

**CLOVIS UNIFIED SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE A)  
FINANCIAL AND PERFORMANCE AUDITS**

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**JUNE 30, 2016**

**CLOVIS UNIFIED SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE A)  
FINANCIAL AUDIT**

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**JUNE 30, 2016**

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

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JUNE 30, 2016**

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITOR'S REPORT

Governing Board and  
Citizens' Oversight Committee  
Clovis Unified School District  
Clovis, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Clovis Unified School District's (the District), Building Fund (Measure A), as of and for the year ended June 30, 2016, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure A) of the Clovis Unified School District at June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure A, and are not intended to present fairly the financial position and changes in financial position of Clovis Unified School District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter. Our opinion is not modified with respect to this matter.

## **Other Matters**

Our audit was conducted for the purpose of forming opinions on the Clovis Unified School District's Building Fund (Measure A) financial statements. The Schedule of Long-Term Obligations, Reconciliation of Annual Financial Report With Audited Building Fund, Schedule of Revenues and Expenditures, Election 2012, and Schedule of Expenditures of Expenditures by Capital Facilities Project, Election 2012 are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Long-Term Obligations, Reconciliation of Annual Financial Report with Audited Building Fund, Schedule of Revenues and Expenditures, Election 2012 and Schedule of Expenditures of Expenditures by Capital Facilities Project, Election 2012 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the Building Fund (Measure A) financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2016, on our consideration of the District's Building Fund (Measure A) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Building Fund (Measure A) internal control over financial reporting and compliance.

*Vannink, Trine, Day & Co., LLP*

Fresno, California  
November 17, 2016

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**BALANCE SHEET  
JUNE 30, 2016**

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**ASSETS**

Deposits and investments	\$ 58,266,786
Fair market value adjustment	714,583
Accounts receivable	136,278
Due from other funds	<u>1,140,080</u>
<b>Total Assets</b>	<b><u><u>\$ 60,257,727</u></u></b>

**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Accounts payable	\$ <u>6,249,269</u>
<b>Total Liabilities</b>	<b><u>6,249,269</u></b>

**Fund Balance:**

Restricted for capital projects (Subfund 65205)	<u>54,008,458</u>
<b>Total Fund Balance</b>	<b><u>54,008,458</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u><u>\$ 60,257,727</u></u></b>

**Total Fund Balance Restricted for Bond Projects, All Sources**

Building Fund (Subfund 65205)	\$ 54,008,458
Restricted funds in County School Facilities Fund for bond projects	<u>180,088</u>
<b>Total Fund Balance, all sources</b>	<b><u><u>\$ 54,188,546</u></u></b>

The accompanying notes are an integral part of these financial statements.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

<b>REVENUES</b>		
Local sources		
Interest income		\$ 1,312,275
State sources		3,722,624
	<b>Total Revenues</b>	<u>5,034,899</u>
<b>EXPENDITURES</b>		
Current		
Salaries and benefits		251,056
Supplies		
Materials		354,612
Noncapitalized equipment		518,162
Capital outlay		80,160,264
Services and other operating expenditures		62,919
	<b>Total Expenditures</b>	<u>81,347,013</u>
		<u>(76,312,114)</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>		
<b>Other Financing Sources and (Uses):</b>		
Other sources - proceeds from bond issuance		103,007,034
Transfers in		16,412,552
Transfers out		(1,500,281)
	<b>Net Financing Sources/ (Uses)</b>	<u>117,919,305</u>
		41,607,191
<b>NET CHANGE IN FUND BALANCE</b>		41,607,191
<b>FUND BALANCE - BEGINNING</b>		<u>12,581,355</u>
<b>FUND BALANCE - ENDING, ALL SOURCES</b>		<u><u>\$ 54,188,546</u></u>

The accompanying notes are an integral part of these financial statements.



**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Clovis Unified School District's (the District) Building Fund (Measure A) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The Clovis Unified School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

**Financial Reporting Entity**

The financial statements include only the Building Fund of the Clovis Unified School District used to account for Measure A. This Fund was established to account for the expenditures of general obligation bonds issued under Measure A. These financial statements are not intended to present fairly the financial position and results of operations of the Clovis Unified School District in compliance with accounting principles generally accepted in the United States of America.

**Fund Accounting**

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

**Basis of Accounting**

The Building Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

**Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

# CLOVIS UNIFIED SCHOOL DISTRICT BUILDING FUND (MEASURE A)

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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### Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances lapse at June 30.

### Fund Balance - Building Fund (Measure A)

As of June 30, 2016, fund balance of the Building Fund is classified as follows:

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

### Use of Estimates

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

### Change in Accounting Principles

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District has implemented the provisions of this Statement as of June 30, 2016.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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The District has implemented the provisions of this Statement as of June 30, 2016.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement No. 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The District has implemented the provisions of this Statement as of June 30, 2016.

**NOTE 2 - INVESTMENTS**

**Policies and Practices**

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

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**Investment in County Treasury**

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

**General Authorizations**

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

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

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Fresno County Investment Pool. The District maintains a building fund investment of \$58,981,369 with the Fresno County Investment Pool.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**Specific Identification**

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Average Days To Maturity</u>
County treasury investment pool	<u>\$ 58,981,369</u>	<u>\$ 58,981,369</u>	<u>649</u>

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2016, consisted of other local sources. All receivables are considered collectible in full.

Other local sources	<u>\$ 136,278</u>
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**NOTE 4 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2016, consisted of the following:

Vendor payables - capital outlay	<u>\$ 6,249,269</u>
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**NOTE 5 - INTERFUND TRANSACTIONS**

**Interfund Receivables/Payables (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2016, between governmental funds are as follows:

Interfund receivable balance at June 30, 2016, was as follows:

Due from other funds - County School Facilities Fund	<u>\$ 1,140,080</u>
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The County School Facilities Fund owes the Building Fund to pay back the bond for an excessive contribution due to receipt of state revenues received in the County School Facilities Fund.

\$ 1,140,080

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**Operating Transfers**

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2016, consisted of the following:

The Building Fund transferred to the County School Facilities Fund for Clark Elementary modernization project costs.	\$ 752,029
The Building Fund transferred to the County School Facilities Fund for Dry Creek Elementary modernization project costs.	(406)
The Building Fund transferred to the County School Facilities Fund for Tarpey Elementary modernization project costs.	3,515
The Building Fund transferred to the County School Facilities Fund for Temperance-Kutner Elementary modernization project costs.	209,355
The Building Fund transferred to the County School Facilities Fund for Clovis West High School modernization project costs.	213,710
The Building Fund transferred to the County School Facilities Fund for Sierra Vista Elementary modernization project costs.	322,078
Total Transfers Out	<u>\$ 1,500,281</u>
The General Fund transferred to the Building Fund to assist with the second floor of the Tech Center.	\$ 1,000,000
The Deferred Maintenance Fund transferred to the Building Fund for Clovis Adult School modernization funding.	125,000
The Cafeteria Fund transferred to the Building Fund for the Cole kitchen modernization funding.	144,396
The Cafeteria Fund transferred to the Building Fund for the Weldon kitchen modernization equipment funding.	168,646
The General Fund transferred to the Building Fund Microsoft settlement funds paying back the 2012 bond for technology related purchases.	286,650
The Special Reserve Capital Outlay Fund transferred to the Building Fund for construction project costs.	3,187,860
The Capital Facilities Fund transferred to the Building Fund for the Boris Elementary project costs.	11,500,000
Total Transfers In	<u>\$ 16,412,552</u>

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**NOTE 6 - FUND BALANCES**

Fund balances are composed of the following elements:

Building Fund (Subfund 65205)	\$ 54,008,458
Restricted funds in County School Facilities Fund for bond projects	180,088
Total restricted for capital projects, all sources	<u>\$ 54,188,546</u>

**NOTE 7 - COMMITMENTS AND CONTINGENCIES**

**Litigation**

The District is not currently a party to any legal proceedings

**Construction Commitments**

As of June 30, 2016, the Building Fund (Measure A) had the following commitments with respect to the unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Cedarwood modernization	\$ 3,396,182	11/20/2016
Century modernization	3,945,810	10/24/2016
Fancher Creek modernization	2,308,156	12/30/2016
Clovis Adult modernization	336,493	12/31/2016
Liberty modernization	3,604,470	2/13/2017
Kastner modernization	70,096	12/31/2016
Gateway modernization	2,277,137	11/30/2016
Mickey Cox modernization	4,243,526	1/23/2017
Clovis West High School CTE financial	1,094,451	10/24/2016
Reagan Educational Center modernization	345,248	11/23/2016
Reagan Educational Center phase II modernization	2,497,559	11/23/2016
Technology Center new construction	2,231,042	2/1/2017
Temperance/Clinton new construction	1,871,174	12/31/2016
Total	<u>\$ 28,221,344</u>	

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***SUPPLEMENTARY INFORMATION***

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**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
JUNE 30, 2016**

**General Obligation Bonds**

The general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding June 30, 2014	Issued/ Accreted Interest	Redeemed	Bonds Outstanding June 30, 2015
12/1/04	2030	3.8-6.15%	\$ 119,998,286	\$ 115,648,538	\$ 5,648,740	\$ 9,285,000	\$ 112,012,278
3/1/06	2031	4.0-5.0%	48,001,060	32,514,772	1,050,094	1,185,000	32,379,866
8/1/08	2016	1.9-4.0%	64,715,000	3,270,000	-	3,270,000	-
5/31/12	2022	2.0-5.0%	17,935,000	17,570,000	-	-	17,570,000
8/15/12	2038	1.0-5.5%	79,996,801	76,860,040	1,065,458	-	77,925,498
7/25/13	2039	2.0-6.12%	49,996,579	48,300,867	587,977	-	48,888,844
8/19/14	2040	3.19-4.52%	64,995,505	65,418,057	480,314	5,575,000	60,323,371
8/6/15	2041	3.37-5.0%	103,007,034	-	103,589,846	-	103,589,846
Total				<u>\$ 359,582,274</u>	<u>\$ 112,422,429</u>	<u>\$ 19,315,000</u>	<u>\$ 452,689,703</u>

**Election 2004, Series A General Obligation Bonds**

On December 1, 2004, the District issued \$119,998,286 (\$17,885,000 – Current Interest and \$102,113,286 – Capital Appreciation) in Election 2004; Measure A, Series A General Obligation Bonds. Proceeds from the bonds were used to modernize existing schools, upgrade safety systems and enhance technology capabilities, acquire school sites, construct new schools, and acquire, construct, furnish, and equip new school and District facilities, including new sites and site improvements at existing campuses. The District used the proceeds from the bonds to construct a new intermediate school and a new high school and for other school facilities. At June 30, 2016, the principal balance outstanding was \$112,012,278.

The bonds mature through 2030 as follows:

Fiscal Year	Accreted Obligation	Unaccreted Interest	Final Maturity
2017	\$ 9,845,000	\$ -	\$ 9,845,000
2018	9,961,251	473,749	10,435,000
2021	10,202,544	2,227,456	12,430,000
2022-2026	41,380,278	19,709,722	61,090,000
2027-2030	40,623,205	36,511,795	77,135,000
Total	<u>\$ 112,012,278</u>	<u>\$ 58,922,722</u>	<u>\$ 170,935,000</u>

See accompanying note to supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
JUNE 30, 2016**

**Election 2004, Series B General Obligation Bonds**

On March 1, 2006, the District issued \$48,001,060 (\$34,155,000 – Current Interest and \$13,846,060 – Capital Appreciation) in Election 2004; Measure A, Series B General Obligation Bonds. Proceeds from the bonds were used to modernize existing schools, upgrade safety systems and enhance technology capabilities, acquire school sites, construct new schools, and acquire, construct, furnish, and equip new school and District facilities, including new sites and site improvements at existing campuses. The District used the proceeds from the bonds to construct a new intermediate school and a new high school and for other school facilities. At June 30, 2016, the principal balance outstanding was \$32,379,866.

The bonds mature through 2031 as follows:

Current Interest Bond portion:

Fiscal Year	Principal	Interest to Maturity	Total
2017	\$ 1,385,000	\$ 443,700	\$ 1,828,700
2018	-	416,000	416,000
2019	-	416,000	416,000
2020	-	416,000	416,000
2021	-	416,000	416,000
2022-2026	8,320,000	1,675,500	9,995,500
Total	<u>\$ 9,705,000</u>	<u>\$ 3,783,200</u>	<u>\$ 13,488,200</u>

Capital Appreciation Bond portion:

Fiscal Year	Accreted Obligation	Unaccreted Interest	Final Maturity
2027	\$ 3,064,074	\$ 1,825,926	\$ 4,890,000
2028	3,090,388	2,089,612	5,180,000
2029	3,113,467	2,381,533	5,495,000
2030	3,138,937	2,676,063	5,815,000
2031	10,268,000	9,732,000	20,000,000
Total	<u>\$ 22,674,866</u>	<u>\$ 18,705,134</u>	<u>\$ 41,380,000</u>

Total 2004, Series B obligation: \$ 32,379,866

**2008 Refunding General Obligation Bonds**

On August 1, 2008, the District issued \$64,715,000 Refunding General Obligation Bonds. The proceeds of the bonds were used to accomplish an advance refunding and partial defeasance of a portion of the District's General Obligation Bonds, Election of 2001, Series A, in the original principal amount of \$49,996,471 and the Election of 2004, Series A, in the original amount of \$119,998,286. At June 30, 2016, there is no principal balance outstanding.

See accompanying note to supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
JUNE 30, 2016**

**2012 Refunding General Obligation Bonds**

On May 31, 2012, the District issued \$17,935,000 Refunding General Obligation Bonds. The proceeds of the bonds were used to advance refund a portion (\$17,450,000) of the District's General Obligation Bonds, Election of 2004, Series B, in the original principal amount of \$48,001,060. At June 30, 2016, the principal balance outstanding was \$17,570,000.

The bonds mature through 2022 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2017	\$ -	\$ 1,049,550	\$ 1,049,550
2018	-	1,049,550	1,049,550
2019	8,895,000	563,650	9,458,650
2020	4,120,000	290,350	4,410,350
2021	-	202,950	202,950
2022	4,555,000	101,475	4,656,475
Total	<u>\$ 17,570,000</u>	<u>\$ 3,257,525</u>	<u>\$ 20,827,525</u>

**Election 2012, Series A General Obligation Bonds**

On August 15, 2012, the District issued \$79,996,801 (\$61,995,000 – Current Interest and \$18,001,801 – Capital Appreciation) in Election 2012; Measure A, Series A General Obligation Bonds. Proceeds from the bonds were used to finance school construction and improvements to the school facilities as approved by the voters at an election held on June 5, 2012. At June 30, 2016, the principal balance outstanding was \$77,925,498.

The bonds mature through 2038 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2017	\$ -	\$ 2,334,850	\$ 2,334,850
2018	535,000	2,334,850	2,869,850
2019	1,625,000	2,313,450	3,938,450
2020	2,615,000	2,248,450	4,863,450
2021	-	2,143,850	2,143,850
2022-2026	7,680,000	9,761,050	17,441,050
2027-2031	19,475,000	8,105,500	27,580,500
2032-2036	5,260,000	3,953,100	9,213,100
2037-2038	18,845,000	1,146,000	19,991,000
Total	<u>\$ 56,035,000</u>	<u>\$ 34,341,100</u>	<u>\$ 90,376,100</u>

See accompanying note to supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
JUNE 30, 2016**

Capital Appreciation Bond portion:

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Unaccreted Interest</u>	<u>Final Maturity</u>
2022-2026	\$ 7,402,061	\$ 3,032,939	\$ 10,435,000
2027-2031	1,152,570	712,430	1,865,000
2032-2036	13,335,867	20,879,133	34,215,000
Total	<u>\$ 21,890,498</u>	<u>\$ 24,624,502</u>	<u>\$ 46,515,000</u>

Total 2012, Series A obligation: \$ 77,925,498

**Election 2012, Series B General Obligation Bonds**

On July 25, 2012, the District issued \$49,996,579 (\$40,925,000 – Current Interest and \$9,071,579 – Capital Appreciation) in Election 2012; Measure A, Series B General Obligation Bonds. Proceeds from the bonds were used to finance school construction and improvements to the school facilities as approved by the voters at an election held on June 5, 2012. At June 30, 2016, the principal balance outstanding was \$48,888,844.

The bonds mature through 2039 as follows:

Current Interest Bond portion:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2017	\$ -	\$ 1,939,088	\$ 1,939,088
2018	-	1,939,088	1,939,088
2019	-	1,939,088	1,939,088
2020	-	1,939,088	1,939,088
2021	-	1,939,088	1,939,088
2022-2026	-	9,695,436	9,695,436
2027-2031	-	9,695,435	9,695,435
2032-2036	16,850,000	7,223,200	24,073,200
2037-2039	21,320,000	1,320,750	22,640,750
Total	<u>\$ 38,170,000</u>	<u>\$ 37,630,261</u>	<u>\$ 75,800,261</u>

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Unaccreted Interest</u>	<u>Final Maturity</u>
2021	\$ 1,473,983	\$ 381,017	\$ 1,855,000
2022-2026	4,602,504	2,172,496	6,775,000
2027-2031	4,642,357	4,857,643	9,500,000
Total	<u>\$ 10,718,844</u>	<u>\$ 7,411,156</u>	<u>\$ 18,130,000</u>

Total 2012, Series B obligation: \$ 48,888,844

See accompanying note to supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
JUNE 30, 2016**

**Election 2012, Series C General Obligation Bonds**

On August 19, 2014, the District issued \$64,995,505 (\$53,380,000 – Current Interest and \$11,615,505 – Capital Appreciation) in Election 2012; Measure A, Series C General Obligation Bonds. Proceeds from the bonds are being used to finance school construction and improvements to the school facilities as approved by the voters at an election held on June 5, 2012. At June 30, 2016, the principal balance outstanding was \$60,323,371.

The bonds mature through 2040 as follows:

Current Interest Bond portion:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2017	\$ 755,000	\$ 1,934,075	\$ 2,689,075
2018	1,200,000	1,903,875	3,103,875
2019	1,180,000	1,843,875	3,023,875
2020	1,115,000	1,784,875	2,899,875
2021	-	1,729,125	1,729,125
2022-2026	2,430,000	8,224,875	10,654,875
2027-2031	-	8,038,125	8,038,125
2032-2036	11,370,000	7,652,075	19,022,075
2037-2040	29,755,000	3,564,400	33,319,400
Total	<u>\$ 47,805,000</u>	<u>\$ 36,675,300</u>	<u>\$ 84,480,300</u>

Capital Appreciation Bond portion:

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Unaccreted Interest</u>	<u>Final Maturity</u>
2024-2025	\$ 3,953,271	\$ 1,226,729	\$ 5,180,000
2026-2030	5,670,492	3,709,508	9,380,000
2031-2033	2,894,608	2,870,392	5,765,000
Total	<u>\$ 12,518,371</u>	<u>\$ 7,806,629</u>	<u>\$ 20,325,000</u>

Total 2012, Series C obligation: \$ 60,323,371

**Election 2012, Series D General Obligation Bonds**

On August 6, 2015, the District issued \$103,007,034 (\$89,625,000 – Current Interest and \$13,382,034 – Capital Appreciation) in Election 2012; Measure A, Series C General Obligation Bonds. Proceeds from the bonds are being used to finance school construction and improvements to the school facilities as approved by the voters at an election held on June 5, 2012. At June 30, 2015, the principal balance outstanding was \$103,589,846.

See accompanying note to supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
JUNE 30, 2016**

The bonds mature through 2041 as follows:

Current Interest Bond portion:

Fiscal Year	Principal	Interest to Maturity	Total
2017	\$ 5,380,000	\$ 3,597,076	\$ 8,977,076
2018	1,520,000	3,582,300	5,102,300
2019	1,190,000	3,521,500	4,711,500
2020	1,045,000	3,462,000	4,507,000
2021	1,575,000	3,409,750	4,984,750
2022-2026	4,505,000	16,077,250	20,582,250
2027-2031	5,885,000	15,074,250	20,959,250
2032-2036	-	14,057,500	14,057,500
2037-2041	68,525,000	11,384,200	79,909,200
Total	\$ 89,625,000	\$ 74,165,826	\$ 163,790,826

Capital Appreciation Bond portion:

Fiscal Year	Accreted Obligation	Unaccreted Interest	Final Maturity
2031	\$ 1,905,400	\$ 1,594,600	\$ 3,500,000
2032-2036	10,554,188	12,320,812	22,875,000
2037	1,505,258	2,299,742	3,805,000
Total	\$ 13,964,846	\$ 16,215,154	\$ 30,180,000

Total 2012, Series D obligation: \$ 103,589,846

See accompanying note to supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED  
BUILDING FUND (Measure A)  
JUNE 30, 2016**

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There were no adjustments to the Unaudited Actual Building Fund (Measure A), which required reconciliation to the audited financial statements at June 30, 2016.

See accompanying note to supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF REVENUES AND EXPENDITURES, ELECTION 2012  
JUNE 30, 2016**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Fiscal Year FY 10/11-13/14</u>
<b>FUND BALANCE - Beginning</b>	\$ -	\$ -	\$ -
<b><u>Revenue:</u></b>			
Sale of General Obligation Bonds	298,000,000	298,000,000	129,993,380
Past Bond Carry-Over Funds Transfer In	24,000,000	28,136,936	26,376,112
Interest on Investments	3,000,000	2,500,000	1,329,608
State Funding	-	23,445,135	11,154,175
Developer Fees Transfer In	5,000,000	24,500,000	-
Transfers in from Other Funds	-	5,752,632	206,074
Reimbursements from Other Agencies (Local Revenue)	-	1,137,205	50,555
Total Revenue from all Sources	<u>330,000,000</u>	<u>383,471,908</u>	<u>169,109,905</u>
<b><u>Expenditures:</u></b>			
Capital Projects	330,000,000	382,033,296	134,317,039
Cost of Issuance	-	73,739	52,805
Total Expenditures	<u>330,000,000</u>	<u>382,107,035</u>	<u>134,369,844</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>34,740,060</u>
<b>FUND BALANCE - Ending</b>	<u>\$ -</u>	<u>\$ 1,364,873</u>	<u>\$ 34,740,060</u>

See accompanying note to required supplementary information.



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<b>Fiscal FY 14/15</b>	<b>Fiscal FY 15/16</b>	<b>Total Actuals</b>
\$ 34,740,060	\$ 12,581,355	\$ -
64,995,505	103,007,034	297,995,919
495,213	-	26,871,325
605,297	1,312,275	3,247,180
-	3,722,624	14,876,799
4,500,000	11,500,000	16,000,000
545,000	4,912,552	5,663,626
3,182	-	53,737
<u>71,144,196</u>	<u>124,454,485</u>	<u>364,708,586</u>
93,302,902	82,826,360	310,446,301
-	20,934	73,739
<u>93,302,902</u>	<u>82,847,294</u>	<u>310,520,040</u>
<u>(22,158,706)</u>	<u>41,607,191</u>	<u>54,188,546</u>
<u>\$ 12,581,355</u>	<u>\$ 54,188,546</u>	<u>\$ 54,188,546</u>

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF EXPENDITURES BY CAPITAL FACILITIES PROJECT,  
ELECTION 2012  
JUNE 30, 2016**

Project Description	Original Bond Budget	Revised Budget Based on Actual Bid Award	Expenditures to Date	Available Balance	Percentage of Construction Completed to Date
Cost of Issuance and Misc (to be reimbursed)	\$ -	\$ 73,739	\$ 73,739	\$ -	
ALTA SIERRA INTERMEDIATE					
Phase I-2015	7,530,526	7,024,603	7,024,603	-	100%
BUCHANAN HIGH SCHOOL					
Phase 1-2012	5,914,539	5,914,539	5,914,539	-	100%
Phase II-2017	10,619,408	11,932,966	462,322	11,470,644	4%
BUD RANK ELEMENTARY					
Modernization-2017	267,240	550,000	46,955	503,045	9%
CEDARWOOD ELEMENTARY					
Modernization-2016	3,417,487	5,840,162	2,443,980	3,396,182	42%
CENTURY ELEMENTARY					
Modernization-2016	4,023,278	5,700,339	1,754,529	3,945,810	31%
CLARK INTERMEDIATE					
Modernization-2014	13,358,919	16,258,901	16,258,901	-	100%
CLOVIS EAST HIGH					
2015 Mod	8,892,263	10,408,521	10,408,521	-	100%
CLOVIS ELEMENTARY					
Modernization-2017	2,932,574	3,407,831	180,598	3,227,233	5%
CLOVIS HIGH					
Phase 1-2013	11,328,243	11,312,560	11,312,560	-	100%
Phase II-2014	7,784,871	10,519,098	10,519,098	-	100%
CLOVIS NORTH ED CENTER					
Project-2017	10,963	1,857,884	74,049	1,783,835	4%

See accompanying note to required supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF EXPENDITURES BY CAPITAL FACILITIES PROJECT,  
ELECTION 2012, Continued  
JUNE 30, 2016**

Project Description	Original Bond Budget	Revised Budget Based on Actual Bid Award	Expenditures to Date	Available Balance	Percentage of Construction Completed to Date
CLOVIS WEST HIGH					
Phase I-2013	8,057,856	8,019,716	8,019,716	-	100%
CWHS Track	556,361	556,361	556,361	-	100%
Phzase II - 2014	4,068,527	8,816,135	8,816,135	-	100%
COLE ELEMENTARY					
Phase I-2012	767,344	767,344	767,344	-	100%
Phase II-2015	5,874,892	7,323,528	7,323,528	-	100%
COPPER HILLS ELEMENTARY					
Modernization-2013	3,711,726	4,244,184	4,244,184	-	100%
DRY CREEK ELEMENTARY					
Modernization-2014	5,097,280	5,769,724	5,769,724	-	100%
FANCHER CREEK ELEMENTARY					
Phase I-2012	2,019,658	2,019,658	2,019,658	-	100%
Phase II-2013	422,614	424,389	424,389	-	100%
Phase III-2016	2,385,079	2,639,588	331,432	2,308,156	13%
FORT WASHINGTON ELEMENTARY					
Modernization-2013	3,182,662	3,843,520	3,843,520	-	100%
Modernization-2015	-	271,692	271,692	-	100%
FREEDOM ELEMENTARY					
Modernization-2014	1,368,704	1,197,573	1,197,573	-	100%
FUGMAN ELEMENTARY					
Phase I 2014	1,542,263	1,506,739	1,506,739	-	100%

See accompanying note to required supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF EXPENDITURES BY CAPITAL FACILITIES PROJECT,  
ELECTION 2012, Continued  
JUNE 30, 2016**

Project Description	Original Bond Budget	Revised Budget Based on Actual Bid Award	Expenditures to Date	Available Balance	Percentage of Construction Completed to Date
GARFIELD ELEMENTARY					
Modernization-2013	4,905,675	4,808,170	4,808,170	-	100%
GETTYSBURG ELEMENTARY					
Modernization-2013	6,587,043	6,016,406	6,016,406	-	100%
JEFFERSON ELEMENTARY					
Modernization-2013	4,565,189	5,324,682	5,324,682	-	100%
KASTNER INTERMEDIATE					
Modernizatoin-2015	8,265,911	9,991,401	9,991,401	-	100%
LIBERTY ELEMENTARY					
Phase I -2012	1,691,231	1,691,231	1,691,231	-	100%
Phase II-2016	3,118,642	4,086,321	684,566	3,401,755	17%
LINCOLN ELEMENTARY					
Phase I-2012	2,203,959	2,203,959	2,203,959	-	100%
Phase II-2017	2,044,233	3,410,199	154,732	3,255,467	5%
MAPLE CREEK ELEMENTARY					
2015 Mod	4,591,871	5,727,647	5,727,647	-	100%
MICKEY COX ELEMENTARY					
Modernization-2016	3,851,952	5,729,270	1,485,744	4,243,526	26%
MIRAMONTE ELEMENTARY					
Modernization-2013	5,295,799	5,629,518	5,629,518	-	100%
MOUNTAIN VIEW ELEMENTARY					
Phase II-2012	2,072,784	2,072,784	2,072,784	-	100%
Phase II-2015	3,261,125	5,273,145	5,273,145	-	100%

See accompanying note to required supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF EXPENDITURES BY CAPITAL FACILITIES PROJECT,  
ELECTION 2012, Continued  
JUNE 30, 2016**

Project Description	Original Bond Budget	Revised Budget Based on Actual Bid Award	Expenditures to Date	Available Balance	Percentage of Construction Completed to Date
NELSON ELEMENTARY					
Phase I-2012	2,274,479	2,274,478	2,274,478	-	100%
Phase II-2015	1,959,635	3,302,601	3,302,601	-	100%
PINEDALE ELEMENTARY					
Phase I-2012	2,936,784	2,936,784	2,936,784	-	100%
Phase II-2013	7,389,545	8,616,444	8,616,444	-	100%
REAGAN ELEMENTARY					
Modernization-2017	263,032	2,984	2,984	-	100%
Modernization-2017	-	1,192,025	11,273	1,180,752	1%
RED BANK ELEMENTARY					
Modernization-2015	3,756,518	4,160,700	4,160,700	-	100%
REYBURN INTERMEDIATE					
Modernization-2016	7,093,798	3,801,167	1,303,608	2,497,559	34%
RIVERVIEW ELEMENTARY					
Project-2016	1,506,063	1,744,391	810,777	933,614	46%
SIERRA OUTDOOR SCHOOL					
Phase I- 2014	2,536,244	2,522,110	2,522,110	-	100%
Phase II-2015	10,933,519	10,109,400	10,109,400	-	100%
SIERRA VISTA ELEMENTARY					
Modernization-2014	5,707,290	5,949,490	5,949,490	-	100%
SOLAR PROJECT					
SOLAR PROJECT	24,500,000	25,021,189	25,021,189	-	100%

See accompanying note to required supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF EXPENDITURES BY CAPITAL FACILITIES PROJECT,  
ELECTION 2012, Continued  
JUNE 30, 2016**

Project Description	Original Bond Budget	Revised Budget Based on Actual Bid Award	Expenditures to Date	Available Balance	Percentage of Construction Completed to Date
TARPEY ELEMENTARY Modernization-2014	6,310,738	7,073,681	7,073,681	-	100%
TEMPERANCE KUTNER ELEMENTARY Modernization-2014	6,528,324	7,340,714	7,340,714	-	100%
VALLEY OAK ELEMENTARY Modernization-2014	4,228,316	4,308,677	4,308,677	-	100%
WELDON ELEMENTARY Modernization-2015	4,672,963	6,773,816	6,773,816	-	100%
WOODS ELEMENTARY Project-2017	842,351	926,586	41,580	885,006	4%
BRADLEY CENTER - 4TH ED Initial Design - 2016	3,500,000	3,500,000	-	3,500,000	0%

See accompanying note to required supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF EXPENDITURES BY CAPITAL FACILITIES PROJECT,  
ELECTION 2012, Continued  
JUNE 30, 2016**

Project Description	Original Bond Budget	Revised Budget Based on Actual Bid Award	Expenditures to Date	Available Balance	Percentage of Construction Completed to Date
<b>MISCELLANEOUS PROJECTS</b>					
Bond Administration/Programming	1,548,720	1,842,977	859,355	983,622	47%
CART - 2016	3,376,563	1,688,282	-	1,688,282	0%
Clovis Adult - 2015	2,245,204	2,770,659	2,770,659	-	100%
Community Day - 2014	4,973,034	4,970,893	4,970,893	-	100%
CTE New/Modernization	13,000,000	6,750,000	-	6,750,000	0%
CWHS CTE	-	3,000,000	1,905,549	1,094,451	64%
David E. Cook	10,633,922	7,896,704	2,051,732	5,844,972	26%
Energy Efficiency Projects	-	391,415	391,415	-	100%
Gateway/Enterprise	3,692,267	3,317,080	1,039,943	2,277,137	31%
Mercedes Edwards Theatre	-	1,500,000	144,722	1,355,278	10%
District Technology Center	2,000,000	5,737,123	3,598,381	2,138,742	63%
Video Surveillance District-Wide	-	3,030,471	3,030,471	-	100%
MANIII	-	53,608	53,608	-	100%
2018 Modernization: Clovis West, Cole, Kastner and Mickey Cox	-	342,000	-	342,000	0%
<b>NEW CONSTRUCTION</b>					
NEW - Temperance-Clinton Elementary School	24,000,000	33,092,559	31,221,385	1,871,174	94%
NEW - Northwest Area Elementary School	-	4,000,000	3,305,063	694,937	83%
NEW - Bradley Center Elementary School	-	-	-	-	
LEDGER DIFFERENCE, IMMATERIAL	-	-	(13,816)	13,816	
RESERVE	-	1,364,873	-	1,364,873	
<b>TOTAL EXPENDITURES</b>	<b>\$ 330,000,000</b>	<b>\$ 383,471,908</b>	<b>\$ 310,520,040</b>	<b>\$ 72,951,868</b>	

See accompanying note to required supplementary information.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

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**NOTE 1 - PURPOSE OF SCHEDULES**

**Schedule of Long-Term Obligations**

This schedule provides a debt repayment schedule associated with the bond proceeds received through issuance of Building Fund (Measure A) obligations.

**Reconciliation of Annual Financial Report With Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of the Building Fund (Measure A) reported on the Unaudited Actual Financial Report to the audited financial statements.

**Schedule of Revenues and Expenditures, Election 2012**

This schedule provides an analysis of the revenues and expenditures relating to Election 2012 Measure A General Obligation Bond issuances (Series A, B, C, and D).

**Schedule of Expenditures by Capital Facilities Project, Election 2012**

This schedule provides an analysis of the Election 2004 Measure A General Obligation Bond issuance (Series A, B, C, and D) expenditures by capital facilities project.



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***INDEPENDENT AUDITOR'S REPORT***

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board and  
Citizens' Oversight Committee  
Clovis Unified School District  
Clovis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Clovis Unified School District (the District) Building Fund (Measure A), as of and for the year ended June 30, 2016, and the related notes of the financial statements, and have issued our report thereon dated November 17, 2016.

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure A, and are not intended to present fairly the financial position and changes in financial position of Clovis Unified School District in accordance with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

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

## Purpose of This Report

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

Vannink, Trine, Day & Co., LLP

Fresno, California  
November 17, 2016

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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**FINANCIAL STATEMENT FINDINGS  
JUNE 30, 2016**

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None reported.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2016**

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There were no audit findings reported in the prior year's schedule of financial statement findings.

**CLOVIS UNIFIED SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE A)  
PERFORMANCE AUDIT**

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**JUNE 30, 2016**

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**PERFORMANCE AUDIT  
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JUNE 30, 2016**

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**INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE**

Governing Board and  
Citizens' Oversight Committee  
Clovis Unified School District  
Clovis, California

We were engaged to conduct a performance audit of the Clovis Unified School District (the District) Building Fund (Measure A) for the year ended June 30, 2016.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Building Fund (Measure A) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

*Vavrinek, Trine, Day & Co., LLP*

Fresno, California  
November 17, 2016

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**JUNE 30, 2016**

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**AUTHORITY FOR ISSUANCE – 2012 MEASURE A**

The general obligation bonds associated with Measure A were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Fresno County Board of Supervisors.

The District received authorization from an election held on June 5, 2012, to issue \$298,000,000 of general obligation bonds by vote of eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District. To date, the District has sold four issues of these authorized bonds as 2012 Series A, 2012 Series B, 2012 Series C, and 2012 Series D in the total principal amount of \$297,955,919. As of June 30, 2016, the proceeds remaining in the District's Building Fund are \$54,008,458.

**PURPOSE OF ISSUANCE – 2012 MEASURE A**

To maintain excellent neighborhood schools, offset state budget cuts, and retain/attract quality teachers by: upgrading classrooms/science labs/fire safety systems/libraries; improving energy efficiency systems; enhancing vocational education facilities; fixing deteriorating roofs/plumbing/bathrooms; ensuring handicapped accessibility; and acquiring sites, constructing/equipping school facilities. Shall Clovis Unified School District issue \$298 million in bonds at legal interest rates, requiring audits, citizens' oversight, no money for administrators' salaries, no money for Sacramento, and no tax rate increase.

**AUTHORITY FOR THE AUDIT**

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a citizens' oversight committee.

# **CLOVIS UNIFIED SCHOOL DISTRICT BUILDING FUND (MEASURE A)**

**JUNE 30, 2016**

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4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

## **OBJECTIVES OF THE AUDIT**

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure A.
2. Determine whether salary transactions, charged to the Building Fund were in support of Measure A and not for District general administration or operations.

## **SCOPE OF THE AUDIT**

The scope of our performance audit covered the period of July 1, 2015 to June 30, 2016. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2016, were not reviewed or included within the scope of our audit or in this report.

## **PROCEDURES PERFORMED**

We obtained the general ledger and the project expenditure reports prepared by the District for the period July 1, 2015 through June 30, 2016, for the Building Fund (Measure A). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure A as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2015 and ending June 30, 2016, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$54,172,648. This represents approximately 65 percent of the total expenditures of \$82,847,294 (includes transfers out).
3. We verified that funds from the Building Fund (Measure A) were expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**JUNE 30, 2016**

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**CONCLUSION**

The results of our tests indicated that, in all significant respects, the Clovis Unified School District has properly accounted for the expenditures held in the Building Fund (Measure A) and that such expenditures were made for authorized Bond projects.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2016**

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None reported.

**CLOVIS UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE A)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2016**

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There were no audit findings reported in the prior year's schedule of financial statement findings.