

**TULARE JOINT UNION HIGH
SCHOOL DISTRICT
COUNTY OF TULARE
TULARE, CALIFORNIA
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

**M. GREEN AND COMPANY LLP
Certified Public Accountants
Visalia, CA 93277**

Introductory Section

Tulare Joint Union High School District
 Audit Report
 For the Year Ended June 30, 2023

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TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

This section of Tulare Joint Union High School District's (the District's) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Tulare Joint Union High School District (the District) using the integrated approach as prescribed by GASB Statement No. 34. The 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:

District-Wide Statements

The District-Wide Financial Statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting, which is similar to those used by private-sector companies. They provide both short-term and long-term information about the District's overall financial status. They present governmental activities and business-type activities separately. These statements include all assets of the District (including infrastructure), deferred outflows of resources, as well as all liabilities (including long-term debt) and deferred inflows of resources. 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. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The District-wide statements report the District's net position and how it may have changed. Net position - assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, 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 non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities would normally be divided into two categories:

- Governmental activities — Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- Business-type activities — The District's school farm and dairy activities are included here. In addition, any fees the District may charge to help it cover the costs of certain services it provides that do not constitute major reportable activities would be reported here.

Fund Financial Statements

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, proprietary, and fiduciary. They focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements (which reports on the District as a whole).

TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like construction projects) or to show that it is properly using certain revenues (like federal grants).

The District has three kinds of funds:

- *Governmental funds*— These statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. They tell how basic services like regular and special education were financed in the short term as well as what remains for future spending. Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information following the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds*— Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements using the economic resources measurement focus and the accrual basis of accounting. They offer short and long-term financial information about the activity the District operates like a business.

Our District utilizes enterprise funds (one type of proprietary fund), which are the same as business-type activities. The District currently has one enterprise fund – the School Farm Fund. We also use internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for the District's other programs and activities. The District currently has three internal service funds — the Warehouse Revolving Fund, the Self-Insurance Property/Liability Fund, and the Self-Insurance Health and Welfare Fund.

- *Fiduciary funds*— The District is the trustee, or fiduciary, for assets that belong to others. The District currently has one fiduciary (agency) fund, the Tulare Area Schools Health JPA Fund (Warrant/Pass-through Fund). The District is responsible for ensuring that the assets reported in this fund are used only for their intended purpose and only by those to whom the assets belong. The District's fiduciary activity is reported in a separate statement of fiduciary net position, which does not have a measurement focus. We exclude the activity from the District-wide financial statements because the District cannot use these assets to finance its operations.

The financial statements also include *notes* that explain some of the information of 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.

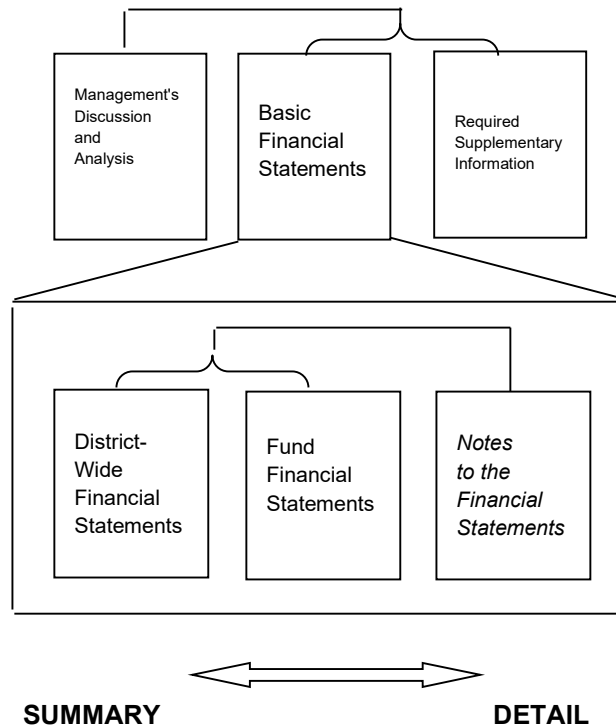
TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Tulare Joint Union High School District’s Annual Financial Report



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

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

- The District’s financial status remained strong. Total net position was \$62.12 million at June 30, 2023.
- Overall revenues were \$146.8 million, an increase of 36.62% from the prior year. Revenues for the current year were \$34.75 million more than basic expenses.
- The total cost of basic expenses increased 15.87% in the current year, when compared to prior year’s expenses. This is compared to a 9.82% increase in basic expenses occurring last year.
- Enrollment increased this year following an increase in the prior year. Enrollment, based on CalPADS, was 19 students higher this year than last.
- Growth in the City of Tulare, which affects the District, has increased substantially. Our revenues from Developer Fee Funds have increased by 174% in the current year, after decreasing by 7% the year before. Property tax revenues have increased by 7%. These, however, do not increase our overall revenue, but rather decrease our State aid in a proportional amount.

TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

In the *Statement of Net Position* and the *Statement of Activities*, we report both the District's governmental activities and the District's business-type activities. All of the District's services are reported in these categories, and include the education of ninth through twelfth grade students, adult education students, and the on-going effort to improve and maintain buildings and sites. Property taxes, state income taxes, user fees, interest income, as well as Federal, State and local grants, finance these activities.

TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

A more detailed analysis of the District's net position and changes in net position follows:

Net position. The District's combined net position for June 30, 2023 was \$62.22 million compared to the net position at June 30, 2022, which was \$27.59 million. Of this amount, \$59.12 million was restricted compared to \$30.64 million in the prior year. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use that net position for day-to-day operations. The following analysis focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental and business-type activities.

Table 1

Net Position

Amounts in millions	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2023	2022	2023-2022	2023	2022	2023-2022
Assets:						
Current and other assets	\$ 96.12	\$ 70.93	35.51%	\$ 0.09	\$ 0.18	-50.00%
Capital Assets	84.61	86.67	-2.38%	0.04	0.07	-42.86%
Total Assets	180.73	157.60	5.58%	0.13	0.25	-48.00%
Deferred Outflows of Resources:						
Deferred Outflows of Resources -						
Pensions	26.06	20.67	26.08%	-	-	0.00%
OPEB	1.36	1.47	-7.48%	-	-	0.00%
Total Deferred Outflows	27.42	22.14	23.85%	-	-	0.00%
Liabilities:						
Current Liabilities	7.56	13.89	-45.57%	0.03	0.06	-50.00%
Net Pension Liability	71.60	43.47	64.72%	-	-	0.00%
Total Other Postemployment Benefit						
Liability	14.57	14.94	-2.48%	-	-	0.00%
Long-Term Liabilities	40.55	43.71	-7.23%	-	-	0.00%
Total Liabilities	134.28	116.01	15.75%	0.03	0.06	-50.00%
Deferred Inflows of Resources:						
Deferred Inflows of Resources -						
Pensions	7.33	32.44	-77.40%	-	-	0.00%
OPEB	4.42	3.87	14.21%	-	-	0.00%
Total Deferred Inflows	11.75	36.31	-67.64%	-	-	0.00%
Net Position:						
Invested in Capital Assets,						
net of Related Debt	71.38	71.47	-0.13%	0.04	0.07	-42.86%
Restricted	59.12	30.64	92.95%	-	-	0.00%
Unrestricted	(68.38)	(74.71)	-8.47%	0.06	0.12	-50.00%
Total Net Position	\$ 62.12	\$ 27.40	126.72%	\$ 0.10	\$ 0.19	-47.37%

The (\$68.38) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The amount of (\$68.38) million is a lower deficit this year compared to (\$74.71) million last year.

TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2023

The results of this year’s operations for the District as a whole are reported in the *Statement of Activities* on page 16. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Changes in net position. The District’s total revenues for governmental activities were \$146.80 million for the fiscal year ended June 30, 2023 (See Table 2). Property taxes and State aid accounted for most of the District’s revenue, with both contributing about 56 cents of every dollar raised (See Figure 3). Another 2% came from State and Federal aid for specific programs, and the remainder from fees charged for services and miscellaneous sources.

The total cost of all programs and services was \$112.03 million. The majority of the District’s expenses, 60%, relate to educating students (See Figure 4). The purely administrative activities of the District accounted for 7% of total costs. Expenses occurred according to final budgeted expectations, and revenues came in as anticipated, creating a surplus of \$34.71 million.

The amount that our taxpayers ultimately financed for these activities through local taxes was \$8 million because the cost was paid by those who benefited from the programs (\$2.7 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$39.7 million). We paid for the remaining "public benefit" portion of our governmental activities with \$13.2 million in taxes, \$82.9 million in state funds, and with other revenues, like interest and general entitlements.

Table 2

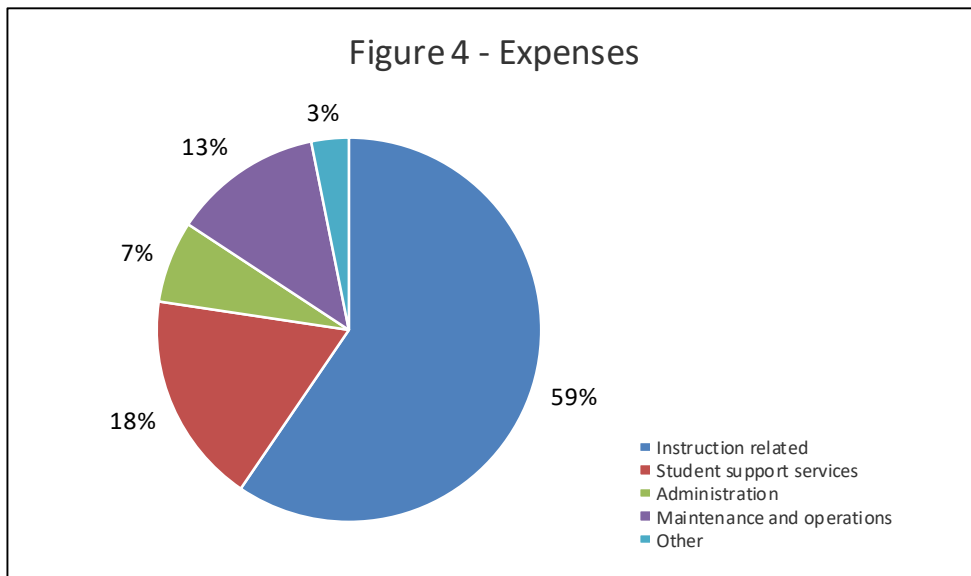
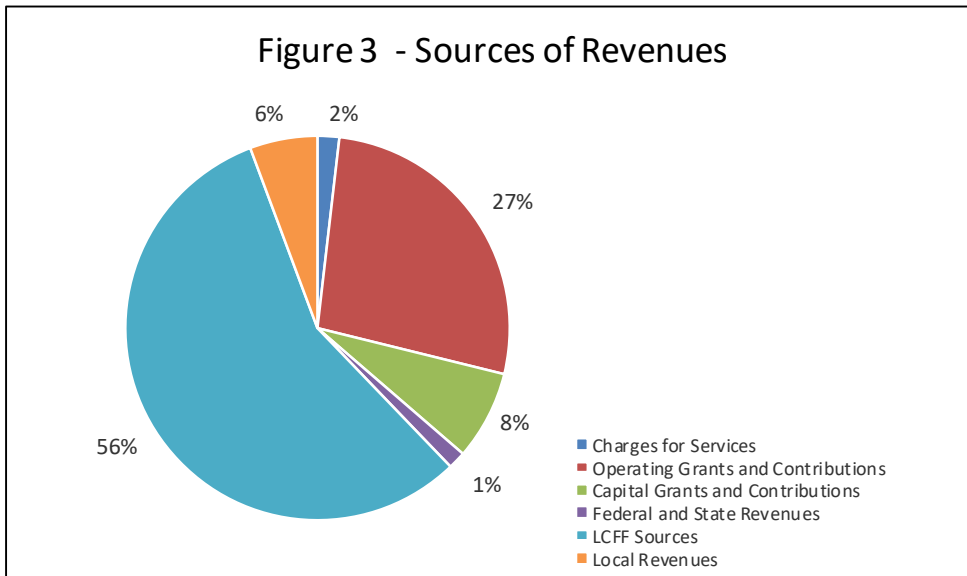
Changes in Net Position

Amounts in millions	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2023	2022	2023-2022	2023	2022	2023-2022
Revenues:						
Program Revenues:						
Charges for services	\$ 2.69	\$ 0.98	174.49%	\$ -	\$ 0.63	-100.00%
Operating grants and contributions	39.66	25.61	54.86%	0.11	0.02	450.00%
Capital grants and contributions	11.01	-	100%	-	-	0.00%
General revenues:						
LCFF Sources	82.90	74.40	11.42%	-	-	0.00%
Federal and State revenues	2.19	1.02	114.71%	-	-	0.00%
Local revenues	8.35	5.44	53.49%	0.02	0.02	0.00%
Loss on disposal of assets	-	-	0.00%	(0.02)	(0.20)	-90.00%
Total Revenues	146.80	107.45	36.62%	0.11	0.47	-76.60%
Expenses:						
Instruction and instruction related	66.65	57.97	14.97%	-	-	0.00%
Student support services	20.00	16.06	24.53%	-	-	0.00%
Administration	7.70	6.63	16.14%	-	-	0.00%
Plant services	14.10	12.36	14.08%	-	-	0.00%
Other	3.58	3.63	-1.38%	0.24	0.71	-66.20%
Total Expenses	112.03	96.65	15.91%	0.24	0.71	-66.20%
Excess (Deficiency)	34.77	10.80	221.94%	(0.13)	(0.24)	-45.83%
Transfers	(0.06)	(0.06)	0.00%	0.06	0.06	0.00%
Changes in Net Position	\$ 34.71	\$ 10.74	223.18%	\$ (0.07)	\$ (0.18)	100.00%

TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2023



TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2023

REPORTING THE DISTRICT’S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental funds - Most of the District’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement. We have reported our three major governmental funds separately (the General Fund, County School Facilities Fund – New Construction, the Special Reserve Fund for Capital Outlay and the Bond Interest and Redemption Fund #1), and all other funds combined (Non-major Funds) on the Governmental Funds Balance Sheet.

In Table 3, we have presented the cost of each of the District’s largest functions - regular program instruction and instruction related activities (supervision, library and media, and site administration), student support services, plant services, and other general administration, as well as each program’s net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

Net Cost of Governmental Activities

Amounts in millions	Total Cost of Services		Total Percentage Change	Net Cost of Services		Total Percentage Change
	2023	2022	2023-2022	2023	2022	2023-2022
Instruction	\$ 66.65	\$ 57.97	14.97%	\$ (26.15)	\$ (39.07)	-33.07%
Pupil Services	20.00	16.06	24.53%	(12.68)	(10.88)	16.54%
General Administration	7.70	6.63	16.14%	(6.32)	(5.71)	10.68%
Plant Services	14.10	12.36	14.08%	(12.86)	(11.25)	14.31%
Other	3.58	3.63	-1.38%	(0.62)	(3.16)	-80.38%
TOTAL	<u>\$ 112.03</u>	<u>\$ 96.65</u>	15.91%	<u>\$ (58.63)</u>	<u>\$ (70.07)</u>	-16.33%

Proprietary funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Fund Net Position*. The District’s school farm is an enterprise fund (which is the same as the business-type activities that are reported in the government-wide statements). We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the District’s other programs and activities, such as the District’s self-insurance fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

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

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$84.78 million, which is an increase of \$31.2 million from last year.

The primary reasons for this increase are:

- a. The General Fund increased by \$13 million due to additional revenues and lower expenditures.
- b. The Special Reserve Fund for Capital Outlay increased by \$14.8 million due to payments from the State for prior years approved facilities projects and transfers from the General Fund.
- c. The Other Governmental Funds increased by \$3.0 million due primarily to better than expected meal reimbursements in the Cafeteria Fund.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was approved on October 19, 2023. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 53. There were a number of areas where the District experienced significant variances between the original budget and the final budget: LCFF Sources, Federal Revenues, Other State Revenues, Local Revenues, Certificated Salaries, Classified Salaries, Employee Benefits, Books and Supplies, Services and Other Operating Expenditures, and Capital Outlay.

The District originally projected a deficit of \$1.7 million (see Budgetary Comparison Statement Schedule for the General Fund). The General Fund revenues were \$19 million more than originally expected and expenditures and transfers out were \$4.9 million more than projected. This resulted in a surplus of \$13 million by year end.

TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had invested \$163.8 million in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase of \$2.06 million from last year. Table 4 shows these amounts net of accumulated depreciation.

Table 4

Capital Assets at Year-End (Net of depreciation)

Amounts in millions	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2023	2022	2023-2022	2023	2022	2023-2022
	Land	\$ 6.09	\$ 6.09	0.00%	\$ -	\$ -
Buildings and improvements	73.20	76.63	-4.48%	0.01	0.02	-50.00%
Equipment	3.54	3.09	14.56%	0.03	0.04	0.00%
Work in Progress	1.79	0.87	105.75%	-	-	0.00%
Livestock	-	-	0.00%	0.01	0.01	0.00%
NET CAPITAL ASSETS	\$ 84.62	\$ 86.68	-2.38%	\$ 0.05	\$ 0.07	-28.57%

The desires of the Board of Trustees will dictate the timing on any future capital additions. We present more detailed information about our capital assets in Note 6 to the financial statements.

Long-Term Debt

At the end of the year, the District had \$40.55 million in long-term debt outstanding versus \$43.7 million last year, a decrease of 7.24%. Total long-term debt is detailed in Table 5:

Table 5

Outstanding Debt at Year-End

Amounts in millions	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2023	2022	2023-2022	2023	2022	2023-2022
	General obligation bonds	\$ 40.00	\$ 43.28	-7.58%	\$ -	\$ -
Compensated absences	0.55	0.43	27.91%	-	-	-
Totals	\$ 40.55	\$ 43.71	-7.23%	\$ -	\$ -	-

We present more detailed information regarding our long-term liabilities in Note 8 of the financial statements.

TULARE JOINT UNION HIGH SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2023

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

In considering the District budget for the 2023-2024 year, the District Board and management faced many challenges.

The key assumptions in our revenue forecast are:

1. The Local Control Funding Formula (LCFF) will continue to be the funding mechanism for schools.
2. The percentage of unduplicated eligible students will remain at the same level as 2022-2023.
3. As of the date of the financial statements, the District has experienced enrollment decline of 71 students when compared to 2022-2023.
4. Interest earnings will decrease due to declining budgeted deficit spending.

The financial status of the State of California continues to affect our expectations of future funding. Each year, the state calculates a “minimum guarantee” for school funding based upon a set of formulas established by Proposition 98 (1988). Our District remains committed to providing educational opportunities for all our students and will continue to take a conservative approach to financial planning.

Expenditures are based on the following forecasts:

	<u>Staffing Ratio</u>	<u>Enrollment</u>
Grades nine through twelve	25:1	5,765

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Officer, at Tulare Joint Union High School District, 426 North Blackstone, Tulare, California, 93274, or e-mail at vivian.hamilton@tulare.k12.ca.us.

Financial Section



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M. GREEN AND COMPANY LLP

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Independent Auditors' Report

Board of Trustees
Tulare Joint Union High School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tulare Joint Union High School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tulare Joint Union High School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tulare Joint Union High School District's basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying other required supplementary schedules as other supplementary information as required by the State's audit guide, *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and other required supplementary schedules as supplementary information 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 schedule of expenditures of federal awards and other required supplementary schedules as supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the combining statements presented as other information as identified in the table of contents. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024, on our consideration of Tulare Joint Union High 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tulare Joint Union High School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tulare Joint Union High School District's internal control over financial reporting and compliance.

M Green and Company LLP

Visalia, California
January 31, 2024

Basic Financial Statements

TULARE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash in County Treasury	\$ 86,758,202	\$ 161	\$ 86,758,363
Cash on Hand and in Banks	7,826	-	7,826
Cash in Revolving Fund	15,000	-	15,000
Accounts Receivable	8,901,309	64,285	8,965,594
Internal Balances	29,000	(29,000)	-
Stores Inventories	405,712	-	405,712
Other Current Assets	-	58,988	58,988
Capital Assets:			
Land	6,087,356	951	6,088,307
Land Improvements, Net	2,515,385	-	2,515,385
Buildings, Net	70,680,680	8,821	70,689,501
Equipment, Net	3,535,526	34,161	3,569,687
Work in Progress	1,791,961	-	1,791,961
Total Assets	<u>180,727,957</u>	<u>138,367</u>	<u>180,866,324</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows of Resources - Pensions	26,063,009	-	26,063,009
Deferred Outflows of Resources - OPEB	1,356,681	-	1,356,681
Total Deferred Outflows of Resources	<u>27,419,690</u>	<u>-</u>	<u>27,419,690</u>
LIABILITIES:			
Accounts Payable	6,113,503	29,276	6,142,779
Unearned Revenue	1,445,737	-	1,445,737
Noncurrent Liabilities:			
Net Pension Liability	71,603,244	-	71,603,244
Total Other Postemployment Benefit Liability	14,572,635	-	14,572,635
Due within one year	5,819,322	-	5,819,322
Due in more than one year	34,730,049	-	34,730,049
Total Liabilities	<u>134,284,490</u>	<u>29,276</u>	<u>134,313,766</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of Resources - Pensions	7,335,707	-	7,335,707
Deferred Inflows of Resources - OPEB	4,412,287	-	4,412,287
Total Deferred Inflows of Resources	<u>11,747,994</u>	<u>-</u>	<u>11,747,994</u>
NET POSITION:			
Net Investment in Capital Assets	71,384,051	43,933	71,427,984
Restricted For:			
Capital Projects	33,032,575	-	33,032,575
Scholarships	620,380	-	620,380
Legally Restricted Programs	16,798,669	-	16,798,669
Specific Programs	4,976,903	-	4,976,903
Insurance	3,687,425	-	3,687,425
Unrestricted	(68,384,840)	65,158	(68,319,682)
Total Net Position	<u>\$ 62,115,163</u>	<u>\$ 109,091</u>	<u>\$ 62,224,254</u>

The accompanying notes are an integral part of this statement.

TULARE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities:				
Instruction	\$ 57,407,542	\$ 128,626	\$ 26,848,755	\$ 11,011,215
Instruction-Related Services	9,246,827	374	2,511,516	-
Pupil Services	16,396,437	88,962	6,201,793	-
Ancillary Services	3,599,118	-	1,025,974	-
Enterprise	1,115	-	-	-
General Administration	7,697,886	4,040	1,371,433	-
Plant Services	14,102,853	574,703	669,133	-
Other Outgo	1,342,419	1,890,491	1,030,911	-
Interest on Long-Term Obligations	2,231,940	-	-	-
Total Governmental Activities	<u>112,026,137</u>	<u>2,687,196</u>	<u>39,659,515</u>	<u>11,011,215</u>
Business-type Activities:				
Enterprising Activities	246,201	-	113,399	-
Total Business-type Activities	<u>246,201</u>	<u>-</u>	<u>113,399</u>	<u>-</u>
Total Primary Government	<u>\$ 112,272,338</u>	<u>\$ 2,687,196</u>	<u>\$ 39,772,914</u>	<u>\$ 11,011,215</u>

General Revenues:
 LCFF Sources
 Federal Revenues
 State Revenues
 Local Revenues
 Transfers
 Total General Revenues and Transfers
 Change in Net Position
 Net Position - Beginning
 Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (19,418,946)		\$ (19,418,946)
(6,734,937)		(6,734,937)
(10,105,682)		(10,105,682)
(2,573,144)		(2,573,144)
(1,115)		(1,115)
(6,322,413)		(6,322,413)
(12,859,017)		(12,859,017)
1,578,983		1,578,983
(2,231,940)		(2,231,940)
<u>(58,668,211)</u>		<u>(58,668,211)</u>
-	\$ (132,802)	(132,802)
-	(132,802)	(132,802)
<u>(58,668,211)</u>	<u>(132,802)</u>	<u>(58,801,013)</u>
82,903,830	-	82,903,830
988	-	988
2,185,212	420	2,185,632
8,349,189	(2,329)	8,346,860
(60,000)	60,000	-
<u>93,379,219</u>	<u>58,091</u>	<u>93,437,310</u>
34,711,008	(74,711)	34,636,297
27,404,155	183,802	27,587,957
<u>\$ 62,115,163</u>	<u>\$ 109,091</u>	<u>\$ 62,224,254</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
 BALANCE SHEET - GOVERNMENTAL FUNDS
 JUNE 30, 2023

	General Fund	County School Facilities Fund New Construction
ASSETS:		
Cash in County Treasury	\$ 32,573,437	\$ 11,018,019
Cash on Hand and in Banks	2,324	-
Cash in Revolving Fund	15,000	-
Accounts Receivable	7,753,833	-
Due from Other Funds	325,392	-
Stores Inventories	262,783	-
Total Assets	<u>40,932,769</u>	<u>11,018,019</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	\$ 5,765,007	\$ -
Due to Other Funds	1,911,974	11,018,019
Unearned Revenue	970,219	-
Total Liabilities	<u>8,647,200</u>	<u>11,018,019</u>
Fund Balance:		
Nonspendable Fund Balances:		
Revolving Cash	15,000	-
Stores Inventories	262,783	-
Restricted Fund Balances	16,798,669	-
Unassigned:		
Reserve for Economic Uncertainty	3,046,772	-
Other Unassigned	12,162,345	-
Total Fund Balance	<u>32,285,569</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 40,932,769</u>	<u>\$ 11,018,019</u>

The accompanying notes are an integral part of this statement.

Special Reserve Fund for Capital Outlay	Bond Interest & Redemption #1	Other Governmental Funds	Total Governmental Funds
\$ 17,915,480	\$ 13,794,856	\$ 7,834,174	\$ 83,135,966
-	-	5,502	7,826
-	-	-	15,000
-	-	1,077,091	8,830,924
12,930,706	-	-	13,256,098
-	-	60,276	323,059
<u>30,846,186</u>	<u>13,794,856</u>	<u>8,977,043</u>	<u>105,568,873</u>
\$ 222,009	\$ -	\$ 126,487	\$ 6,113,503
-	-	309,079	13,239,072
475,000	-	518	1,445,737
<u>697,009</u>	<u>-</u>	<u>436,084</u>	<u>20,798,312</u>
-	-	-	15,000
-	-	60,276	323,059
30,149,177	13,794,856	8,480,683	69,223,385
-	-	-	3,046,772
-	-	-	12,162,345
<u>30,149,177</u>	<u>13,794,856</u>	<u>8,540,959</u>	<u>84,770,561</u>
\$ 30,846,186	\$ 13,794,856	\$ 8,977,043	\$ 105,568,873

TULARE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances - governmental funds balance sheet \$ 84,770,561

Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:

Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the funds:

Capital assets	163,754,451
Accumulated depreciation	(79,143,543)

Other long-term assets are not available to pay for current period expenditures, and therefore are not reported in the funds:

Deferred outflows of resources related to pensions	26,063,009
Deferred outflows of resources related to OPEB	1,356,681

Certain liabilities are not due and payable in the current period from current financial resources, and therefore are not reported in the funds:

Bonds payable and accreted interest	(39,696,530)
Compensated absences	(554,168)
Net pension liability	(71,603,244)
Total other postemployment benefit liability	(14,572,635)
Deferred inflows of resources related to pensions	(7,335,707)
Deferred inflows of resources related to OPEB	(4,412,287)
Premiums are amortized over the life of the debt	(298,673)

The assets and liabilities of internal service funds are included in governmental activities in the SNP.

3,787,248

Net position of governmental activities - Statement of Net Position

\$ 62,115,163

The accompanying notes are an integral part of this statement.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>County School Facilities Fund New Construction</u>
Revenues:		
LCFF Sources:		
State Apportionment or State Aid	\$ 63,141,380	\$ -
Education Protection Account Funds	5,232,167	-
Local Sources	14,530,282	-
Federal Revenue	8,830,392	-
Other State Revenue	20,745,367	11,306,752
Other Local Revenue	7,064,929	(295,537)
Total Revenues	<u>119,544,517</u>	<u>11,011,215</u>
Expenditures:		
Current:		
Instruction	54,750,352	-
Instruction - Related Services	8,365,439	-
Pupil Services	12,445,759	-
Ancillary Services	2,816,706	-
General Administration	7,330,251	-
Plant Services	13,446,472	-
Other Outgo	1,304,648	-
Capital Outlay	1,061,665	-
Debt Service:		
Principal	37,771	-
Total Expenditures	<u>101,559,063</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,985,454</u>	<u>11,011,215</u>
Other Financing Sources (Uses):		
Transfers In	-	-
Transfers Out	(4,960,000)	(11,018,019)
Total Other Financing Sources (Uses)	<u>(4,960,000)</u>	<u>(11,018,019)</u>
Net Change in Fund Balance	13,025,454	(6,804)
Fund Balance, July 1	19,260,115	6,804
Fund Balance, June 30	<u>\$ 32,285,569</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Special Reserve Fund for Capital Outlay	Bond Interest & Redemption #1	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 63,141,380
-	-	-	5,232,167
-	-	-	14,530,282
-	-	3,678,583	12,508,975
-	27,482	4,748,592	36,828,193
(38,136)	5,710,561	3,506,094	15,947,911
<u>(38,136)</u>	<u>5,738,043</u>	<u>11,933,269</u>	<u>148,188,908</u>
-	-	2,205,957	56,956,309
-	-	1,193,424	9,558,863
-	-	3,916,796	16,362,555
-	-	896,833	3,713,539
-	-	260,821	7,591,072
42,654	-	412,925	13,902,051
-	-	-	1,304,648
1,002,344	-	6,598	2,070,607
-	5,465,000	-	5,502,771
<u>1,044,998</u>	<u>5,465,000</u>	<u>8,893,354</u>	<u>116,962,415</u>
<u>(1,083,134)</u>	<u>273,043</u>	<u>3,039,915</u>	<u>31,226,493</u>
15,930,706	-	-	15,930,706
-	-	(12,687)	(15,990,706)
<u>15,930,706</u>	<u>-</u>	<u>(12,687)</u>	<u>(60,000)</u>
14,847,572	273,043	3,027,228	31,166,493
15,301,605	13,521,813	5,513,731	53,604,068
<u>\$ 30,149,177</u>	<u>\$ 13,794,856</u>	<u>\$ 8,540,959</u>	<u>\$ 84,770,561</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds \$ 31,166,493

Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset:

Expenditures for capital outlay	2,118,562
Depreciation expense	(4,174,404)
Disposal of capital assets is not reported in the funds	(933)

Certain expenditures in the funds are not reported as expenses in the SOA:

Repayment of bonds payable and accreted interest	5,465,000
--	-----------

Expenses reported in the SOA that do not require the use of current financial resources are not reported as expenditures in the funds:

Accretion of interest on capital appreciation bonds	(2,231,940)
Compensated absences	(122,490)

Premiums, discounts, and deferred amount on refunding are recognized as a part of long-term debt transactions in the year of issuance by governmental funds. However, these costs are deferred and amortized in the SOA:

Amortization of premiums	54,322
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The net change in the net pension liability, deferred outflows and deferred inflows are reported as pension expense in the SOA. Pension contributions are reported as expenditures in the funds.

	2,367,045
--	-----------

The net change in the total other postemployment benefit liability, deferred outflows and deferred inflows are reported as OPEB expense in the SOA. OPEB contributions are reported as expenditures in the funds.

	(278,953)
--	-----------

The net revenue (expense) of internal service funds is reported with governmental activities.

	348,306
--	---------

Change in net position of governmental activities - Statement of Activities

	<u>\$ 34,711,008</u>
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The accompanying notes are an integral part of this statement.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	School Farm Fund	Internal Service Funds
	<u> </u>	<u> </u>
ASSETS:		
Current Assets:		
Cash in County Treasury	\$ 161	\$ 3,622,236
Accounts Receivable	64,285	70,385
Due from Other Funds	-	11,974
Store Inventories	-	82,653
Other Current Assets	58,988	-
Total Current Assets	<u>123,434</u>	<u>3,787,248</u>
Noncurrent Assets:		
Fixed Assets-		
Land	951	-
Buildings and Improvements	182,177	-
Accumulated Depreciation - Buildings and Improvements	(173,356)	-
Equipment	93,414	-
Accumulated Depreciation - Equipment	(59,253)	-
Total Noncurrent Assets	<u>43,933</u>	<u>-</u>
Total Assets	<u>167,367</u>	<u>3,787,248</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 29,276	\$ -
Due to Other Funds	29,000	-
Total Current Liabilities	<u>58,276</u>	<u>-</u>
NET POSITION:		
Net Investments in Capital Assets	43,933	-
Restricted for Insurance	-	3,687,425
Unrestricted	65,158	99,823
Total Net Position	<u>\$ 109,091</u>	<u>\$ 3,787,248</u>

The accompanying notes are an integral part of this statement.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	School Farm Fund	Internal Service Funds
Operating Revenues:		
State Revenue	\$ 420	\$ -
Local Revenue	102,223	11,653,467
Total Operating Revenues	<u>102,643</u>	<u>11,653,467</u>
Operating Expenses:		
Certificated Personnel Salaries	4,800	-
Classified Personnel Salaries	45,129	-
Employee Benefits	34,900	-
Books and Supplies	63,103	76,986
Services and Other Operating Expenses	82,186	11,215,536
Depreciation	16,083	-
Total Operating Expenses	<u>246,201</u>	<u>11,292,522</u>
Operating Income (Loss)	(143,558)	360,945
Nonoperating Revenue (Expenses):		
Interest Income	454	41,306
Unrealized Gain (Loss)	2,331	(53,945)
Gain on sale of assets	6,062	-
Total Nonoperating Revenues (Expenses)	<u>8,847</u>	<u>(12,639)</u>
Income (Loss) before Contributions and Transfers	(134,711)	348,306
Interfund Transfers In	60,000	-
Change in Net Position	<u>(74,711)</u>	<u>348,306</u>
Total Net Position - Beginning	183,802	3,438,942
Total Net Position - Ending	<u>\$ 109,091</u>	<u>\$ 3,787,248</u>

The accompanying notes are an integral part of this statement.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	School Farm Fund	Internal Service Funds
	<u> </u>	<u> </u>
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 112,041	\$ -
Cash Received from Interfund Services Provided	-	12,673,346
Cash Payments to Employees for Services	(84,830)	-
Cash Payments to Other Suppliers for Goods and Services	(177,331)	(80,360)
Cash Payments for Insurance Claims	-	(11,236,114)
Net Cash Provided (Used) by Operating Activities	<u>(150,120)</u>	<u>1,356,872</u>
Cash Flows from Non-capital Financing Activities:		
Transfers From Other Funds	60,000	-
Net Cash Provided by Non-capital Financing Activities	<u>60,000</u>	<u>-</u>
Cash Flows from Investing Activities:		
Proceeds from Sale of Livestock	11,176	-
Interest Income	454	41,306
Unrealized Gain (Loss)	2,331	(53,945)
Net Cash Provided (Used) for Investing Activities	<u>13,961</u>	<u>(12,639)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(76,159)	1,344,233
Cash and Cash Equivalents at Beginning of Year	76,320	2,278,003
Cash and Cash Equivalents at End of Year	<u>\$ 161</u>	<u>\$ 3,622,236</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (143,558)	\$ 360,945
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	16,083	-
Change in Assets and Liabilities:		
Decrease (Increase) in Receivables	(24,114)	994,335
Decrease (Increase) in Inventories	-	37,516
Decrease in Retains	5,793	-
Increase (Decrease) in Accounts Payable	(32,043)	-
Increase (Decrease) in Interfund Payables	27,719	(35,924)
Total Adjustments	<u>(6,562)</u>	<u>995,927</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (150,120)</u>	<u>\$ 1,356,872</u>

The accompanying notes are an integral part of this statement.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2023

	<u>Custodial Fund</u>	<u>Warrant/ Pass-through Fund</u>
ASSETS:		
Cash in County Treasury	\$ 9	
Total Assets	<u>9</u>	
LIABILITIES:		
Total Liabilities	<u>-</u>	
NET POSITION:		
Restricted for Other Purposes		9
Total Net Position		<u>\$ 9</u>

The accompanying notes are an integral part of this statement.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies

Tulare Joint Union High School District (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 the accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Reporting Entity

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

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are, therefore, not available to support District's programs, these funds are not included in the government-wide statements.

The District reports the following major governmental funds:

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

The County School Facilities Fund – New Construction is used to receive apportionments from the State School Facilities Fund authorized by the State Allocation Board for new school facility construction projects and facility hardship grants.

The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes.

The Bond Interest and Redemption Fund #1 is used to account for the accumulation of resources for, and repayment of the General Obligation Bonds, interest and related costs.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

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 following special revenue funds are utilized by the District.

The Student Activity Fund is used to account separately for local revenues that are restricted for student body activity and is used only for those expenditures as necessary for the operation of the schools' student bodies.

The Adult Education Fund is used to account separately for federal, state and local revenues that are restricted or committed for adult education programs and is used only for those expenditures as necessary for the operation of the District's adult education program.

The Cafeteria Fund is used to account separately for federal, state and local resources to operate the food service program and is to be used only for those expenditures as necessary for the operation of the District's food service program.

The Scholarship Trust Fund exists primarily to account separately for money received from gifts or bequests to be used for student scholarships. This is not a budgeted fund.

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The following capital project funds are utilized by the District.

The Capital Facilities Fund (Developer Fees) is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

The County School Facilities Fund – Modernization is used to receive apportionments from the State School Facilities Fund authorized by the State Allocation Board for the modernization of the District.

In addition, the District reports the following proprietary funds:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the governing board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The following enterprise fund is utilized by the District:

The School Farm Fund is used to account for the school farm's facility and activity.

Internal Service Funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements. The following internal service funds are utilized by the District:

The Warehouse Revolving Fund is used to maintain budget control and stock accounting of merchandise for a District's use and is reimbursed from various funds of the District for amounts consumed by these user funds.

The Self-Insurance Property/Liability Fund is used to account for District self-insured property and liability insurance benefits. The General Fund transfers the premiums for this coverage to the Self-Insurance Fund.

The Self-Insurance Health & Welfare Fund is used to account for District self-insured health, vision, dental and hearing benefits for its employees. The General Fund transfers the premiums for this coverage and health insurance to the Self-Insurance Fund.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The District reports the following fiduciary fund:

Agency Funds are used to account for assets held for others in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The following agency fund is utilized by the District:

Tulare Area Schools Health JPA Fund (Warrant/Pass-through Fund)

Measurement Focus, Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 45 or 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital and leased asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

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. All encumbrances are liquidated as of June 30.

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 final 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.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and function and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code. All appropriations lapse at year end.

Deposits and Investments

Cash balances held in banks and in revolving funds are fully insured or collateralized. 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.

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

Information regarding the amount of dollars invested in derivatives with the Tulare County Treasury was not available for the year ended June 30, 2023.

Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption.

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 when incurred.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	8-25
Buildings and Improvements	15-40
Vehicles	10
Office Furniture and Equipment	10
Computer Equipment	5
Livestock	5
Buses	9
Miscellaneous property not listed above	10

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies (continued)

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. 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 or 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 In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities, when applicable. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position, when applicable.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures.

Certain grants received before the eligibility requirements are met are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The entire compensated absence liability is reported on the government-wide statement of net position.

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.

Pensions

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

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as stores inventories and revolving cash) or legally required to remain intact.

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board, the District's highest level of decision-making authority. Formal board action must be taken on or before June 30th of each fiscal year. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. The committed amount subject to the constraint may be determined after June 30th. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted fund balances in that the constraints on their use do not come from outside parties, constitutional provisions or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Spending Order Policy

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Minimum Fund Balance Policy

The District adopted a minimum fund balance policy to maintain assigned and unassigned fund balances at an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the District against unforeseen circumstances.

Net Position

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

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The counties of Tulare and Kings bill and collect the taxes for the District.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - Compliance and Accountability

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

Deficit Fund Balance or Net Position of Individual Non-Major Funds

Following are funds having deficit fund balances or net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

NOTE 3 – Excess of Expenditures Over Appropriations

As of June 30, 2023, the District had no expenditures exceeding appropriations.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 4 - Cash and Investments

Cash in County Treasury

The District maintains substantially all of its cash in the Tulare County Treasury as part of the common investment pool. The District's cash in County Treasury was not subject to credit risk categorization and is carried at cost which approximates fair value. All pooled funds are regulated by California Government Code.

Cash on Hand, in Banks and in Revolving Fund

Cash balances on hand and in banks (\$7,826 as of June 30, 2023) and in the revolving fund (\$15,000) are fully insured or collateralized.

Analysis of Specific Deposits and Investments

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

Statement of Net Position:

Cash in County Treasury	\$	86,758,363
Cash on Hand and in Banks		7,826
Cash in Revolving Fund		15,000
Fiduciary Funds:		
Cash in County Treasury		9
Total	\$	<u>86,781,198</u>

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

Cash in County Treasury	\$	86,758,372
Deposits with Financial Institutions		22,826
Total	\$	<u>86,781,198</u>

Investments Authorized by the District's Investment Policy

Education Code Section 41015 authorizes the investment of surplus moneys, not required for the immediate necessities of the District, in any of the investments specified in Section 16430 or 53601 of the Government Code. Additionally, a variety of operational bank accounts are authorized, including but not limited to: Scholarship Accounts, Clearing Accounts and Revolving Cash Accounts. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk and concentration of credit risk. The District held no investments at June 30, 2023.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District held no investments at June 30, 2023.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District held no investments at June 30, 2023.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, which is investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) that represent 5% or more of total District investments. The District held no investments at June 30, 2023.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 4 - Cash and Investments (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: 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 governmental agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

NOTE 5 - Accounts Receivable

Accounts receivable as of June 30, 2023, consist of the following:

	General Fund	Other Governmental Funds	Internal Service Funds	Total Governmental Activities	Enterprise Fund
Federal Government:					
Federal Programs	\$ 3,444,593	\$ 592,140	\$ -	\$ 4,036,733	\$ -
State Government:					
Arts, Music and Instructional Materials Discretionary Block					
Grant	1,598,078	-	-	1,598,078	-
Special Education	1,277,115	-	-	1,277,115	-
Lottery - Instructional					
Materials	169,182	-	-	169,182	-
Lottery	184,276	-	-	184,276	-
Categorical Programs					
CTE Incentive Grant	313,982	-	-	313,982	-
K-12 Strong Workforce Program	488,704	-	-	488,704	-
Other Educational Purposes	19,417	-	-	19,417	-
Adult Education Program	-	284,357	-	284,357	-
Child Nutrition Program	-	193,501	-	193,501	-
Total State Government	<u>4,050,754</u>	<u>477,858</u>	<u>-</u>	<u>4,528,612</u>	<u>-</u>
Other Local	258,486	7,093	70,385	335,964	64,285
Totals	<u>\$ 7,753,833</u>	<u>\$ 1,077,091</u>	<u>\$ 70,385</u>	<u>\$ 8,901,309</u>	<u>\$ 64,285</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 6 - Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Reclassifications/ Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 6,087,356	\$ -	\$ -	\$ 6,087,356
Work in progress	865,294	1,039,567	(112,900)	1,791,961
Total capital assets not being depreciated	<u>6,952,650</u>	<u>1,039,567</u>	<u>(112,900)</u>	<u>7,879,317</u>
Capital assets being depreciated:				
Land improvements	13,567,499	-	-	13,567,499
Buildings and Improvements	130,999,994	42,336	38,425	131,080,755
Equipment	10,171,574	1,036,659	18,647	11,226,880
Total capital assets being depreciated	<u>154,739,067</u>	<u>1,078,995</u>	<u>57,072</u>	<u>155,875,134</u>
Less accumulated depreciation for:				
Land improvements	(10,712,782)	(339,332)	-	(11,052,114)
Buildings and Improvements	(57,226,737)	(3,173,338)	-	(60,400,075)
Equipment	(7,084,515)	(661,734)	54,895	(7,691,354)
Total accumulated depreciation	<u>(75,024,034)</u>	<u>(4,174,404)</u>	<u>54,895</u>	<u>(79,143,543)</u>
Total capital assets being depreciated, net	<u>79,715,033</u>	<u>(3,095,409)</u>	<u>111,967</u>	<u>76,731,591</u>
Governmental activities capital assets, net	<u>\$ 86,667,683</u>	<u>\$ (2,055,842)</u>	<u>\$ (933)</u>	<u>\$ 84,610,908</u>

	Beginning Balances	Increases	Reclassifications/ Decreases	Ending Balances
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 951	\$ -	\$ -	\$ 951
Total capital assets not being depreciated	<u>951</u>	<u>-</u>	<u>-</u>	<u>951</u>
Capital assets being depreciated:				
Buildings and improvements	182,177	-	-	182,177
Equipment	93,414	-	-	93,414
Livestock	9,610	-	(9,610)	-
Total capital assets being depreciated	<u>285,201</u>	<u>-</u>	<u>(9,610)</u>	<u>275,591</u>
Less accumulated depreciation for:				
Buildings and improvements	(164,537)	(8,819)	-	(173,356)
Equipment	(54,237)	(5,016)	-	(59,253)
Livestock	(2,248)	(2,248)	4,496	-
Total accumulated depreciation	<u>(221,022)</u>	<u>(16,083)</u>	<u>4,496</u>	<u>(232,609)</u>
Total capital assets being depreciated, net	<u>64,179</u>	<u>(16,083)</u>	<u>(5,114)</u>	<u>42,982</u>
Business-type activities capital assets, net	<u>\$ 65,130</u>	<u>\$ (16,083)</u>	<u>\$ (5,114)</u>	<u>\$ 43,933</u>

Depreciation was charged to functions as follows:

Instruction	\$ 3,770,027
Pupil Services	253,913
Enterprise	16,083
General Administration	77,149
Plant Services	73,315
Total	<u>\$ 4,190,487</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 7 - Interfund Balances and Activities

Due To and From Other Funds

Balances due to and from other funds at June 30, 2023, consisted of the following:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Reserve Fund for Capital Outlay	County School Facilities Fund - New Construction	\$ 11,018,019	Repay for bridge financing
Special Reserve Fund for Capital Outlay	General Fund	1,900,000	Contribution to master facility plan
General Fund	Other Governmental Funds	296,392	Indirect costs and retiree benefits
General Fund	School Farm Fund	29,000	Cash flow
Special Reserve Fund for Capital Outlay	Other Governmental Funds	12,687	Repay for bridge financing
Internal Service Funds	General Fund	11,974	Reimbursement to warehouse
	Total	<u>\$ 13,268,072</u>	

All amounts due are scheduled to be repaid within one year.

Transfers To and From Other Funds

Transfers to and from other funds during the year ended June 30, 2023, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
County School Facilities Fund - New Construction	Special Reserve Fund for Capital Outlay	\$ 11,018,019	Repay for bridge financing
General Fund	Special Reserve Fund for Capital Outlay	4,900,000	Repay for bridge financing
General Fund	School Farm Fund	60,000	Contribution to farm
Other Governmental Funds	Special Reserve Fund for Capital Outlay	12,687	Repay for bridge financing
	Total	<u>\$ 15,990,706</u>	

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 - Long-Term Debt Obligations

Long-Term Debt Obligation Summary

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2023, are as follows:

<u>Governmental activities:</u>	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 42,929,590	\$ 2,231,940	\$ 5,465,000	\$ 39,696,530	\$ 5,765,000
Bond Premiums	352,995	-	54,322	298,673	54,322
Compensated Absences *	431,678	122,490	-	554,168	-
Total governmental activities	<u>\$ 43,714,263</u>	<u>\$ 2,354,430</u>	<u>\$ 5,519,322</u>	<u>\$ 40,549,371</u>	<u>\$ 5,819,322</u>

*Because of the nature of compensated absences and uncertainty over when vacations will be taken, a statement of debt service requirements to maturity has not been presented.

The funds typically used to liquidate long-term obligations in the past, are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
General Obligation Bonds	Governmental	Bond Interest and Redemption Funds
Bond Premiums	Governmental	Bond Interest and Redemption Funds
Compensated Absences	Governmental	General and Cafeteria Funds

General Obligation Bonds

In a bond election held March 2, 2004, the District received authorization to issue bonds for \$45,000,000 pursuant to the provisions Chapter 1, Division 1, Title 1 of the California Education Code. The bonds are general obligations of the District and the county is obligated to annually levy ad valorem taxes for the payment of the interest on, and the principal of the bonds. The bonds were issued in two separate offerings, General Obligation Bond Series A and General Obligation Bond Series B, as described below:

In 2004, General Obligation Bond Series A Capital Appreciation Bonds were issued in the principal amount of \$19,461,178. These bonds shall not bear current interest. Each bond shall accrete in value daily over the term to its maturity, compounded semi-annually on each February 1 and August 1, commencing August 1, 2004. The final maturity date is August 1, 2028. The bond proceeds were used for the new construction and additions to and modernization of school facilities for the District.

In 2005, General Obligation Bond Series B Capital Appreciation Bonds were issued in the principal amount of \$6,949,634. These bonds shall not bear current interest. Each bond shall accrete in value daily over the term to its maturity, compounded semi-annually on each February 1 and August 1, commencing August 1, 2005. The final maturity date is August 1, 2029. The bond proceeds were used for the new construction and additions to and modernization of school facilities for the District.

In government-wide financial statements, premiums are amortized over the term of the related debt which is 24 years commencing in 2004 for Series A Bonds and 25 years commencing in 2005 for Series B Bonds. Amortization of bond premiums for the year ended June 30, 2023 was \$54,322. In fund financial statements, governmental fund types recognize premiums during the current period. Premiums, whether or not added to the actual proceeds, are reported as other financing sources.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 - Long-Term Debt Obligations (continued)

The outstanding General Obligation Bond debt of the District as of June 30, 2023, is as follows:

Issue Date	Maturity Date	Interest Rate %	Bonds				Bonds Outstanding June 30, 2023
			Original Issue	Outstanding July 1, 2022	Accreted/ Issued	Redeemed	
2004	08/2028	5.35-5.94	\$ 19,461,178	\$ 31,941,368	\$ 1,657,777	\$ 4,640,000	\$ 28,959,145
2005	08/2029	4.23-5.40	6,949,634	10,988,222	574,163	825,000	10,737,385
Premiums			1,324,660	352,995	-	54,322	298,673
Totals			<u>\$ 27,735,472</u>	<u>\$ 43,282,585</u>	<u>\$ 2,231,940</u>	<u>\$ 5,519,322</u>	<u>\$ 39,995,203</u>

The annual requirements to amortize General Obligation Bonds payable outstanding as of June 30, 2023, are as follows:

Capital Appreciation, 2004 Bonds, Series A

Year Ending June 30,	Accreted Value of Obligation	Unaccreted Interest	Total Final Maturity	Bond Premium
2024	\$ 4,895,000	\$ -	\$ 4,895,000	\$ 36,683
2025	4,876,520	293,480	5,170,000	36,683
2026	4,837,795	607,205	5,445,000	36,683
2027	4,812,704	937,296	5,750,000	36,683
2028	4,784,192	1,285,808	6,070,000	36,683
2029	4,752,934	1,647,066	6,400,000	5,560
Totals	<u>\$ 28,959,145</u>	<u>\$ 4,770,855</u>	<u>\$ 33,730,000</u>	<u>\$ 188,975</u>

Capital Appreciation Bonds are accretive. Bond interest accumulates in the initial years and will be repaid in later years.

Capital Appreciation, 2004 Bonds, Series B

Year Ending June 30,	Accreted Value of Obligation	Unaccreted Interest	Total Final Maturity	Bond Premium
2024	\$ 870,000	\$ -	\$ 870,000	\$ 17,639
2025	867,085	47,915	915,000	17,639
2026	870,236	99,764	970,000	17,639
2027	865,511	154,489	1,020,000	17,639
2028	863,584	211,416	1,075,000	17,639
2029-2030	6,400,969	2,464,031	8,865,000	21,503
Totals	<u>\$ 10,737,385</u>	<u>\$ 2,977,615</u>	<u>\$ 13,715,000</u>	<u>\$ 109,698</u>

Capital Appreciation Bonds are accretive. Bond interest accumulates in the initial years and will be repaid in later years.

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total	Premium
2024	\$ 5,765,000	\$ -	\$ 5,765,000	\$ 54,322
2025	5,743,605	341,395	6,085,000	54,322
2026	5,708,031	706,969	6,415,000	54,322
2027	5,678,215	1,091,785	6,770,000	54,322
2028	5,647,776	1,497,224	7,145,000	54,322
2029-2030	11,153,903	4,111,097	15,265,000	27,063
Totals	<u>\$ 39,696,530</u>	<u>\$ 7,748,470</u>	<u>\$ 47,445,000</u>	<u>\$ 298,673</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 - Fund Balances and Restricted Net Position

Fund balances at June 30, 2023, are as follows:

	General Fund	Special Reserve Fund for Capital Outlay	Bond Interest & Redemption Fund #1	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Revolving Cash	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Stores Inventories	262,783	-	-	60,276	323,059
Total Nonspendable	277,783	-	-	60,276	338,059
Restricted:					
Learning Recovery Emergency Block Grant	8,307,141	-	-	-	8,307,141
Arts, Music and Instructional Materials					
Discretionary Block Grant	2,287,184	-	-	-	2,287,184
Educator Effectiveness	1,177,386	-	-	-	1,177,386
Lottery - Instructional Materials	935,649	-	-	-	935,649
Kitchen Infrastructure and Training Funds	751,302	-	-	-	751,302
A-G Learning Loss Mitigation Grant	527,653	-	-	-	527,653
Agricultural Education	463,441	-	-	-	463,441
Career Technical Education Incentive Grant	449,159	-	-	-	449,159
RDAPass Through	417,504	-	-	-	417,504
A-G Access/Success Grant	394,364	-	-	-	394,364
Expanded Learning Opportunities Grant	227,845	-	-	-	227,845
Adult Education	227,476	-	-	1,591,110	1,818,586
Kitchen Infrastructure Upgrade Funds	175,558	-	-	-	175,558
Ethnic Studies Grant	147,364	-	-	-	147,364
Child Nutrition: Supply Chain Assistance Funds	138,140	-	-	-	138,140
Medi-Cal Billing Option	99,661	-	-	-	99,661
School Climate Transformation Grant	34,111	-	-	-	34,111
Child Nutrition: Food Service Staff Training Funds	21,060	-	-	-	21,060
College Readiness Block Grant	12,205	-	-	-	12,205
Other Educational Purposes	4,466	-	-	-	4,466
Capital Projects	-	30,149,177	-	-	30,149,177
Debt Service	-	-	13,794,856	-	13,794,856
Student Activities	-	-	-	1,087,973	1,087,973
Child Nutrition	-	-	-	2,297,822	2,297,822
Developer Mitigation Fees	-	-	-	2,883,398	2,883,398
Scholarships	-	-	-	620,380	620,380
Total Restricted	16,798,669	30,149,177	13,794,856	8,480,683	69,223,385
Unassigned:					
Reserve for Economic	3,046,772	-	-	-	3,046,772
Other Unassigned	12,162,345	-	-	-	12,162,345
Total Unassigned	15,209,117	-	-	-	15,209,117
Total Fund Balances	\$ 32,285,569	\$ 30,149,177	\$ 13,794,856	\$ 8,540,959	\$ 84,770,561

The government-wide statement of net position reports \$59,115,953 of restricted net position, which is not restricted by enabling legislation.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 - Participation in Public Entity Risk Pools and Joint Powers Authorities (JPAs)

The Tulare Joint Union High School District participates in the following public entity risk pools under joint powers agreements; Central Tulare County School Districts Liability/Property Joint Powers Authority (C.T.C.S.J.P.A.), Self-Insured Schools of California III (S.I.S.C. III), and Tulare County Schools Insurance Group (T.C.S.I.G.). The relationship between the District and the JPAs is such that none of the JPAs is a component unit of the District for financial reporting purposes.

The JPAs were established as agencies under the provisions of California Government Code, Title I, Division 7, Chapter 5, Article 1, Section 6500, et. seq. The purpose of each JPA is to provide self-insurance programs as follows:

C.T.C.S.J.P.A. provides liability and property insurance for claims against the participating public educational agency JPA members. These claims are paid through the JPA loss fund.

S.I.S.C. III provides the services necessary and appropriate for the establishment, operation and maintenance of a medical Self-Insurance Fund that provides for payment of medical, dental, vision and prescription claims of the member public educational agency employees and their covered dependents and to minimize the total cost of annual medical insurance of their respective member organizations.

T.C.S.I.G. is an insurance purchasing pool for workers' compensation insurance.

Membership in the JPAs consists of various public educational agencies.

The JPAs are governed by boards consisting of representatives from the member public educational agencies and related associations. The boards control the operations of each JPA, including selection of management and approval of operating budgets, independent of any influence by member public educational agencies beyond their representation on the board. Each member public educational agency pays a premium based on student population, or number of covered individuals. Surpluses remain in each fund or JPA, while deficits are covered by assessments on the member districts in proportion to their participation in each JPA.

During the last three fiscal (claims) years none of the above programs have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

NOTE 11 - Pension Plans

Plan Descriptions

Qualified employees are covered under multiple-employer, cost-sharing defined benefit pension plans administered by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement Plan (STRP), a plan administered by the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the Public Employees' Retirement Fund, School Employer Pool (PERF B) administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. The benefit terms of the CalSTRS and CalPERS plans may be amended through legislation and Public Employers' Retirement Law, respectively. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites, <http://www.calstrs.com/member-publications> and <http://www.calpers.ca.gov/page/forms-publications>.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 - Pension Plans (continued)

Benefits Provided

CalSTRS - STRP

CalSTRS - STRP provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the plan provides benefits to members upon disability and to their survivors or beneficiaries upon the death of eligible members. STRP has two benefit formulas. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. An early retirement option is available at age 55. The normal retirement benefit is equal to 2% of final compensation for each year of credited service.

CalPERS - PERF B

CalPERS - PERF B provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Monthly benefits are based on three factors: Service credit, benefit factor and final compensation. Service credit is based on years of credited service, equal to one year of full-time employment. The benefit factor which is a percentage of pay to which the member is entitled for each year of service, is determined by their age at retirement and the retirement formula based on their membership date with each employer. CalPERS - PERF B has two school retirement formulas. CalPERS - PERF B 2% at 55 members are eligible for normal retirement at age 55, with a minimum of five years of credited service. Early retirement options are available at age 50. CalPERS - PERF B 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. An early retirement option is available at age 52. The normal retirement benefit is equal to 2% of final compensation for each year of credited service.

The Plans' provisions and benefits in effect at June 30, 2023 are summarized as follows:

	CalSTRS		CalPERS	
	On or Before	On or After	On or Before	On or After
Hire Date	December 31, 2012	January 1, 2013	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50-63	55-65	50-63	52-67
Monthly Benefits, as a % of Eligible Compensation	1.1% - 2.4%	1.16% - 2.4%	1.1% - 2.5%	1.0% - 2.5%
Required Employee Contribution Rates	10.25%	10.205%	7.00%	7.00%
Required Employer Contribution Rates	19.10%*	19.10%*	25.37%*	25.37%*
Required State Contribution Rates	10.828%**	10.828%**	-	-

* Final rate as reduced due to the amendment of Government Code Section 20825.2.

** This rate does not include the \$72 million reduction in accordance with Education Code Section 22954(c).

Contributions

CalSTRS - STRP

Required member, District and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Employers and members are required to contribute monthly to the system a percentage of the creditable compensation. Rates are defined in Section 22950.5. Beginning in the fiscal year 2021-22 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specifically to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the contributions to the pension plan from the District were \$7,593,382.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 - Pension Plans (continued)

Contributions (continued)

CalPERS - PERF B

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The CalPERS' Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' periodic actuarial valuation process or by state statute. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the contributions to the pension plan from the District were \$3,319,746.

On Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. The State contributed the required 10.828% of salaries creditable to CalSTRS from two fiscal years prior. The amount contributed by the State on behalf of the District was \$3,479,584 and is reported as both revenue and an expenditure in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue and expense is recognized for the State's on behalf contributions on an accrual basis of \$1,675,263. These on behalf payments meet the criteria of a special funding situation.

California Senate Bill (SB) 90, signed into law in June 2019, appropriated additional contributions on behalf of school employers. Among other provisions, SB 90 appropriated \$2.246 billion to CalSTRS and \$904 million to CalPERS in 2018-19 to be allocated to future years to reduce the employer contribution rate. Additionally, SB 90 appropriated an amount of \$2.9 billion from Proposition 2 debt payment funding for CalSTRS, to be appropriated over the fiscal years 2019-20 through 2022-23.

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

At June 30, 2023, the District reported net pension liabilities for its proportionate share of the net pension liabilities that reflected a reduction for state support provided to the District. The amount recognized by the District as its proportionate share of the net pension liabilities, the related state support, and the total portion of the net pension liabilities that was associated with the District were as follows:

	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Totals</u>
District's proportionate share of the net pension liability	\$ 46,954,998	\$ 24,648,246	\$ 71,603,244
State's proportionate share of the net pension liability associated with the District	<u>23,515,200</u>	<u>-</u>	<u>23,515,200</u>
Total net pension liability	<u>\$ 70,470,198</u>	<u>\$ 24,648,246</u>	<u>\$ 95,118,444</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 - Pension Plans (continued)

Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liabilities was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating school districts and the State, actuarially determined. A comparison of the District's proportionate share at measurement date of June 30, 2022 to its proportionate share at measurement date of June 30, 2021 is as follows:

	<u>CalSTRS</u>	<u>CalPERS</u>
Proportionate share at June 30, 2022	0.06757%	0.07163%
Proportionate share at June 30, 2021	0.06498%	0.06834%
Change - increase	<u>0.00259%</u>	<u>0.00329%</u>

For the year ended June 30, 2023, the District recognized pension expense of \$6,741,762 and revenue of \$3,479,584 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,984,011
Changes of assumptions	4,151,963	-
Net difference between projected and actual earnings on pension plan investments	2,910,287	2,296,190
Changes in proportion and differences between District contributions and proportionate share of contributions	8,087,630	1,055,506
District contributions subsequent to the measurement date	10,913,129	-
Totals	<u>\$ 26,063,009</u>	<u>\$ 7,335,707</u>

\$10,913,129 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense, as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense</u>
2024	\$ 2,479,427
2025	221,388
2026	(1,261,789)
2027	6,374,174
2028	(23,878)
Thereafter	24,851
Total	<u>\$ 7,814,173</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 - Pension Plans (continued)

Actuarial Methods and Assumptions

	<u>CalSTRS</u>	<u>CalPERS</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost Method for both CalSTRS & CalPERS	
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation Rate	2.75%	2.30%
Payroll Growth	3.50%	2.80%
Salary Increases	Varies by Entry Age and Service for both CalSTRS & CalPERS	
Experience Study	7/1/2015-6/30/2018	7/1/2000-6/30/2019
Investment Rate of Return	7.10% *	6.90%
Post Retirement Benefit Increase	2.00% per year on a Simple basis and an 85% Purchasing Power Level	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

* Net of pension plan investment expenses, including inflation, but gross of administrative expenses

Mortality Assumptions

CalSTRS' mortality assumptions are based on the July 1, 2015 through June 30, 2018 experience study. CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries. CalPERS uses mortality tables developed based on CalPERS specific data for all funds. The mortality table includes 15 years of mortality improvements using the Society of Actuaries 80 percent of scale MP 2020.

Long-Term Expected Rate of Return

CalSTRS' long-term investment rate of return assumption was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. CalSTRS' actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the table on the following page.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 - Pension Plans (continued)

The tables below reflect long-term expected real rates of return by asset class:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return
CalSTRS:		
Public Equity	42%	4.80%
Fixed Income	12%	1.30%
Private Equity	13%	6.30%
Real Estate	15%	3.60%
Inflation Sensitive Assets	6%	3.30%
Cash/Liquidity	2%	-0.40%
Risk Mitigating Strategies	10%	1.80%
CalPERS:		
Global Equity - Cap-weighted	30%	4.54%
Global Equity Non-Cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

Discount Rate

CalSTRS' discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increase. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the CalSTRS-STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

CalPERS' discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 - Pension Plans (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.10%	5.90%
Net Pension Liability	\$ 79,746,999	\$ 35,605,635
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 46,954,998	\$ 24,648,246
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 19,727,775	\$ 15,592,361

Pension Plan Fiduciary Net Position

The Plans' fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports on their respective websites.

Summary of Changes of Benefits or Assumptions

There were no changes to benefit terms and plan provisions or actuarial assumptions that applied to members of CalSTRS or CalPERS.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 12 - Postemployment Benefits Other Than Pension Benefits (OPEB)

Plan Description

The District provides a self-funded, single employer, defined benefit healthcare plan administered by Tulare Joint Union High School District to provide medical and prescription drug benefits for all eligible active and retired District employees and their spouses. Dental and vision benefits are also offered through SISC but are not District-paid for retirees. Authority to establish and amend the benefit terms of the plan may be amended by the District. The OPEB plan is closed to new entrants. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

As established by board policy, the plan covers all employees hired prior to July 1, 2014 who retire from the District on or after attaining age 55 with at least 15 years of continuous service. Benefits are paid for all eligible certificated, classified and management employees for a maximum of five years. Retirees may remain on the group plans at their own expense after District paid coverage is exhausted. The District is a member in a joint powers agreement (JPA), the Self-Insured Schools of California (S.I.S.C. III) as described in Note 10, to provide this health coverage.

Employees Covered by Benefit Terms

At June 30, 2023, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	45
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	243
Total number of participants	<u>288</u>

Contributions

The District funds the benefits on a pay-as-you-go basis. The District's monthly contributions are capped at varying rates based on classifications and plan options. During the fiscal year ended June 30, 2023, the District paid \$648,546 for retiree insurance premiums.

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

The District's total OPEB liability of \$14,572,635 was determined by an actuarial valuation as of June 30, 2023. Changes in total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 14,944,390
Changes recognized for measurement period:	
Service cost	643,441
Interest	530,690
Differences between expected and actual experience	(870,287)
Changes of assumptions or other inputs	(125,889)
Benefit payments *	<u>(549,710)</u>
Net changes	<u>(371,755)</u>
Balance at June 30, 2023	<u>\$ 14,572,635</u>

*Amount includes implicit subsidy associate with benefits paid.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 12 - Postemployment Benefits Other Than Pension Benefits (OPEB) (continued)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

For the year ended June 30, 2023 the District recognized OPEB expense of \$828,661. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 643,740	\$ 900,265
Changes of assumptions or other inputs	712,941	3,512,022
Totals	<u>\$ 1,356,681</u>	<u>\$ 4,412,287</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense, as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense</u>
2024	\$ (345,468)
2025	(345,468)
2026	(345,468)
2027	(345,468)
2028	(426,421)
Thereafter	(1,247,313)
Total	<u>\$ (3,055,606)</u>

Actuarial Methods and Assumptions

The total OPEB liability for the year ended June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age
Actuarial Assumptions:	
Investment Return/Discount Rate (1)	3.65%
Inflation Rate	2.50%
Projected Salary Increase	2.75%
Healthcare Cost Trend Rates	4.00%

(1) The discount rate was based on the Bond Buyer 20 Bond Index

The actuarial assumptions used in the June 30, 2023 valuation were based on results of CalPERS 2021 and CalSTRS 2020 Retirement and Turnover Tables. CalSTRS and CalPERS periodically study the experience for participating agencies and establish tables that are appropriate for each pool.

Mortality rates for Classified employees were based on the 2021 CalPERS Mortality for Miscellaneous and School Employees tables created by CalPERS. Mortality rates for Certificated employees were based on the 2020 CalSTRS Mortality table created by CalSTRS.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 12 - Postemployment Benefits Other Than Pension Benefits (OPEB) (continued)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 15,666,229	\$ 14,572,635	\$ 13,533,454

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease 3.00%	Current Healthcare Cost Trend Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	\$ 13,006,341	\$ 14,572,635	\$ 16,385,052

Summary of Changes of Benefits or Assumptions

As of the June 30, 2023 measurement date, the discount rate increased from 3.54% to 3.65%, inflation rate, projected salary increase rate, and the healthcare cost trend rates remained the same.

There were no changes to benefit terms used for the June 30, 2023 measurement date.

NOTE 13 - Supplemental Defined Contribution Plan

Plan Description

The District has provided, effective July 1, 2014, a defined contribution plan (Plan) with Phase II Systems, dba Public Agency Retirement Services (PARS). The Plan is administered by U.S. Bank National Association. The defined contribution plan is available to all full-time, defined as 20 or more hours per week, certificated or certificated management employees hired on or after July 1, 2014 and all full-time, defined as six or more hours per day, classified, classified management, or confidential employees hired on or after July 1, 2014. Each employee shall be 100% vested in his or her employer contribution account upon attainment of at least age 55, completion of at least 15 years of service, and concurrent retirement from CalSTRS or CalPERS. If the employee does not meet the above vesting requirements, the account shall be forfeited. The benefit terms of the plan may be amended by the District. At the discretion of the District any amount forfeited shall be utilized to offset future District contributions or to pay plan administrative fees.

Funding Policy

For each plan year that an employee completes a year of service under the Plan, the District shall make a contribution to the Plan in the amount of \$3,000 annually for the employee's first 20 years of service with the District. No employee contributions shall be permitted under this Plan until such time, if any, the District amends the Plan to provide employee contributions. Benefit terms, including contribution requirements for the Plan, are established and may be amended by the Board of Trustees. The District recognized a net pension expense of \$831,066 at June 30, 2023.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 14 - Commitments and Contingencies

State and Federal Allowances, Awards and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under the terms of the grants, it is believed that any required reimbursement will not be material.

Mission Oak High School CTE Building

In April 2023, the District entered into a contract with Meehleis Modular Buildings, Inc. for the design and construction of a modular CTE building for Mission Oak High School. The agreement is in the amount of \$5,474,327.

NOTE 15 – Subsequent Events

Mission Oak High School Aquatics Complex

In October 2023, the District entered into an agreement with AMG & Associates, Inc for the construction of the Mission Oak High School Aquatic Complex. Total cost of \$18,938,000 is expected to be paid from the Special Reserve Fund for Capital Outlay Projects.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

TULARE JOINT UNION HIGH SCHOOL DISTRICT

EXHIBIT B-1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 46,101,966	\$ 63,297,362	\$ 63,141,380	\$ (155,982)
Education Protection Account Funds	15,871,052	5,246,335	5,232,167	(14,168)
Local Sources	13,443,400	14,530,282	14,530,282	-
Federal Revenue	13,135,323	14,837,897	8,830,392	(6,007,505)
Other State Revenue	7,710,184	19,988,724	20,745,367	756,643
Other Local Revenue	3,718,934	5,336,071	7,064,929	1,728,858
Total Revenues	<u>99,980,859</u>	<u>123,236,671</u>	<u>119,544,517</u>	<u>(3,692,154)</u>
Expenditures:				
Current:				
Certificated Salaries	37,279,460	39,859,397	39,104,664	754,733
Classified Salaries	12,865,712	15,003,327	13,737,201	1,266,126
Employee Benefits	27,178,014	29,304,636	27,458,618	1,846,018
Books And Supplies	8,100,235	10,740,252	8,756,222	1,984,030
Services And Other Operating Expenditures	10,877,091	11,785,118	10,359,094	1,426,024
Other Outgo	1,012,940	1,300,176	1,304,648	(4,472)
Direct Support/Indirect Costs	(82,000)	(82,000)	(260,820)	178,820
Capital Outlay	1,375,328	2,694,913	1,061,665	1,633,248
Debt Service:				
Principal	55,000	55,000	37,771	17,229
Total Expenditures	<u>98,661,780</u>	<u>110,660,819</u>	<u>101,559,063</u>	<u>9,101,756</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,319,079</u>	<u>12,575,852</u>	<u>17,985,454</u>	<u>5,409,602</u>
Other Financing Sources (Uses):				
Transfers Out	(3,060,000)	(4,960,000)	(4,960,000)	-
Total Other Financing Sources (Uses)	<u>(3,060,000)</u>	<u>(4,960,000)</u>	<u>(4,960,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,740,921)	7,615,852	13,025,454	5,409,602
Fund Balance, July 1	19,260,115	19,260,115	19,260,115	-
Fund Balance, June 30	<u>\$ 17,519,194</u>	<u>\$ 26,875,967</u>	<u>\$ 32,285,569</u>	<u>\$ 5,409,602</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT

EXHIBIT B-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM AND
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS*

Fiscal Year End	Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total Proportionate Share of the Net Pension Liability	Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
California State Teachers' Retirement System:								
6/30/2015	6/30/2014	0.05024%	\$ 29,355,225	\$ 17,726,131	\$ 47,081,356	\$22,372,291	131.21%	76.52%
6/30/2016	6/30/2015	0.05156%	\$ 34,706,398	\$ 18,355,811	\$ 53,062,209	\$24,074,234	144.16%	74.02%
6/30/2017	6/30/2016	0.05327%	\$ 43,086,447	\$ 24,531,955	\$ 67,618,402	\$26,535,489	162.37%	70.04%
6/30/2018	6/30/2017	0.05335%	\$ 49,338,218	\$ 29,188,310	\$ 78,526,528	\$28,694,911	171.94%	69.46%
6/30/2019	6/30/2018	0.05510%	\$ 50,639,662	\$ 28,993,716	\$ 79,633,378	\$30,281,836	167.23%	70.99%
6/30/2020	6/30/2019	0.05653%	\$ 51,052,713	\$ 27,852,887	\$ 78,905,600	\$31,181,701	163.73%	72.56%
6/30/2021	6/30/2020	0.06210%	\$ 60,183,171	\$ 31,024,178	\$ 91,207,349	\$33,196,936	181.29%	71.82%
6/30/2022	6/30/2021	0.06498%	\$ 29,572,464	\$ 14,880,024	\$ 44,452,488	\$33,377,015	88.60%	87.21%
6/30/2023	6/30/2022	0.06757%	\$ 46,954,998	\$ 23,515,200	\$ 70,470,198	\$36,295,366	129.37%	81.20%
California Public Employees' Retirement System:								
6/30/2015	6/30/2014	0.05858%	\$ 6,649,917	\$ -	\$ 6,649,917	\$ 6,194,302	107.36%	83.38%
6/30/2016	6/30/2015	0.06080%	\$ 8,961,982	\$ -	\$ 8,961,982	\$ 6,715,912	133.44%	79.43%
6/30/2017	6/30/2016	0.05990%	\$ 11,830,287	\$ -	\$ 11,830,287	\$ 7,178,442	164.80%	73.90%
6/30/2018	6/30/2017	0.06458%	\$ 15,416,950	\$ -	\$ 15,416,950	\$ 8,253,694	186.79%	71.87%
6/30/2019	6/30/2018	0.06701%	\$ 17,866,977	\$ -	\$ 17,866,977	\$ 8,872,030	201.39%	70.85%
6/30/2020	6/30/2019	0.06630%	\$ 19,321,706	\$ -	\$ 19,321,706	\$ 8,012,169	241.15%	70.05%
6/30/2021	6/30/2020	0.06756%	\$ 20,730,344	\$ -	\$ 20,730,344	\$ 7,762,629	267.05%	70.00%
6/30/2022	6/30/2021	0.06834%	\$ 13,896,633	\$ -	\$ 13,896,633	\$10,356,053	134.19%	80.97%
6/30/2023	6/30/2022	0.07163%	\$ 24,648,246	\$ -	\$ 24,648,246	\$11,615,731	212.20%	69.76%

*The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for ten years. Only nine years are presented because ten year data is not yet available.

See accompanying Notes to Required Supplementary Information.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM AND
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS*

EXHIBIT B-3

<u>Fiscal Year End</u>	<u>Statutorily Required Contribution</u>	<u>Contribution in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Employee Payroll</u>	<u>Contribution as a Percentage of Covered Employee Payroll</u>
California State Teachers' Retirement System:					
6/30/2015	\$2,137,792	\$ 2,137,792	\$ -	\$24,074,234	8.88%
6/30/2016	\$2,847,258	\$ 2,847,258	\$ -	\$26,535,489	10.73%
6/30/2017	\$3,609,820	\$ 3,609,820	\$ -	\$28,694,911	12.58%
6/30/2018	\$4,369,669	\$ 4,369,669	\$ -	\$30,281,836	14.43%
6/30/2019	\$5,076,381	\$ 5,076,381	\$ -	\$31,181,701	16.28%
6/30/2020	\$5,676,676	\$ 5,676,676	\$ -	\$33,196,936	17.10%
6/30/2021	\$5,390,388	\$ 5,390,388	\$ -	\$33,377,015	16.15%
6/30/2022	\$6,141,176	\$ 6,141,176	\$ -	\$36,295,366	16.92%
6/30/2023	\$7,593,382	\$ 7,593,382	\$ -	\$39,755,927	19.10%
California Public Employees' Retirement System:					
6/30/2015	\$ 790,530	\$ 790,530	\$ -	\$ 6,715,912	11.771%
6/30/2016	\$ 850,430	\$ 850,430	\$ -	\$ 7,178,442	11.847%
6/30/2017	\$1,146,273	\$ 1,146,273	\$ -	\$ 8,253,694	13.888%
6/30/2018	\$1,377,915	\$ 1,377,915	\$ -	\$ 8,872,030	15.531%
6/30/2019	\$1,447,159	\$ 1,447,159	\$ -	\$ 8,012,169	18.062%
6/30/2020	\$1,530,868	\$ 1,530,868	\$ -	\$ 7,762,629	19.721%
6/30/2021	\$2,143,703	\$ 2,143,703	\$ -	\$10,356,053	20.700%
6/30/2022	\$2,661,164	\$ 2,661,164	\$ -	\$11,615,731	22.910%
6/30/2023	\$3,319,746	\$ 3,319,746	\$ -	\$13,085,321	25.370%

*The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for ten years. Only nine years are presented because ten year data is not yet available.

See accompanying Notes to Required Supplementary Information.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

EXHIBIT B-4

Fiscal Year End	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Measurement Date	June 30, 2017	June 30, 2018	June 30, 2020*	June 30, 2021	June 30, 2022	June 30, 2023
Total OPEB liability:						
Service cost	\$ 836,781	\$ 862,972	\$ 578,044	\$ 595,385	\$ 806,187	\$ 643,441
Interest	467,052	477,292	579,470	380,367	351,907	530,690
Differences between expected and actual experience	-	-	(247,117)	908,292	-	(870,287)
Changes of assumptions or other inputs	-	(671,306)	1,425,885	(2,304,310)	(1,816,847)	(125,889)
Benefit payments	(998,210)	(954,787)	(754,243)	(793,696)	(571,469)	(549,710)
Adjustments to beginning balance	-	-	369,694	-	-	-
Net change in total OPEB liability	305,623	(285,829)	1,951,733	(1,213,962)	(1,230,222)	(371,755)
Total OPEB liability - beginning	<u>15,417,047</u>	<u>15,722,670</u>	<u>15,436,841</u>	<u>17,388,574</u>	<u>16,174,612</u>	<u>14,944,390</u>
Total OPEB liability - ending	<u>\$ 15,722,670</u>	<u>\$ 15,436,841</u>	<u>\$ 17,388,574</u>	<u>\$ 16,174,612</u>	<u>\$ 14,944,390</u>	<u>\$ 14,572,635</u>

*Covers the two years of elapsed time from the measurement date June 30, 2018 to the measurement date June 30, 2020, and also covers the one-year period from the June 30, 2019 reporting date to the June 30, 2020 reporting date. This was a one-time change concurrent with the change in actuarial firms from one reporting period to the next.

Covered-employee payroll	\$ 39,743,084	\$ 42,045,435	\$ 47,429,298	\$ 45,125,938	\$ 50,735,511	\$ 56,023,924
Total OPEB liability as a percentage of covered-employee payroll	39.56%	36.71%	36.66%	35.84%	29.46%	26.01%

*The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for ten years. Only six years are presented because ten year data is not yet available.

See accompanying Notes to Required Supplementary Information.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT B-5

Note 1 - Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of the District's Pension Contributions

Changes of Assumptions:

<u>Fiscal Year End</u>	<u>Measurement Date</u>	<u>Discount Rate</u>	<u>Inflation</u>	<u>Payroll Growth</u>	<u>Projected Salary Increase (1)</u>	<u>Experience Study</u>	<u>Investment Rate of Return</u>
California State Teachers' Retirement System:							
6/30/2015	6/30/2014	7.60%	3.00%	3.75%	Varies	7/1/2006-6/30/2010	7.60% (2)
6/30/2016	6/30/2015	7.60%	3.00%	3.75%	Varies	7/1/2006-6/30/2010	7.60% (2)
6/30/2017	6/30/2016	7.60%	3.00%	3.75%	Varies	7/1/2006-6/30/2010	7.60% (2)
6/30/2018	6/30/2017	7.10%	2.75%	3.50%	Varies	7/1/2010-6/30/2015	7.10% (2)
6/30/2019	6/30/2018	7.10%	2.75%	3.50%	Varies	7/1/2010-6/30/2015	7.10% (2)
6/30/2020	6/30/2019	7.10%	2.75%	3.50%	Varies	7/1/2010-6/30/2015	7.10% (2)
6/30/2021	6/30/2020	7.10%	2.75%	3.50%	Varies	7/1/2015-6/30/2018	7.10% (2)
6/30/2022	6/30/2021	7.10%	2.75%	3.50%	Varies	7/1/2015-6/30/2018	7.10% (2)
6/30/2023	6/30/2022	7.10%	2.75%	3.50%	Varies	7/1/2015-6/30/2018	7.10% (2)
California Public Employees' Retirement System:							
6/30/2015	6/30/2014	7.50%	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
6/30/2016	6/30/2015	7.65%(3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
6/30/2017	6/30/2016	7.65%(3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
6/30/2018	6/30/2017	7.15%(3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
6/30/2019	6/30/2018	7.15%(3)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.50%
6/30/2020	6/30/2019	7.15%(3)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.15%
6/30/2021	6/30/2020	7.15%(3)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.15%
6/30/2022	6/30/2021	7.15%(3)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.15%
6/30/2023	6/30/2022	6.90% (3)	2.30%	2.80%	Varies	7/1/2000-6/30/2019	6.90%

(1) Varies on entry age and service

(2) Net of pension plan investment expenses; includes inflation, but gross of administrative expenses

(3) Excludes reduction of pension plan administrative expenses

Note 2 - Schedule of changes in the Net OPEB Liability and Related Ratios

- i. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.
- ii. The actuarial methods and assumptions used to calculate the net OPEB liability are described in Note 12 to the financial statements.
- iii. As of the June 30, 2023 measurement date, the discount rate increased from 3.54% to 3.65%.

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:			
Cash in County Treasury	\$ 4,922,967	\$ 2,911,207	\$ 7,834,174
Cash on Hand and in Banks	5,502	-	5,502
Accounts Receivable	1,077,091	-	1,077,091
Stores Inventories	60,276	-	60,276
Total Assets	<u>6,065,836</u>	<u>2,911,207</u>	<u>8,977,043</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 111,365	\$ 15,122	\$ 126,487
Due to Other Funds	296,392	12,687	309,079
Unearned Revenue	518	-	518
Total Liabilities	<u>408,275</u>	<u>27,809</u>	<u>436,084</u>
Fund Balance:			
Nonspendable Fund Balances:			
Stores Inventories	60,276	-	60,276
Restricted Fund Balances	5,597,285	2,883,398	8,480,683
Total Fund Balance	<u>5,657,561</u>	<u>2,883,398</u>	<u>8,540,959</u>
Total Liabilities and Fund Balances	<u>\$ 6,065,836</u>	<u>\$ 2,911,207</u>	<u>\$ 8,977,043</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:			
Federal Revenue	\$ 3,678,583	\$ -	\$ 3,678,583
Other State Revenue	4,748,592	-	4,748,592
Other Local Revenue	1,757,009	1,749,085	3,506,094
Total Revenues	<u>10,184,184</u>	<u>1,749,085</u>	<u>11,933,269</u>
Expenditures:			
Current:			
Instruction	2,205,957	-	2,205,957
Instruction - Related Services	1,193,424	-	1,193,424
Pupil Services	3,916,796	-	3,916,796
Ancillary Services	896,833	-	896,833
General Administration	260,821	-	260,821
Plant Services	268,719	144,206	412,925
Capital Outlay	6,598	-	6,598
Total Expenditures	<u>8,749,148</u>	<u>144,206</u>	<u>8,893,354</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,435,036</u>	<u>1,604,879</u>	<u>3,039,915</u>
Other Financing Sources (Uses):			
Transfers Out	-	(12,687)	(12,687)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(12,687)</u>	<u>(12,687)</u>
Net Change in Fund Balance	1,435,036	1,592,192	3,027,228
Fund Balance, July 1	4,222,525	1,291,206	5,513,731
Fund Balance, June 30	<u>\$ 5,657,561</u>	<u>\$ 2,883,398</u>	<u>\$ 8,540,959</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	Student Activity Fund	Adult Education Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash in County Treasury	\$ 1,086,989	\$ 1,421,175
Cash on Hand and in Banks	-	160
Accounts Receivable	2,100	402,285
Stores Inventories	-	-
Total Assets	<u>1,089,089</u>	<u>1,823,620</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	\$ 1,116	\$ 41,096
Due to Other Funds	-	191,414
Unearned Revenue	-	-
Total Liabilities	<u>1,116</u>	<u>232,510</u>
Fund Balance:		
Nonspendable Fund Balances:		
Stores Inventories	-	-
Restricted Fund Balances	1,087,973	1,591,110
Total Fund Balance	<u>1,087,973</u>	<u>1,591,110</u>
Total Liabilities and Fund Balances	<u>\$ 1,089,089</u>	<u>\$ 1,823,620</u>

EXHIBIT C-3

Cafeteria Fund	Scholarship Trust Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 1,794,423	\$ 620,380	\$ 4,922,967
5,342	-	5,502
672,706	-	1,077,091
60,276	-	60,276
<u>2,532,747</u>	<u>620,380</u>	<u>6,065,836</u>
\$ 69,153	\$ -	\$ 111,365
104,978	-	296,392
518	-	518
<u>174,649</u>	<u>-</u>	<u>408,275</u>
60,276	-	60,276
2,297,822	620,380	5,597,285
<u>2,358,098</u>	<u>620,380</u>	<u>5,657,561</u>
<u>\$ 2,532,747</u>	<u>\$ 620,380</u>	<u>\$ 6,065,836</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Student Activity Fund	Adult Education Fund
	<u> </u>	<u> </u>
Revenues:		
Federal Revenue	\$ -	\$ 278,495
Other State Revenue	-	3,443,750
Other Local Revenue	979,350	473,769
Total Revenues	<u>979,350</u>	<u>4,196,014</u>
Expenditures:		
Current:		
Instruction	-	2,205,957
Instruction - Related Services	-	1,193,424
Pupil Services	-	191,306
Ancillary Services	896,833	-
General Administration	-	168,604
Plant Services	-	240,922
Capital Outlay	-	6,598
Total Expenditures	<u>896,833</u>	<u>4,006,811</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>82,517</u>	<u>189,203</u>
Net Change in Fund Balance	82,517	189,203
Fund Balance, July 1	1,005,456	1,401,907
Fund Balance, June 30	<u>\$ 1,087,973</u>	<u>\$ 1,591,110</u>

EXHIBIT C-4

Cafeteria Fund	Scholarship Trust Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ 3,400,088	\$ -	\$ 3,678,583
1,304,842	-	4,748,592
303,890	-	1,757,009
<u>5,008,820</u>	<u>-</u>	<u>10,184,184</u>
-	-	2,205,957
-	-	1,193,424
3,725,490	-	3,916,796
-	-	896,833
92,217	-	260,821
27,797	-	268,719
-	-	6,598
<u>3,845,504</u>	<u>-</u>	<u>8,749,148</u>
1,163,316	-	1,435,036
1,163,316	-	1,435,036
1,194,782	620,380	4,222,525
<u>\$ 2,358,098</u>	<u>\$ 620,380</u>	<u>\$ 5,657,561</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2023

	Capital Facilities Fund	County School Facilities Fund Modernization	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS:			
Cash in County Treasury	\$ 2,898,520	\$ 12,687	\$ 2,911,207
Total Assets	<u>2,898,520</u>	<u>12,687</u>	<u>2,911,207</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 15,122	\$ -	\$ 15,122
Due to Other Funds	-	12,687	12,687
Total Liabilities	<u>15,122</u>	<u>12,687</u>	<u>27,809</u>
Fund Balance:			
Restricted Fund Balances	2,883,398	-	2,883,398
Total Fund Balance	<u>2,883,398</u>	<u>-</u>	<u>2,883,398</u>
Total Liabilities and Fund Balances	<u>\$ 2,898,520</u>	<u>\$ 12,687</u>	<u>\$ 2,911,207</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Facilities Fund	County School Facilities Fund Modernization	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:			
Other Local Revenue	\$ 1,748,846	\$ 239	\$ 1,749,085
Total Revenues	<u>1,748,846</u>	<u>239</u>	<u>1,749,085</u>
Expenditures:			
Current:			
Plant Services	144,206	-	144,206
Total Expenditures	<u>144,206</u>	<u>-</u>	<u>144,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,604,640</u>	<u>239</u>	<u>1,604,879</u>
Other Financing Sources (Uses):			
Transfers Out	-	(12,687)	(12,687)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(12,687)</u>	<u>(12,687)</u>
Net Change in Fund Balance	1,604,640	(12,448)	1,592,192
Fund Balance, July 1	1,278,758	12,448	1,291,206
Fund Balance, June 30	<u>\$ 2,883,398</u>	<u>\$ -</u>	<u>\$ 2,883,398</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2023

	Warehouse Revolving Fund	Self-Insurance/ Property/ Liability Fund	Self-Insurance Health & Welfare Fund	Total Internal Service Funds (See Exhibit A-7)
ASSETS:				
Current Assets:				
Cash in County Treasury	\$ 5,196	\$ 32,784	\$ 3,584,256	\$ 3,622,236
Accounts Receivable	-	1,450	68,935	70,385
Due from Other Funds	11,974	-	-	11,974
Store Inventories	82,653	-	-	82,653
Total Current Assets	<u>99,823</u>	<u>34,234</u>	<u>3,653,191</u>	<u>3,787,248</u>
LIABILITIES:				
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:				
Restricted for Insurance	-	34,234	3,653,191	3,687,425
Unrestricted	99,823	-	-	99,823
Total Net Position	<u>\$ 99,823</u>	<u>\$ 34,234</u>	<u>\$ 3,653,191</u>	<u>\$ 3,787,248</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Warehouse Revolving Fund	Self-Insurance Property/ Liability Fund	Self-Insurance Health & Welfare Fund	Total Internal Service Funds (See Exhibit A-8)
Operating Revenues:				
Local Revenue	\$ 50,136	\$ 66,674	\$ 11,536,657	\$ 11,653,467
Total Operating Revenues	<u>50,136</u>	<u>66,674</u>	<u>11,536,657</u>	<u>11,653,467</u>
Operating Expenses:				
Books and Supplies	56,410	20,576	-	76,986
Services and Other Operating Expenses	-	50,348	11,165,188	11,215,536
Total Operating Expenses	<u>56,410</u>	<u>70,924</u>	<u>11,165,188</u>	<u>11,292,522</u>
Operating Income (Loss):	<u>(6,274)</u>	<u>(4,250)</u>	<u>371,469</u>	<u>360,945</u>
Nonoperating Revenues (Expenses):				
Interest Income	158	505	40,643	41,306
Unrealized Gain (Loss)	(65)	(4)	(53,876)	(53,945)
Total Nonoperating Revenues (Expenses)	<u>93</u>	<u>501</u>	<u>(13,233)</u>	<u>(12,639)</u>
Change in Net Position	(6,181)	(3,749)	358,236	348,306
Total Net Position - Beginning	106,004	37,983	3,294,955	3,438,942
Total Net Position - Ending	<u>\$ 99,823</u>	<u>\$ 34,234</u>	<u>\$ 3,653,191</u>	<u>\$ 3,787,248</u>

TULARE JOINT UNION HIGH SCHOOL DISTRICT
LOCAL EDUCATION AGENCY
ORGANIZATION STRUCTURE
JUNE 30, 2023

TABLE D-1

Tulare Joint Union High School District was established on September, 1981. There were no changes in the boundaries of the District during the current year. The District consists of three high schools, one continuation high school, one independent study charter high school, one classroom-based charter high school, one adult school and one community day school.

Governing Board		
Name	Office	Term and Term Expiration
Laura Fonseca	President	Four year term expires 12/2026
Cathy Mederos	Vice President	Four year term expires 12/2024
Tyler Ribeiro	Clerk	Four year term expires 12/2024
Craig Hamilton	Member	Four year term expires 12/2026
Kelley Nicholson	Member	Four year term expires 12/2026

Administration		
Name	Office	Tenure
Lucy Van Scyoc, Ed.D.	Superintendent	Two years
Maria Bueno	Assistant Superintendent - Student Services and Special Programs	Two years
Tammy Aldaco	Assistant Superintendent - Human Resources & Business	Two years
Kevin A. Covert	Assistant Superintendent - Curriculum, Technology and Assessment	Two years
Vivian Hamilton	Chief Business Officer	Thirty-one years

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2023

TABLE D-2

Tulare Joint Union High School District:

	Second Period Report	Annual Report
Grades 9-12:		
Regular ADA	5,026.78	4,998.01
Extended Year Special Education	8.53	8.53
Community Day School	27.24	26.58
Grades 9-12 Totals	5,062.55	5,033.12
ADA Totals	5,062.55	5,033.12

Charter Schools:

Sierra Vista Charter High School

	Second Period Report	Annual Report
Grades 9-12:		
Regular ADA - Non-Classroom Based	188.13	187.82
ADA Totals	188.13	187.82

Accelerated Charter High School

	Second Period Report	Annual Report
Grades 9-12:		
Regular ADA - Classroom Based	155.50	152.94
ADA Totals	155.50	152.94
Charter Schools Totals	343.63	340.76

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 districts and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2023

TABLE D-3

<u>Grade Level</u>	<u>Ed. Code 46207(a) Minutes Requirement</u>	<u>Actual Minutes</u>	<u>Actual Number of Days Traditional Calendar</u>	<u>Status</u>
Tulare Joint Union High School District:				
Grade 9	64,800	64,920	180	Complied
Grade 10	64,800	64,920	180	Complied
Grade 11	64,800	64,920	180	Complied
Grade 12	64,800	64,920	180	Complied
Accelerated Charter High School				
Grade 9	64,800	65,963	180	Complied
Grade 10	64,800	65,963	180	Complied
Grade 11	64,800	65,963	180	Complied
Grade 12	64,800	65,963	180	Complied

This schedule presents information on the amount of the instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 and 47612.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2023

TABLE D-4

General Fund	Budget 2024 (see note 1)	2023	2022	2021
Revenues and other financial sources	\$107,168,890	\$ 119,544,517	\$ 97,186,398	\$ 89,493,341
Expenditures	108,079,918	101,559,063	91,298,702	79,247,916
Other uses and transfers out	3,000,000	4,960,000	7,193,000	7,018,195
Total outgo	111,079,918	106,519,063	98,491,702	86,266,111
Change in fund balance (deficit)	(3,911,028)	13,025,454	(1,305,304)	3,227,230
Ending fund balance	<u>\$ 28,374,541</u>	<u>\$ 32,285,569</u>	<u>\$ 19,260,115</u>	<u>\$ 20,565,419</u>
Available reserves (see note 2)	<u>\$ 13,411,192</u>	<u>\$ 15,209,117</u>	<u>\$ 12,453,952</u>	<u>\$ 14,555,981</u>
Available reserves as a percentage of total outgo	<u>12.1%</u>	<u>14.3%</u>	<u>12.6%</u>	<u>16.9%</u>
Total long-term debt (see note 3)	<u>\$120,905,928</u>	<u>\$ 126,725,250</u>	<u>\$102,127,750</u>	<u>\$143,640,913</u>
Average daily attendance at P-2	<u>5,433</u>	<u>5,406</u>	<u>5,394</u>	<u>5,459</u>

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.

The General Fund balance has increased by \$11,720,150 (56.99%) over the past two years. The fiscal year 2023-24 budget projects a decrease of \$3,911,028 (12.11%). For a district of this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out and other uses (total outgo).

The District has experienced an operating surplus for two of the past three years and projects a deficit during the 2023-24 fiscal year. Total long-term debt has decreased by \$16,915,663 over the past two years mainly due to decreases in NPL and OPEB.

Average daily attendance has decreased by 53 over the past two years. An increase of 27 ADA is anticipated during the fiscal year 2023-24.

NOTES:

- (1) Budget 2024 is included for analytical purposes only and has not been subjected to audit.
- (2) Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.
- (3) Long-term debt includes net pension liability and total OPEB liability.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

TABLE D-5

	Special Reserve Fund for Capital Outlay	Student Activity Fund	Scholarship Trust Fund	Enterprise Fund School Farm Fund
June 30, 2023, annual financial and budget report fund balance/net position	\$ 30,624,177	\$ 1,708,353	\$ -	\$ 114,205
Adjustments and reclassifications:				
Increasing (decreasing) the fund balance/net position:				
Cash in County Treasury under(over)statement	-	(620,380)	620,380	-
Unearned Revenue understatement	(475,000)	-	-	-
Capital assets overstatement	-	-	-	(5,114)
Net adjustments and reclassifications	(475,000)	(620,380)	620,380	(5,114)
June 30, 2023, audited financial statement fund balance/net position	<u>\$ 30,149,177</u>	<u>\$ 1,087,973</u>	<u>\$ 620,380</u>	<u>\$ 109,091</u>

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2023

TABLE D-6

The following charter schools are chartered by Tulare Joint Union High School District:

<u>Charter Schools</u>	<u>Charter Number</u>	<u>Included in Audit?</u>
Sierra Vista Charter High School	1664	Yes
Accelerated Charter High School	1781	Yes

**TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

TABLE D-7

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through California Department of Education:			
Child Nutrition: School Programs (School Breakfast Needy)	10.553	13526	\$ 940,632
Child Nutrition: School Programs (School Lunch)	10.555	13524	1,984,200
Food Distribution - Commodities	10.555	13524	253,053
Total ALN 10.555			<u>2,237,253</u>
Total Child Nutrition Cluster			<u>3,177,885</u>
Child Nutrition: Child and Adult Care Food Program (Cash Advance)	10.558	13666	222,203
Total Passed Through California Department of Education			<u>3,400,088</u>
Total U.S. Department of Agriculture			<u>3,400,088</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Direct Program:			
Wildlife Reserve Funds	15.617	N/A	988
Total U.S. Department of Interior			<u>988</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through Tulare County Office of Education:			
Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	2,121
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	1,154,025
Special Ed: ARP IDEA Part B, Sec 611, Local Assistance Entitlement	84.027	15638	177,700
Total ALN 84.027			<u>1,333,846</u>
Total Special Education Cluster			<u>1,333,846</u>
Total Passed Through Tulare County Office of Education			<u>1,333,846</u>
Passed Through California Department of Education:			
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	419
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	3,957,185
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	409,839
COVID-19: Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	446,592
COVID-19: Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	155,236
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	1,602
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	127,929
COVID-19: American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	6,534
Total ALN 84.425			<u>5,105,336</u>
Adult Education: Adult Secondary Education	84.002	13978	200,235
Adult Education: English Literacy & Civics Education - Local Grant	84.002A	14109	10,780
Adult Education: Adult Basic Education & ELA	84.002A	14508	67,480
Total ALN 84.002			<u>278,495</u>
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income & Neglected	84.010	14329	1,540,773
Strengthening Career and Technical Education for the 21st Century (Perkins V) Secondary, Section 131	84.048	14894	198,940
Strengthening Career and Technical Education for the 21st Century (Perkins V) Adult, Section 132	84.048	14893	62,684
Total ALN 84.048			<u>261,624</u>
ESEA (ESSA): Title III, Immigrant Education Program	84.365	15146	1,289
ESEA (ESSA): Title III, English Learner Student Program	84.365	14346	105,226
Total ALN 84.365			<u>106,515</u>
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	222,624
ESEA (ESSA): Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	120,546
Total Passed Through California Department of Education			<u>7,635,913</u>
Total U.S. Department of Education			<u>8,969,759</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 12,370,835</u>

The accompanying notes are an integral part of this schedule.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Tulare Joint Union High School District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - De Minimis Cost Rate

The District did not elect to use the 10% de minimis cost rate.

Note 4 - Subrecipients

Of the federal expenditures presented in the Schedule, the District had no subrecipients that were provided federal awards.

Other Independent Auditors' Reports



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CERTIFIED PUBLIC ACCOUNTANTS

**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 Auditors' Report

Board of Trustees
Tulare Joint Union High School District

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, the business-type activities, each major fund, and the aggregate remaining fund information of Tulare Joint Union High School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Tulare Joint Union High School District's basic financial statements, and have issued our report thereon dated January 31, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tulare Joint Union High School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tulare Joint Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Tulare Joint Union High 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of Tulare Joint Union High School District in a separate letter dated January 31, 2024.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

M. Muen and Company LLP

Visalia, California
January 31, 2024



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M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

Board of Trustees
Tulare Joint Union High School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tulare Joint Union High School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Tulare Joint Union High School District's major federal programs for the year ended June 30, 2023. Tulare Joint Union High School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tulare Joint Union High 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 the major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

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

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

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

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

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

M Green and Company LLP

Visalia, California
January 31, 2024



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on State Compliance and on Internal Control Over State Compliance

Board of Trustees
Tulare Joint Union High School District

Report on State Compliance

Opinion

We have audited the Tulare Joint Union High School District's (District) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, Tulare Joint Union High School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<u>2022-23 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	N/A
Independent Study	N/A
Continuation Education	No (See Below)
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	N/A
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	No (See Below)
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes

SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION AND CHARTER SCHOOLS:

California Clean Energy Jobs Act	No (See Below)
After/Before School Education and Safety Program	No
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
Immunizations	N/A
Educator Effectiveness	Yes
Expanded Learning Opportunity Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	N/A
Transitional Kindergarten	N/A

CHARTER SCHOOLS:

Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	N/A

The term “N/A” is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform testing for Continuation Education because the ADA was under the level that requires testing.

We did not perform testing for District of Choice since the District did not elect to operate as a district of choice.

We did not perform testing for California Clean Energy Jobs Act since the District did not have expenditures and there was no submission of a final project completion report from this source during the current fiscal year.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance with the statutory requirements for programs noted above, which are required to be reported in accordance with the State’s audit guide, *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-002, 2023-003 and 2023-004.

Government Auditing Standards requires the auditor to perform limited procedures on the District’s responses to the noncompliance findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

M Queen and Company LLP

Visalia, California
January 31, 2024

Findings and Recommendations Section

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of Uniform Guidance? Yes X No

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	ESEA (ESSA) Title I
10.553, 10.555	Child Nutrition Cluster
84.425, 84.425D, 84.425U	COVID-19: Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes X No

3. State Awards

Internal control over state programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

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

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

FINDING 2023-001

30000/50000

SIGNIFICANT WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE

FEDERAL COMPLIANCE: ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE

Program Title/Federal Grantor/Pass-Through Grantor/ALN:

ESEA (ESSA) Title I

U.S. Department of Education

California Department of Education

Assistance Listing Number 84.010

Criteria

Pursuant to ESEA 1111(h)(1), LEAs must report graduation rate data for all public high schools at the school, LEA, and State levels using the four-year adjusted cohort rate. To remove a student from the cohort, a school or LEA must confirm, in writing, that the student transferred out, emigrated to another country, transferred to a prison or juvenile facility, or is deceased. To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma.

Condition

Out of 79 students identified as removed from cohort on the CALPADS 15.1 report, we selected seven students to test for proper documentation. The District was unable to provide official written documentation to support student enrollment in another school for two students.

Questioned Costs

Not Applicable

Proper Perspective

The issue is isolated to Title I.

Effect

The District graduation rate data may be inaccurate. There is no fiscal impact.

Cause

The District was unaware of the requirement to maintain official written documentation supporting the student enrollment in another school.

Recommendation

The District should implement a process to obtain and retain the required written documentation to support the removal of students from the cohort.

View of Responsible Officials

Agree Disagree

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

D. State Award Findings and Questioned Costs

FINDING 2023-002

10000

STATE COMPLIANCE: ATTENDANCE

Criteria

Education Code Sections 46000 and 46303 require "Attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education, subject to the provisions of this chapter." California Department of Education requires "The electronic system... to track and verify that initial attendance is entered on the calendar day of the school day for which the attendance is a record thereof. Under certain circumstances, such as wide-spread power outages or system interruptions teachers may be allowed to electronically submit and certify attendance on a subsequent day, retaining paper documentation on which attendance was recorded contemporaneously".

Condition

During our review of the electronic attendance verification, we noted several teachers did not submit their attendance verification timely.

Questioned Costs

Not Applicable

Proper Perspective

The finding is systematic to the entire District.

Effect

District internal controls and procedures over attendance submission/verification are not being followed by all teachers.

Cause

Oversight by teachers and lack of additional procedures to ensure all teacher verifications are recorded in a timely manner.

Recommendation

We recommend all teachers follow the prescribed procedures over attendance submission. In addition, we recommend the District implement a procedures to ensure all submissions are being done in a timely manner.

Corrective Action Plan

Teachers have been instructed on how to electronically submit their attendance/verification daily. The attendance office at each site pulls weekly reports to show which teachers have not completed their verification. Those teachers are notified. The attendance office continues to follow-up until all attendance has been verified.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

D. State Award Findings and Questioned Costs (continued)

FINDING 2023-003

70000

STATE COMPLIANCE: INSTRUCTIONAL MATERIALS – PUBLIC HEARING

Criteria

Pursuant to Education Code Section 60119, the governing board of a school district shall hold a public hearing or hearings at which the governing board shall encourage participation by parents, teachers, members of the community interested in the affairs of the school district, and bargaining unit leaders, and shall make a determination, through a resolution, as to whether each pupil in each school in the school district has sufficient textbooks or instructional materials, or both, that are aligned to the content standards adopted pursuant to Section 60605 or 60605.8 in each of the following subject, as appropriate, that are consistent with the content and cycles of the curriculum framework adopted by the State board. The governing board of a school district shall provide 10 days' notice of the public hearing or hearings set forth in subdivision (a). The notice shall contain the time, place, and purpose of the hearing and shall be posted in three public places in the school district. The hearing shall be held at a time that will encourage the attendance of teachers and parents and guardians of pupils who attend the schools in the school district and shall not take place during or immediately following school hours.

Condition

The District posted the notice of their public hearing at three public locations but failed to hold the public hearing during their meeting on September 1, 2022.

Questioned Costs

Not applicable

Proper Perspective

Annual requirement is isolated to the Instructional Materials Realignment Program.

Effect

Due to the public hearing not being held, the public may not have had the opportunity to give their input on the availability of sufficient instructional materials for every student.

Cause

Oversight by the District to hold the required meeting.

Recommendation

We recommend the District hold the public hearing annually, by the required date. The District should also ensure it is noted in the board minutes and include the time the public hearing was open and closed for public comment.

Corrective Action Plan

The Assistant Superintendent for Curriculum, Technology, and Assessment has been assigned the responsibility to ensure that the public hearing on the sufficiency of instructional materials is held, as required, each year. This includes insuring that it is an agenda item for Board approval.

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

D. State Award Findings and Questioned Costs (continued)

FINDING 2023-004

61000

STATE COMPLIANCE: CLASSROOM TEACHER SALARIES

Criteria

Education Code Section 41372 requires that payment of classroom teachers' salaries and benefits meet or exceed 50% (for high school districts) of total expenditures of the District.

Condition

The District only spent 49.51% of their current expense of education (\$92,670,190) on classroom teachers' salaries and benefits (\$45,878,822), which is below the required level.

Questioned Costs

Not Applicable

Proper Perspective

The finding is systematic to the entire district.

Effect

The deficiency amount was determined to be \$454,084; therefore, the District is out of compliance with the Education Code Section 41372. The District has filed an application for exemption from required expenditures for classroom teacher salaries with the Tulare County Office of Education.

Cause

Teachers' salaries and benefits were not increased to meet this requirement because the teachers' salaries and benefits are already in excess of those paid by other comparable school districts.

Recommendation

We recommend the District continue to monitor the comparability of salaries between comparable school districts and apply for the waiver when needed.

Corrective Action Plan

The District monitors the compatibility of salaries between our District and comparable school districts. Should our salaries continue to exceed comparable districts, the District will apply for the waiver when needed.



BOARD OF TRUSTEES

Laura Fonseca
Craig Hamilton
Cathy Mederos
Kelley Nicholson
Tyler Ribeiro

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023

FINDING 2023-001
30000/50000

SIGNIFICANT WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE
FEDERAL COMPLIANCE: ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE

DISTRICT
ADMINISTRATION

Lucy Van Seyoc,
Ed.D.
Superintendent

Tammy Aldaco
Assistant Superintendent
Human Resources and
Business

Maria Bueno
Assistant Superintendent
Student Services and
Special Programs

Kevin Covert
Assistant Superintendent
Curriculum, Technology
and Assessment

Dereck Domingues
Director I, Child Welfare
and Safety

Program Title/Federal Grantor/Pass-Through Grantor/ALN:

ESEA (ESSA) Title I
U.S. Department of Education
California Department of Education
Assistance Listing Number 84.010

Corrective Action Plan

The District has defined what constitutes "official written documentation" and where those records are to be maintained. In addition, the District has established a procedure to annually train all attendance and counseling staff regarding the documentation required before removing a student from the cohort.

Name of the Contact Person Responsible for Corrective Action
Vivian Hamilton, Chief Business Officer

Anticipated Completion Date
February 2024





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M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

Letter to Management

Board of Trustees
Tulare Joint Union High School District

We have completed our audit of Tulare Joint Union High School District for the year ended June 30, 2023. During our review of the prior year recommendations, we noted the status of each item as follows:

Prior Year Issues

Cash Clearing: During our review of the cash clearing bank statement and reconciliation, we noted that the account had not been cleared out to a zero balance at year end. Additionally, we noted the reconciled account balance did not agree to the balance stated on the trial balance. We recommended the District bring the cash clearing account to a zero balance at year end to ensure activity in the account is recorded on the general ledger. Our recommendation has been implemented.

Student Body: For one of the four student fundraisers tested, potential revenue did not agree to the amount deposited. There was no explanation for the difference. We recommended the District take necessary action to keep a complete record of fundraising events and all differences be reconciled and explained. Our recommendation has been implemented.

We would like to thank management and all the office personnel for the excellent cooperation we received during our audit. We look forward to working with you again in 2024 and beyond.

Very truly yours,

M. Green and Company LLP

M. GREEN AND COMPANY LLP
Certified Public Accountants

January 31, 2024

MARLA D. BORGES, CPA
NICOLE A. CENTOFANTI, CPA
BRENDA A. DADDINO, CPA
JASON A. FRY, CPA, MSA
ELAINE D. HOPPER, CPA, CFE
R. IAN PARKER, CPA
KRYSTAL PARREIRA, CPA, MSA
MARY L. QUILLIN, CPA
GIUSEPPE SCALIA, CPA
NATALIE H. SIEGEL, CPA
ROSALIND WONG, CPA

KATHERINE B. ALVES, CPA
JAMES G. DWYER, CPA
KEVIN M. GREEN, CPA
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RYAN HOLLINGSWORTH, CPA
GINILU VANDERWALL, CPA
KRISTI WEAVER, CPA

TULARE JOINT UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
<p>2022-001</p> <p>During our testing, we found two instances in which the teacher attendance report was not certified by the teacher. We recommended the District establish a process for reviewing teacher certifications to ensure all attendance reports are certified.</p>	Implemented	
<p>2022-002</p> <p>During our testing, we noted that attendance for Accelerated Charter High School was underreported on the annual attendance report due to a clerical miscalculation. We recommended that all Average Daily Attendance reports be reviewed thoroughly before reports are submitted to the State, we further recommended the District revise the annual attendance report.</p>	Implemented	