006	156,608
NCLB Title II, Part A, Improving Teacher Quality	84.367	14341	774,274
NCLB Title III, LEP	84.365	14346	217,076
NCLB Title III, Immigration Education	84.365	15146	40,636
AP Exams Fee Assistance	N/A	23900	36,540
Total Department of Education			<u>13,699,989</u>
U.S. Department of Defense:			
Direct:			
ROTC	12.357		<u>49,043</u>
Total Department of Defense			<u>49,043</u>
U.S. Department of Health and Human Services:			
Passed through CDE:			
MediCal Reimbursements	93.778	10013	<u>982,533</u>
Total Department of Health and Human Services			<u>982,533</u>
* Major Programs Tested			

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CATALOG NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. Department of Agriculture:			
Direct:			
SOS Grants	10.unk		\$ 27,054
Total Department of Agriculture			<u>27,054</u>
Total General Fund			<u>14,758,619</u>
<u>ADULT FUND</u>			
U.S. Department of Education:			
Direct:			
PELL Grant	84.063		535,441
Passed through CDE:			
Adult Education and Literacy Act			
ASE/GED	84.002A	13978	204,418
ESL Citizenship	84.002A	14508	200,480
English Literacy and Civics Education Grant	84.002A	14109	60,710
Carl D. Perkins Career and Technical Education	84.048	14893	<u>51,283</u>
Total Department of Education			<u>1,052,332</u>
<u>CAFETERIA FUND</u>			
U.S. Department of Agriculture:			
Passed through CDE:			
* National School Lunch Program	10.555	13396	6,455,368
* Especially Needy Breakfast Program	10.553	13526	1,504,064
* Basic Breakfast Program	10.553	13390	51,893
* Meal Supplements	10.555	13528	<u>103,030</u>
Total Department of Agriculture			<u>8,114,355</u>
Total Federal Expenditures			<u>\$ 23,925,306</u>
<u>Reconciliation of Federal Awards</u>			
Total Federal Expenditures			\$ 23,925,306
MediCal Reimbursements (Unspent)	93.778	10013	<u>277,486</u>
Total Federal Revenues			<u>\$ 24,202,792</u>
* Major Programs Tested			

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT FORM
WITH AUDITED FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Deferred Maintenance Fund</u>	<u>Building Fund</u>	<u>School Facilities Fund</u>
June 30, 2014 Annual Financial and Budget Report Form Fund Balances	\$ 134,658	\$ 39,749,561	\$ 1,066,901
<u>Adjustments and Reclassifications</u>			
Decrease Prepaid Expenditures for:			
Land Improvements	(28,453)	-	-
Increase Accounts Payable			
Buildings and Improvements	-	(1,572,294)	(953,138)
June 30, 2014 Audited Financial Statements Fund Balances	<u>\$ 106,205</u>	<u>\$ 38,177,267</u>	<u>\$ 113,763</u>

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>CHARTER SCHOOL</u>	<u>INCLUSION IN FINANCIAL STATEMENTS</u>
Clovis Online School	Included

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2014

1. PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

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

B. Schedule of Instructional Time

Districts, including basic aid districts, must maintain their instructional minutes at the 1986-87 requirements, as required by Education Code Section 46201. This schedule is required for all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the incentives for Longer Instructional Day. 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 46201 through 46206.

C. 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.

D. Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Clovis Unified School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined and combining financial statements.

OMB Circular A-133 requires a disclosure of the financial activities of all Federally funded programs. This schedule was prepared to comply with OMB Circular A-133.

E. Reconciliation of Annual Financial and Budget Report Form with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt as reported on the SACS Form to the audited financial statements.

F. Schedule of Charter Schools

This schedule provides a list of Charter Schools sponsored by the District and specifies whether the Charter Schools are included in these financial statements.



Jeanette L. Garcia & Associates

1980 Orange Tree Lane, Suite 280

Redlands, CA 92374

Phone: (909) 335-6100

Fax: (909) 335-6122

www.jlgcpa.net

Jeanette L. Garcia,
CPA

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

Independent Auditor's Report

To the Governing Board
Clovis Unified School District
Clovis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clovis Unified School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Clovis Unified School District's basic financial statements, and have issued our report thereon dated December 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clovis Unified School District's internal control over financial reporting (internal control) to determine the 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 Clovis Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Clovis Unified School 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 may exist that have not been identified.

Member:

American
Institute of
Certified Public
Accountants

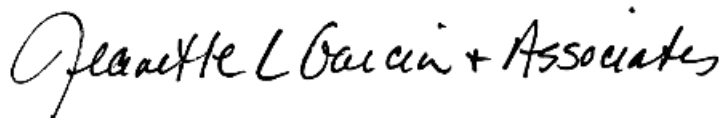
California
Society of
Certified Public
Accountants

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clovis Unified School 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Jeanette L. Garcia + Associates". The signature is written in a cursive, flowing style.

Redlands, California
December 5, 2014



Jeanette L. Garcia,
CPA

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

To the Governing Board
Clovis Unified School District
Clovis, California

Report on Compliance for Each Major Federal Program

We have audited Clovis Unified School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Clovis Unified School District's major federal programs for the year ended June 30, 2014. Clovis Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of audit findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Clovis Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clovis Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Clovis Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Clovis Unified School District complied, in all material respects, with the types of 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, 2014.

Member:

American
Institute of
Certified Public
Accountants

California
Society of
Certified Public
Accountants

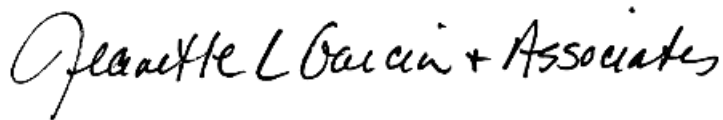
Report on Internal Control Over Compliance

Management of Clovis Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clovis Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clovis Unified School District's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Redlands, California
December 5, 2014



Jeanette L. Garcia,
CPA

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Governing Board
Clovis Unified School District
Clovis, California

Report on State Compliance

We have audited the District's compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14*, published by the California Education Audit Appeals Panel that could have a direct and material effect on each of the District's state programs identified below for fiscal year ended June 30, 2014.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit guide, *Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14* published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the State's audit guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14* published by the Education Audit Appeals Panel. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Member:	Attendance Accounting:	
American	Attendance Reporting	6
Institute of	Teacher Certification and Misassignments	3
Certified Public	Kindergarten Continuance	3
Accountants	Independent Study	23
California	Continuation Education	10
Society of		Yes
Certified Public		Yes
Accountants		Yes

	Procedures in Audit Guide	Procedures Performed
Instructional Time for School Districts	10	Yes
Instructional Materials General Requirements	8	Yes
Ratios of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes
Early Retirement Incentive	4	No (see below)
Gann Limit Calculation	1	Yes
School Accountability Report Card	3	Yes
Juvenile Court Schools	8	Not Applicable
Local Control Funding Formula Certification	1	Yes
California Clean Energy Jobs Act	3	Yes
After School Education and Safety Program:		
General Requirements	4	Yes
After School	5	Yes
Before School	6	Not Applicable
Education Protection Account Funds	1	Yes
Common Core Implementation Funds	3	Yes
Unduplicated Local Control Funding		
Formula Pupil Counts	3	Yes
Contemporaneous Records of Attendance, for Charter Schools	8	Yes
Mode of Instruction, for Charter Schools	1	Not Applicable
Nonclassroom-Based Instruction/Independent Study, for Charter Schools	15	Yes
Determination of Funding for Nonclassroom-Based Instruction, for Charter Schools	3	Yes
Annual Instructional Minutes - Classroom Based, for Charter Schools	4	Not Applicable
Charter School Facility Grant Program	1	Yes

We did not test compliance for Early Retirement Incentive because the District did not participate in the State program.

Opinion on State Compliance

In our opinion, Clovis Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2014.

Janette L. Garcia + Associates

Redlands, California
December 5, 2014

Findings and Recommendations

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiencies identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiencies identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit finding disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.010	Title I
10.553, 10.555	Child Nutrition Cluster

Federal Awards

Dollar threshold used to distinguish between Type A and Type B programs: \$ 717,759

Auditee qualified as low-risk auditee? _____ Yes X No

State Awards

Internal control over state programs:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiencies identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Type of auditor's report issued on compliance for state programs: Unmodified

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section II – Financial Statement Findings

None Reported.

Section III – Federal Award Findings and Questioned Costs

None Reported.

Section IV – State Award Findings and Questioned Costs

None Reported.

CLOVIS UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDING AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prior Year Findings and Recommendations:

FINDING 2013-1
Code 30000
Internal Control Over Financial Reporting

During the substantive portion of the audit, the auditor found numerous discrepancies in general ledger accounts, such as understatements and overstatements of payables, receivables and prepaid expenditures for which the auditor proposed adjustments. We also made adjustments to the cash and interfund receivable and payable accounts to correct the effects of the general ledger “999999 Fund Resource DT/DF Acct.” It appears the District’s system of internal control over financial reporting failed to detect these misstatements.

RECOMMENDATION

The District needs to examine its system of internal control over financial reporting. More care should be taken when processing transactions at year-end to ensure that all payables, receivables and prepaid expenditures are properly recorded, furthermore, an effort should be made to reconcile the 999999 account at year-end to minimize the effect on cash influences.

DISTRICT RESPONSE

We will be reexamining our process of closing our general ledger. Most of the misstatements referred to in the finding are simply presentation and disclosure issues that did not affect our ending fund balance.

Current Status: The prior year finding is resolved. The “999999” amounts affecting the Due To/From accounts were greatly reduced from last year and there is a mechanism to document what journal entries make up each clearing entry.