CORCORAN UNIFIED
SCHOOL DISTRICT
COUNTY OF KINGS
CORCORAN, CALIFORNIA
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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

Introductory Section

Corcoran Unified School District
Audit Report
For the Year Ended June 30, 2023

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Independent Auditors' Report

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M. GREEN AND COMPANY LLP

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Independent Auditors' Report

Board of Trustees
Corcoran Unified School District

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Corcoran Unified 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 major fund, and the aggregate remaining fund information of Corcoran Unified School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Schools General 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, *2022-2023 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 May 29, 2024, on our consideration of Corcoran Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Corcoran Unified 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 Corcoran Unified School District's internal control over financial reporting and compliance.

M. Green and Company LLP

Visalia, California
May 29, 2024

Management's Discussion and Analysis

CORCORAN UNIFIED SCHOOL DISTRICT
KINGS COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTION

The goal of the Corcoran Unified School District is to provide, in an atmosphere of respect and responsibility, an opportunity for every student to recognize and fully develop his/her particular academic, technical, vocational, physical, and social skills. District students will graduate prepared to succeed in tomorrow's world. The main academic goal of the District is to see growth in reading and writing skills for every student in grades K-12. The District continues to focus expertise and resources to improve pedagogy focused toward student achievement. This includes the District's initiative to use technology to improve opportunities for teaching and learning for students to acquire and develop 21st century learning skills especially aligned to Common Core.

The Vision of the District is to become a "Destination District" where people are drawn to Corcoran due to the quality, reputation, and accomplishments of our students and schools.

The Mission of the District is to be improvement driven – Mind, Character, and Body.

The Management's Discussion and Analysis of the District's financial statements provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. This analysis will look at the District's financial performance as a whole. The Management's Discussion and Analysis should be reviewed in conjunction with the independent auditors' report, notes to the basic financial statements, and the basic governmental wide financial statements, to enhance the understanding of the District's financial performance.

The District is a small, rural school district offering instruction to students from preschool-kindergarten through twelfth grade, including programs for alternative education, vocational, and adult education. During the 2022-2023 school year the District operated one pre-school, three elementary schools, one middle school, one high school and one alternative education school with an adult education program. The District is on a traditional September through June schedule, for the instruction of approximately 3,300 students.

USING THE ANNUAL FINANCIAL REPORT

This annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

The Management's Discussion and Analysis is provided to assist our citizens, taxpayers, and investors in reviewing the District's finances and to show the accountability for the money it receives.

FINANCIAL HIGHLIGHTS

The District's Government-Wide Statement of Net Position illustrates a total net position of $40,678,269, an increase from the prior year. It is a result of total assets of $95,595,074 and Deferred Outflows of Resources of $12,902,763 minus liabilities of $63,157,913 and Deferred Inflows of Resources of $4,661,655. Our net position includes a notable item, the net pension liability of $37,821,783.

General revenues accounted for $48,702,064 or 61% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions, accounted for $30,778,722 or 39%, for a total of $79,480,786 in revenue.

The District had $58,340,411 in expenses related to governmental activities.

The General Fund reported a positive fund balance of $24,637,593.

The Long-Term Debt has decreased by $530,123.

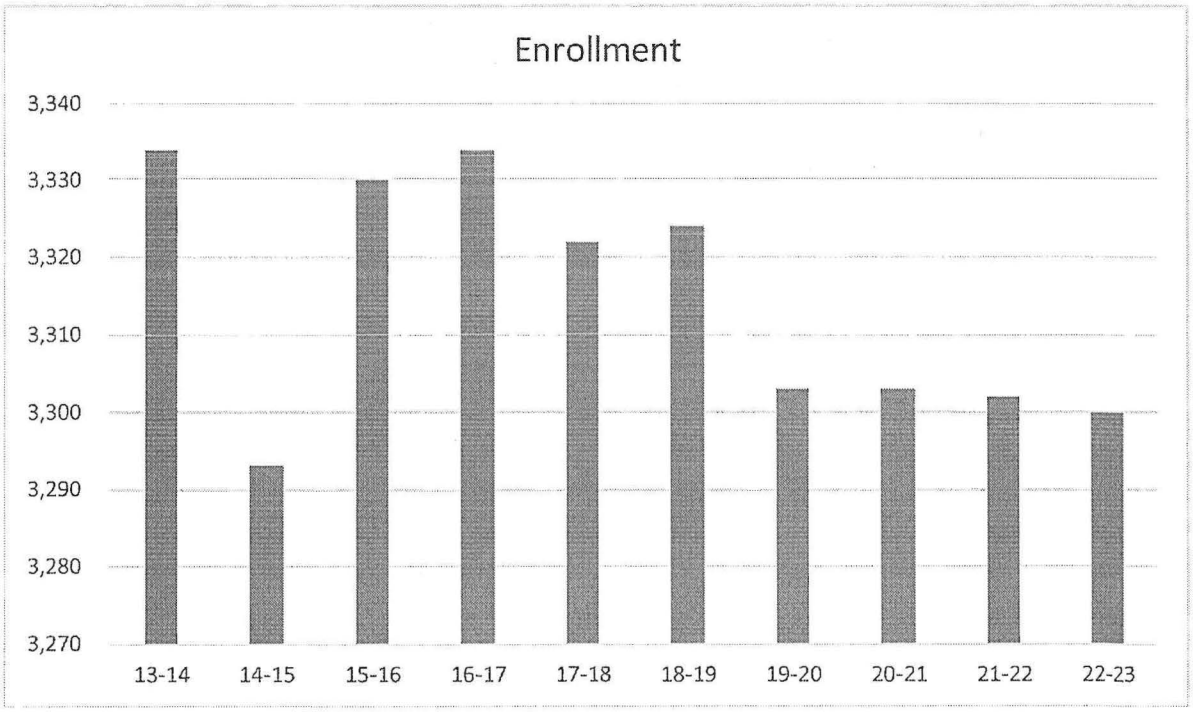
The Net Pension Liability has increased by $13,989,164.

The Total Other Postemployment Benefit Liability has decreased by $156,785.

STUDENT ENROLLMENT AND DEMOGRAPHIC TRENDS

The District had an enrollment of 3,300 students for the 2022-2023 school year. Enrollment remains stable in recent years with future increases conservative due to the current economic conditions and new housing developments. Figure 1 summarizes a historical analysis of the District's enrollment.

Figure 1



In addition to enrollment, the District also records actual Average Daily Attendance (ADA) of students. The ADA is lower than a District's enrollment due to absences of students from school. Although the two terms are often used interchangeably they are not the same. The enrollment for 2022-2023 was 3,300 with an ADA of 2,988 for a 90.55% attendance rate.

School districts have traditionally placed great importance on the accurate projection of student enrollment and ADA for the ensuing budget year, due to the broad range of funding and programs impacted by these numbers. These impacts range from the very basic funding for California school districts to how much the District may receive from a particular program or grant. ADA is calculated by adding each day's student attendance and dividing by the total number of days in the school year. (Up to the P-2 date.) This will give the average daily attendance (ADA). This is multiplied by a unique "LCFF entitlement amount" which is the funding the District receives for operational expenditures.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" "The Statement of Net Position" and the "Statement of Activities" report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors, such as property tax base, current property tax laws, student enrollment, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State statute, while other funds are established by the District to help manage money for particular purposes and compliance with various regulations.

Governmental funds include all of the major funds of the District. A more detailed discussion of Governmental funds follows.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows in to and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting. Governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance District programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in Exhibits A-4 and A-6 in the financial statements.

Notes to the Financial Statements

The notes provide additional information which is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The District as a Whole

The "Statement of Net Position" provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position for fiscal year 2022-2023.

Table 1
Statement of Net Position

	Governmental Activities		
	2021-2022	2022-2023	Variance
Assets:			
Current and Other Assets	$ 27,466,115	$ 43,924,326	$ 16,458,211
Capital Assets	44,038,395	51,670,748	7,632,353
Total Assets	71,504,510	95,595,074	24,090,564
Deferred Outflows of Resources:			
Pension	10,708,481	12,668,331	1,959,850
OPEB	267,829	234,432	(33,397)
Total Deferred Outflows of Resources	10,976,310	12,902,763	1,926,453
Liabilities:			
Current Liabilities	6,581,272	11,469,894	4,888,622
Net Pension Liability	23,832,619	37,821,783	13,989,164
Total Other Postemployment Benefit Liability	3,085,254	2,928,469	(156,785)
Long-Term Debt	11,467,890	10,937,767	(530,123)
Total Liabilities	44,967,035	63,157,913	18,190,878
Deferred Inflows of Resources:			
Pension	17,482,712	3,952,420	(13,530,292)
OPEB	557,799	709,235	151,436
Total Deferred Inflows of Resources	18,040,511	4,661,655	(13,378,856)
Net Position:			
Net Investment in Capital Assets	32,813,395	40,875,748	8,062,353
Restricted	4,477,638	14,213,508	9,735,870
Unrestricted	(17,817,759)	(14,410,987)	3,406,772
Total Net Position	$ 19,473,274	$ 40,678,269	$ 21,204,995

Table 2 shows the comparison of revenue and expenses between 2021-2022 and 2022-2023.

Table 2
Statement of Activities

	Governmental Activities		
	2021-2022	2022-2023	Variance
Revenues:			
Program Revenues			
Charges for Services	$ 28,748	$ 69,249	$ 40,501
Operating Grants & Contributions	17,061,866	30,709,473	13,647,607
General Revenues			
LCFF Sources	39,583,436	45,270,182	5,686,746
State Revenues	693,793	2,354,113	1,660,320
Local Revenues	493,637	1,077,769	584,132
Total Revenues	57,861,480	79,480,786	21,619,306
Expenses:			
Instruction	25,800,715	29,270,476	3,469,761
Instruction-Related Services	5,795,414	7,191,300	1,395,886
Pupil Services	6,008,736	7,416,652	1,407,916
Ancillary Services	692,856	1,345,678	652,822
Enterprise	123,394	126,898	3,504
General Administration	3,995,439	4,136,771	141,332
Plant Services	6,117,759	7,832,377	1,714,618
Other Outgo	486,673	591,706	105,033
Interest on Long-Term Obligations	448,710	428,553	(20,157)
Total Expenses	49,469,696	58,340,411	8,870,715
Increase In Net Position	$ 8,391,784	$ 21,140,375	$ 12,748,591

GOVERNMENTAL FUNDS

The District's governmental funds include Student Body Activity, Adult Education, Child Development, Cafeteria, Deferred Maintenance, Scholarship, Capital Facilities, Special Reserve for Capital Projects, and most importantly, the General Fund. The Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds, summarizes District revenue by source of the District's Governmental Funds and expenditures by function.

GENERAL FUND BUDGET INFORMATION

The District's budget is prepared in accordance with California law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District begins the budget process in January of each year, to be completed by June 30. After updating of the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school level. Each school in the District receives a small discretionary allocation. The departments provide input to the business office for their budget needs. The site and department budgets are reviewed periodically to ensure management is aware of any significant variations during the year.

General Fund Budget Variations

In June of each year, a budget is adopted by the District's Board of Trustees, effective July 1 through June 30. The budget is based on the most current information available at the time of adoption. As the year progresses the budget is revised and updated based on new information and District needs. The budget changes are presented with various financial reports and presented at a public meeting of the District's Board of Trustees. Finally, in August of the following year, the books are closed for the July 1 through June 30 fiscal year, and the results are audited, yielding actual final numbers.

There are several reasons for budget revisions. Most notable are any salary increases granted by the Board of Trustees for employees as the original budget does not presume salary increases. Also, any changes in the number of staff and/or staff utilization of health and welfare benefits that vary from the original projections would also yield budget revisions.

The implementation of new instructional or categorical programs can also affect budget projections. The increased emphasis on closing the achievement gap for all of our students will push forward several academic-focused programs that will impact expenditures in personnel, instructional materials, outside services, support services, technology infrastructure, and supplies.

The District is currently faced with the fluctuating fiscal condition of the State of California and the Local Control Funding Formula (LCFF) changes for public education. The State and Federal budget issues have an impact on the District's budget. As revenues from these two sources change, so do District revenues. The implementation of new instructional or categorical programs can also affect budget projections.

The final actual numbers of the General Fund that will be certified by February of the next year will be the reflection of the culmination of these factors.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3 shows the balances at the end of the fiscal year 2022-2023. The District had $84,358,065 invested in land, buildings, building and site improvements, and equipment.

Table 3
Capital Assets

	Historical Cost	Accumulated Depreciation	Net Capital Assets
Land	$ 963,717	$ -	$ 963,717
Land Improvements	16,515,995	(12,737,449)	3,778,546
Buildings	47,707,694	(15,442,582)	32,265,112
Equipment	7,581,356	(4,507,286)	3,074,070
Work In Progress	11,589,303	-	11,589,303
Total	$ 84,358,065	$ (32,687,317)	$ 51,670,748

The District's Net Capital Assets have increased over the past five years from $56,741,082 (2017-2018) to $84,358,065 (2022-2023). This increase is largely due to the District's Master Facility Plan.

DEBT

At June 30, 2023 the District had outstanding debt as summarized in Table 4.

Table 4
Long-Term Debt

	District Wide Governmental Activities
Balances:	
Certificates of Participation	$ 10,795,000
Compensated Absences	142,767
Total	$ 10,937,767
Reductions:	
Paid principal on Certificates of Participation	$ 430,000
Paid principal on Notes Payable	$ 87,975
Paid principal on Compensated Absences	$ 12,148

FOR THE FUTURE

The District will continue to use resources in an efficient manner in order to fulfill its mission and vision as well as continue to seek other sources of funding. The administration will continue their focus on the needs of the District. We are committed to making our campuses and workplaces safe, welcoming, and inclusive for everyone. We will persist in increasing staff salaries and benefits while maintaining fiscal solvency. Additionally, we will continue to expand courses and pathways to provide students with the best opportunities possible. The District's system of budgeting and internal controls is well regarded and it will take all of the District's financial abilities to meet the challenges of the future.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, 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 additional financial information, contact the Chief Business Officer, 1520 Patterson Avenue, Corcoran, California 93212, (559) 992-8888 extension 1232.

Financial Section

CORCORAN UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS:	
Cash in County Treasury	$ 41,812,353
Cash on Hand and in Banks	268,403
Cash in Revolving Fund	10,000
Accounts Receivable	1,763,500
Stores Inventories	70,070
Capital Assets:	
Land	963,717
Land Improvements, Net	3,778,546
Buildings, Net	32,265,112
Equipment, Net	3,074,070
Work in Progress	11,589,303
Total Assets	95,595,074
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows of Resources - Pensions	12,668,331
Deferred Outflows of Resources - OPEB	234,432
Total Deferred Outflows of Resources	12,902,763
LIABILITIES:	
Accounts Payable	7,580,763
Unearned Revenue	3,889,131
Noncurrent Liabilities:	
Net Pension Liability	37,821,783
Total Other Postemployment Benefit Liability	2,928,469
Due within one year	450,000
Due in more than one year	10,487,767
Total Liabilities	63,157,913
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows of Resources - Pensions	3,952,420
Deferred Inflows of Resources - OPEB	709,235
Total Deferred Inflows of Resources	4,661,655
NET POSITION:	
Net Investment in Capital Assets	40,875,748
Restricted For:	
Capital Projects	215,461
Scholarships	22,769
Legally Restricted Balances	12,832,969
Specific Programs	1,142,309
Unrestricted	(14,410,987)
Total Net Position	$ 40,678,269

The accompanying notes are an integral part of this statement.

CORCORAN UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
Instruction	$ 29,270,476	$ 53,572	$ 13,387,216	$ (15,829,688)
Instruction-Related Services	7,191,300	615	9,067,410	1,876,725
Pupil Services	7,416,652	5,591	4,700,565	(2,710,496)
Ancillary Services	1,345,678	-	772,412	(573,266)
Enterprise	126,898	1,142	6,511	(119,245)
General Administration	4,136,771	2,525	801,806	(3,332,440)
Plant Services	7,832,377	4,991	1,876,441	(5,950,945)
Other Outgo	591,706	813	97,112	(493,781)
Interest on Long-Term Obligations	428,553	-	-	(428,553)
Total Governmental Activities	58,340,411	69,249	30,709,473	(27,561,689)
Total Primary Government	$ 58,340,411	$ 69,249	$ 30,709,473	(27,561,689)
	General Revenues:			
	LCFF Sources			45,270,182
	State Revenues			2,354,113
	Local Revenues			1,077,769
	Total General Revenues			48,702,064
	Change in Net Position			21,140,375
	Net Position - Beginning			19,473,274
	Prior Period Adjustment			64,620
	Net Position - Ending			$ 40,678,269

The accompanying notes are an integral part of this statement.

CORCORAN UNIFIED SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash in County Treasury	$ 34,344,282	$ 7,468,071	$ 41,812,353
Cash on Hand and in Banks	-	268,403	268,403
Cash in Revolving Fund	5,000	5,000	10,000
Accounts Receivable	1,375,382	388,118	1,763,500
Due from Other Funds	-	550,000	550,000
Stores Inventories	-	70,070	70,070
Total Assets	$ 35,724,664	$ 8,749,662	$ 44,474,326
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	$ 6,744,929	$ 835,834	$ 7,580,763
Due to Other Funds	500,000	50,000	550,000
Unearned Revenue	3,842,142	46,989	3,889,131
Total Liabilities	11,087,071	932,823	12,019,894
Fund Balance:			
Nonspendable Fund Balances:			
Revolving Cash	5,000	5,000	10,000
Stores Inventories	-	70,070	70,070
Restricted Fund Balances	12,832,969	1,380,539	14,213,508
Committed Fund Balances	3,900,000	6,361,230	10,261,230
Assigned Fund Balances	4,843,931	-	4,843,931
Unassigned:			
Reserve for Economic Uncertainty	2,600,000	-	2,600,000
Other Unassigned	455,693	-	455,693
Total Fund Balance	24,637,593	7,816,839	32,454,432
Total Liabilities and Fund Balances	$ 35,724,664	$ 8,749,662	$ 44,474,326

The accompanying notes are an integral part of this statement.

CORCORAN UNIFIED 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	$	32,454,432
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		84,358,065
Accumulated depreciation		(32,687,317)
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		12,668,331
Deferred outflows of resources related to OPEB		234,432
Certain liabilities are not due and payable in the current period from current financial resources, and therefore are not reported in the funds:		
Certificates of participation (COPS) payable		(10,795,000)
Compensated absences		(142,767)
Net pension liability		(37,821,783)
Total other postemployment benefit liability		(2,928,469)
Deferred inflows of resources related to pensions		(3,952,420)
Deferred inflows of resources related to OPEB		(709,235)
Net position of governmental activities - Statement of Net Position	$	40,678,269

The accompanying notes are an integral part of this statement.

CORCORAN UNIFIED SCHOOL DISTRICT

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

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
LCFF Sources:			
State Apportionment or State Aid	$ 39,020,360	$ -	$ 39,020,360
Education Protection Account Funds	2,599,664	-	2,599,664
Local Sources	3,150,160	500,000	3,650,160
Federal Revenue	10,409,755	2,684,830	13,094,585
Other State Revenue	16,217,414	2,593,958	18,811,372
Other Local Revenue	2,535,159	965,616	3,500,775
Total Revenues	73,932,512	6,744,404	80,676,916
Expenditures:			
Current:			
Instruction	30,687,190	634,801	31,321,991
Instruction - Related Services	7,359,233	257,635	7,616,868
Pupil Services	4,517,089	2,910,351	7,427,440
Ancillary Services	744,740	623,039	1,367,779
Enterprise	125,381	-	125,381
General Administration	4,046,841	3,500	4,050,341
Plant Services	6,458,680	107,385	6,566,065
Other Outgo	591,706	-	591,706
Capital Outlay	8,182,669	975,179	9,157,848
Debt Service:			
Principal	87,975	430,000	517,975
Interest	1,222	427,331	428,553
Total Expenditures	62,802,726	6,369,221	69,171,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,129,786	375,183	11,504,969
Other Financing Sources (Uses):			
Transfers In	-	862,632	862,632
Transfers Out	(862,632)	-	(862,632)
Total Other Financing Sources (Uses)	(862,632)	862,632	-
Net Change in Fund Balance	10,267,154	1,237,815	11,504,969
Fund Balance, July 1	14,370,439	6,514,404	20,884,843
Prior Period Adjustment	-	64,620	64,620
Fund Balance, June 30	$ 24,637,593	$ 7,816,839	$ 32,454,432

The accompanying notes are an integral part of this statement.

CORCORAN UNIFIED 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	$ 11,504,969
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	9,206,678
Depreciation expense	(1,574,325)
Certain expenditures in the funds are not reported as expenses in the SOA:	
Repayment of certificates of participation (COPS) payable	430,000
Repayment of note payable	87,975
Payment on compensated absences	12,148
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.	1,500,978
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.	(28,048)
Change in net position of governmental activities - Statement of Activities	$ 21,140,375

The accompanying notes are an integral part of this statement.

NOTE 1 - Summary of Significant Accounting Policies

Corcoran Unified 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 Corcoran Unified School District, 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. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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 funds each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental fund:

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.

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 Child Development Fund is used to account separately for federal, state and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

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.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The Deferred Maintenance Fund is used to account separately for state apportionments that are committed for the purpose of deferred maintenance expenditures.

The Scholarship Fund exists primarily to account separately for money received from gifts or bequests to be used for student scholarships.

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The following capital projects 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 Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes. There was no activity in this fund during the year ended June 30, 2023.

The Special Reserve Fund for Capital Outlay Projects #2 exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes.

Measurement Focus, Basis of Accounting

Government-wide 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.

NOTE 1 - Summary of Significant Accounting Policies (continued)

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.

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.

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 Kings 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 expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Inventories of the General Fund are immaterial and have been omitted from these statements.

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:

Asset Class	Estimated Useful Lives
Land Improvements	20
Buildings	25-50
Equipment	5-15

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.

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) or legally required to remain intact (revolving cash).

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

In fiscal year 2011, the District adopted a minimum fund balance policy for the General Fund. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredictable expenditures. Therefore, the District will maintain an unassigned Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than prescribed for fiscal solvency review purposes pursuant to Education Code Section 33127. In the event that the balance drops below the established minimum level, the District's governing board will develop a plan to replenish the fund balance to the established minimum level within two years.

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.

NOTE 1 - Summary of Significant Accounting Policies (continued)

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 County of Kings bills and collects the taxes for the District.

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:

Violation	Action Taken
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:

Fund Name	Deficit Amount	Remarks
None reported	Not applicable	Not applicable

NOTE 3 - Cash and Investments

Cash in County Treasury

The District maintains substantially all of its cash in the Kings 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 ($268,403 as of June 30, 2023) and in the revolving fund ($10,000) 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	$	41,812,353
Cash on Hand and in Banks		268,403
Cash in Revolving Fund		10,000
Total	$	42,090,756

Analysis of Specific Deposits and Investments (continued)

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

Cash in County Treasury	$	41,812,353
Deposits with Financial Institutions		278,403
Total	$	42,090,756

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.

NOTE 3 - 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. As of June 30, 2023, of the District's bank balance, $250,000 was insured, but $10,511 was exposed to custodial credit risk because it was uninsured, however, it was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

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 4 - Accounts Receivable

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

	General Fund	Other Governmental Funds	Totals
Federal Government:			
Federal Programs	$ 185,611	$ 348,667	$ 534,278
State Government:			
Arts, Music and Instructional Materials	829,270	-	829,270
Lottery - Instructional Materials	88,128	-	88,128
Lottery	95,382	-	95,382
Agricultural Career Technical Educational Incentive	5,057	-	5,057
After School & Safety	123,580	-	123,580
Child Nutrition Program	-	39,451	39,451
Total State Government	1,141,417	39,451	1,180,868
Other Local	48,354	-	48,354
Totals	$ 1,375,382	$ 388,118	$ 1,763,500

NOTE 5 - Capital Assets

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

	Beginning Balances	Increases	Reclassifications/ Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 963,717	$ -	$ -	$ 963,717
Work in progress	3,336,473	8,252,830	-	11,589,303
Total capital assets not being depreciated	4,300,190	8,252,830	-	12,553,020
Capital assets being depreciated:				
Land improvements	16,469,147	46,848	-	16,515,995
Buildings	47,220,629	487,065	-	47,707,694
Equipment	7,161,421	419,935	-	7,581,356
Total capital assets being depreciated	70,851,197	953,848	-	71,805,045
Less accumulated depreciation for:				
Land improvements	(12,589,687)	(147,762)	-	(12,737,449)
Buildings	(14,499,185)	(943,397)	-	(15,442,582)
Equipment	(4,024,120)	(483,166)	-	(4,507,286)
Total accumulated depreciation	(31,112,992)	(1,574,325)	-	(32,687,317)
Total capital assets being depreciated, net	39,738,205	(620,477)	-	39,117,728
Governmental activities capital assets, net	$ 44,038,395	$ 7,632,353	$ -	$ 51,670,748

Depreciation was charged to functions as follows:

Instruction	$ 76,665
Instruction - Related Services	6,798
Pupil Services	170,379
Ancillary Services	3,793
Enterprise	1,517
General Administration	79,568
Plant Services	1,235,605
Total	$ 1,574,325

NOTE 6 - 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:

Due to Fund	Due From Fund	Amount	Reason
Other Governmental Funds	General Fund	$ 500,000	Deferred maintenance contribution
Other Governmental Funds	Other Governmental Funds	50,000	Temporary loan
	Total	$ 550,000	

The amount 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:

Transfers From	Transfers To	Amount	Reason
General Fund	Other Governmental Funds	$ 857,331	COP payment
General Fund	Other Governmental Funds	5,301	Contribution
	Total	$ 862,632	

NOTE 7 - Long-Term Debt Obligations

Long-Term Debt Obligation Summary

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

	Beginning Balances	Increases	Decreases	Ending Balances	Amounts Due Within One Year
Governmental activities:					
Certificates of Participation	$ 11,225,000	$ -	$ 430,000	$ 10,795,000	$ 450,000
Note Payable	87,975	-	87,975	-	-
Compensated Absences *	154,915	-	12,148	142,767	-
Total governmental activities	$ 11,467,890	$ -	$ 530,123	$ 10,937,767	$ 450,000

*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:

Liability	Activity Type	Fund
Certificates of Participation	Governmental	Special Reserve Fund for Capital Outlay Projects #2
Note Payable	Governmental	General Fund
Compensated Absences	Governmental	General, Child Development and Cafeteria Funds

NOTE 7 - Long-Term Debt Obligations (continued)

Certificates of Participation

In April 2017, the Local Facilities Financing Corporation issued the certificates of participation (COPs) on behalf of the District in the amount of $13,125,000 to assist in financing modernization projects throughout the District (2017 School Modernization Refinancing Project). Proceeds of the COPs were used to refund the District's outstanding COP (2014 School Modernization Financing Project). The initial interest rate was at 3% through November 30, 2017. Thereafter, the rate of interest ranges from 3% to 5%. Interest on the certificates is due semi-annually on June 1 and December 1. As of June 30, 2023, the District's portion of the principal balance outstanding was $10,795,000.

Future commitments for certificates of participation as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 450,000	$ 405,331	$ 855,331
2025	475,000	382,206	857,206
2026	495,000	357,956	852,956
2027	525,000	332,456	857,456
2028	550,000	305,581	855,581
2029-2033	3,045,000	1,231,163	4,276,163
2034-2038	3,610,000	662,922	4,272,922
2039-2040	1,645,000	65,494	1,710,494
Totals	$ 10,795,000	$ 3,743,109	$ 14,538,109

Note Payable

In October 2019, the District entered into a four year note payable with Apple, Inc. for iPad tablets valued at $349,519. The annual payment including interest at 1.39% is $89,197. The equipment under this note was not capitalized, as the individual items were below the $5,000 threshold set by the District. In March 2023, the note payable was paid off.

Debt Service Requirements

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

Year Ending June 30,	Principal	Interest	Total
2024	$ 450,000	$ 405,331	$ 855,331
2025	475,000	382,206	857,206
2026	495,000	357,956	852,956
2027	525,000	332,456	857,456
2028	550,000	305,581	855,581
2029-2033	3,045,000	1,231,163	4,276,163
2034-2038	3,610,000	662,922	4,272,922
2039-2040	1,645,000	65,494	1,710,494
Totals	$ 10,795,000	$ 3,743,109	$ 14,538,109

NOTE 8 - Fund Balances and Restricted Net Position

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

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Revolving Cash	$ 5,000	$ 5,000	$ 10,000
Stores Inventories	-	70,070	70,070
Total Nonspendable	5,000	75,070	80,070
Restricted:			
Learning Recovery Emergency Block Grant	5,223,426	-	5,223,426
Expanded Learning Opportunities Grants	1,912,994	-	1,912,994
Arts, Music and Instructional Materials Discretionary Block Grant	1,369,870	-	1,369,870
Lottery - Instructional Materials	1,200,429	-	1,200,429
Other Restricted Local	963,980	-	963,980
Educator Effectiveness	609,887	-	609,887
Mental Health Related Services	505,250	-	505,250
Child Nutrition: Kitchen Infrastructure & Training Funds	466,850	-	466,850
Special Education Early Intervention Preschool Grant	194,138	-	194,138
A-G Access/Success Grant	181,034	-	181,034
A-G Learning Loss Mitigation Grant	87,017	-	87,017
Child Nutrition: Supply Chain Assistance	81,585	-	81,585
Child Nutrition: Food Service Staff Training Funds	18,984	-	18,984
Low-Performing Students Block Grant	12,839	-	12,839
Classified School Employee Professional Development Block Grant	4,686	-	4,686
Child Nutrition	-	803,983	803,983
Student Activity Funds	-	245,634	245,634
Developer Fees	-	215,461	215,461
Adult Education Program	-	86,344	86,344
Scholarship	-	22,769	22,769
Child Development	-	6,348	6,348
Total Restricted	12,832,969	1,380,539	14,213,508
Committed:			
Deferred Maintenance	-	2,324,752	2,324,752
Other Committed	3,900,000	4,036,478	7,936,478
Total Committed	3,900,000	6,361,230	10,261,230
Assigned:			
Other Purposes	4,843,931	-	4,843,931
Total Assigned	4,843,931	-	4,843,931
Unassigned:			
Reserve for Economic Uncertainty	2,600,000	-	2,600,000
Other Unassigned	455,693	-	455,693
Total Unassigned	3,055,693	-	3,055,693
Total Fund Balances	$ 24,637,593	$ 7,816,839	$ 32,454,432

The government-wide statement of net position reports $14,213,508 of restricted net position, which is not restricted by enabling legislation.

NOTE 9 - Participation In Public Entity Risk Pools and Joint Powers Authorities (JPAs)

The Corcoran Unified School District participates in the following public entity risk pools under joint powers agreements; the California Risk Management Authority (C.R.M.A.), the Kings County Self-Insured Schools (K.C.S.I.S.), Kings Schools Transportation Authority (K.S.T.A.) and the Self-Insured Schools of California III (S.I.S.C. III). 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 or transportation programs as follows:

C.R.M.A. provides for the payment of liability and property claims against the public educational agency members.

K.C.S.I.S. is an insurance purchasing pool for workers' compensation insurance.

K.S.T.A. funds, establishes, develops and maintains transportation services for handicapped students.

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 education agency employees and their covered dependents and to minimize the total cost of annual medical insurance of their respective member organizations.

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 self-insurance 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 10 - 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.

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.

NOTE 10 - Pension Plans (continued)

Benefits Provided (continued)

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	
Hire Date	On or Before December 31, 2012	On or After January 1, 2013	On or Before December 31, 2012	On or After 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 $3,821,922.

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 $1,863,499.

NOTE 10 - Pension Plans (continued)

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 $2,041,834 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 $845,704. 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:

	CalSTRS	CalPERS	Totals
District's proportionate share of the net pension liability	$ 23,703,757	$ 14,118,026	$ 37,821,783
State's proportionate share of the net pension liability associated with the District	11,870,911	-	11,870,911
Total net pension liability	$ 35,574,668	$ 14,118,026	$ 49,692,694

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 June 30, 2021 is as follows:

	CalSTRS	CalPERS
Proportionate share at June 30, 2022	0.03411%	0.04103%
Proportionate share at June 30, 2021	0.03402%	0.04106%
Change - increase (decrease)	0.00009%	(0.00003%)

NOTE 10 - Pension Plans (continued)

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

For the year ended June 30, 2023, the District recognized pension expense of $2,988,313 and revenue of $2,041,834 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,045,312
Changes of assumptions	2,219,905	-
Net difference between projected and actual earnings on pension plan investments	1,666,955	1,159,160
Changes in proportion and differences between District contributions and proportionate share of contributions	3,096,050	747,948
District contributions subsequent to the measurement date	5,685,421	-
Totals	$ 12,668,331	$ 3,952,420

$5,685,421 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:

Year Ending June 30,	Pension Expense
2024	$ 1,091,199
2025	(129,242)
2026	(867,701)
2027	3,164,457
2028	(91,113)
Thereafter	(137,110)
Total	$ 3,030,490

Actuarial Methods and Assumptions

	CalSTRS	CalPERS
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

NOTE 10 - Pension Plans (continued)

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 below.

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

The tables below reflect long-term expected real rates of return by 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%
Infrastructure & Forestland	0%	0.00%
Cash/Liquidity	2%	-0.40%
Risk Mitigation 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%

NOTE 10 - Pension Plans (continued)

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.

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:

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	$ 40,257,771	$ 20,394,204
Current Discount Rate	7.10%	6.90%
Net Pension Liability	$ 23,703,757	$ 14,118,026
1% Increase	8.10%	7.90%
Net Pension Liability	$ 9,958,948	$ 8,930,996

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. CalPERS discount rate decreased from 7.15% to 6.90%, payroll growth increased from 2.75% to 2.80%, and inflation growth decreased from 2.50% to 2.30%.

NOTE 11 - Postemployment Benefits Other Than Pension Benefits (OPEB)

Plan Description

The District provides a self-funded, single employer, defined benefit healthcare plan administered by Corcoran Unified School District to provide medical, dental, vision and behavioral health plans for all eligible active and retired District employees and their dependents. The program is intended to offer a comprehensive coverage of most medical with prescription drugs, dental and vision benefits. 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.

NOTE 11 - Postemployment Benefits Other Than Pension Benefits (OPEB) (continued)

Benefits Provided

As established by board policy, the plan covers employees who retire from the District on or after attaining age 55 with at least 10 years of service and hired before July 1, 2005 for management employees and at least 14 years of service and hired before July 1, 2005 for certificated employees. A minimum 18 years of service to the District and hired before July 1, 2008 is required for classified employees. Benefits are paid until they qualify for Medicare. The District is a member in a joint powers authority (JPA) the Self-Insured Schools of California (S.I.S.C. III), as described in Note 9, to provide this health coverage.

Employees Covered by Benefit Terms

At June 30, 2021, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	78
Total number of participants	85

Contributions

The District funds the benefits on a pay-as-you-go basis. The District pays the premiums for certificated retirees at a rate ranging from 50% to 80% of the cost, depending on length of service and age at retirement. The District pays the premiums for classified retirees at 60% and for management retirees at 100%. Classified retirees have a District cap of $3,000 per year if retired prior to age 60. During the fiscal year ended June 30, 2023, the District paid $71,540 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 $2,928,469, was determined by an actuarial valuation as of June 30, 2021. Standard actuarial update procedures were used to project/discount from valuation to measurement date of June 30, 2022. Changes in total OPEB liability are as follows:

	Total OPEB Liability
Balance at June 30, 2021, measurement date	$ 3,085,254
Changes recognized for measurement period:	
Service cost	132,310
Interest	67,282
Changes of benefit terms	-
Differences between expected and actual experience	2,645
Changes of assumptions or other inputs	(283,365)
Benefit payments*	(75,657)
Net changes	(156,785)
Balance at June 30, 2022, measurement date	$ 2,928,469

*Amount includes implicit subsidy associated with benefits paid.

NOTE 11 - 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 $116,758. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,298	$ 422,587
Changes of assumptions or other inputs	143,423	286,648
District contributions subsequent to the measurement date	88,711	-
Totals	$ 234,432	$ 709,235

$88,711 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense, as follows:

Year Ending June 30,	OPEB Expense
2024	$ (82,832)
2025	(77,100)
2026	(77,203)
2027	(109,159)
2028	(112,678)
Thereafter	(104,542)
Total	$ (563,514)

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, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age
Actuarial Assumptions:	
Investment Return/Discount Rate (1)	3.54%
Inflation Rate	2.50%
Projected Salary Increase	2.75%
Healthcare Cost Trend Rates	4.00%
Retiree's Share of Costs	Actual retiree premiums plus an implicit rate subsidy of 24.0% of non-medicare medical premiums

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

Mortality rates for Certificated employees were based on the 2020 CalSTRS Mortality table created by CalSTRS. Mortality rates for Classified employees were based on the 2017 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS.

NOTE 11 - Postemployment Benefits Other Than Pension Benefits (OPEB) (continued)

Actuarial Methods and Assumptions (continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of CalSTRS 2020 and CalPERS 2017 Retirement and Turnover Rate Tables. CalSTRS and CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	$ 3,142,475	$ 2,928,469	$ 2,786,273

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	$ 2,641,334	$ 2,928,469	$ 3,243,314

Summary of Changes of Benefits or Assumptions

As of the June 30, 2022 measurement date, the discount rate increased from 2.16 % to 3.54%. The inflation rate, projected salary increase rate, and the healthcare cost trend rate remained the same.

NOTE 12 - 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.

Construction

On September 14, 2021, the Board approved a contract with American Modular Systems for six modular classrooms at Corcoran High School and one new concession at Kings Lake Education Center in the amount of $4,243,594. The District expects the project to be completed in the 2023-24 school year.

On January 25, 2022, the Board approved a contract with American Modular Systems for six modular classrooms at Bret Harte Elementary School to accommodate the increase in transitional kindergarten students in the amount of $4,107,860. The District expects the project to be completed in the 2023-24 school year.

NOTE 13 - Prior Period Adjustment

An adjustment to prior year net position and fund balance within the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds, respectively, in the amount of $62,620, represents an understatement of cash in banks in the Student Activity Fund.

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.

CORCORAN UNIFIED SCHOOL DISTRICT

EXHIBIT B-1

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	$ 32,596,251	$ 39,020,360	$ 39,020,360	$ -
Education Protection Account Funds	7,858,532	2,599,664	2,599,664	-
Local Sources	1,648,083	3,150,160	3,150,160	-
Federal Revenue	13,993,483	10,409,755	10,409,755	-
Other State Revenue	5,383,476	16,217,414	16,217,414	-
Other Local Revenue	1,696,369	2,535,159	2,535,159	-
Total Revenues	63,176,194	73,932,512	73,932,512	-
Expenditures:				
Current:				
Certificated Salaries	20,039,289	21,318,268	21,318,268	-
Classified Salaries	6,048,798	6,446,627	6,446,627	-
Employee Benefits	12,989,835	13,310,734	13,310,734	-
Books And Supplies	3,455,099	4,152,233	4,152,233	-
Services And Other Operating Expenditures	9,288,681	8,711,292	8,711,292	-
Other Outgo	717,823	591,706	591,706	-
Direct Support/Indirect Costs	(81,726)	-	-	-
Capital Outlay	7,871,412	8,182,669	8,182,669	-
Debt Service:				
Principal	89,197	87,975	87,975	-
Interest	7,270	1,222	1,222	-
Total Expenditures	60,425,678	62,802,726	62,802,726	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,750,516	11,129,786	11,129,786	-
Other Financing Sources (Uses):				
Transfers Out	(891,912)	(862,632)	(862,632)	-
Total Other Financing Sources (Uses)	(891,912)	(862,632)	(862,632)	-
Net Change in Fund Balance	1,858,604	10,267,154	10,267,154	-
Fund Balance, July 1	14,370,439	14,370,439	14,370,439	-
Fund Balance, June 30	$ 16,229,043	$ 24,637,593	$ 24,637,593	$ -

CORCORAN UNIFIED 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	0.02814%	$ 16,445,108	$ 9,930,366	$ 26,375,474	$ 12,614,752	130.36%	76.52%
6/30/2016	6/30/2015	0.02994%	$ 20,155,803	$ 10,660,169	$ 30,815,972	$ 13,639,606	147.77%	74.02%
6/30/2017	6/30/2016	0.02912%	$ 23,548,927	$ 13,407,958	$ 36,956,885	$ 14,653,709	160.70%	70.04%
6/30/2018	6/30/2017	0.02828%	$ 26,153,356	$ 15,472,231	$ 41,625,587	$ 14,986,415	174.51%	69.46%
6/30/2019	6/30/2018	0.02883%	$ 26,491,999	$ 15,167,982	$ 41,659,981	$ 15,353,770	172.54%	70.99%
6/30/2020	6/30/2019	0.02978%	$ 26,896,050	$ 14,673,709	$ 41,569,759	$ 16,218,317	165.84%	72.56%
6/30/2021	6/30/2020	0.03187%	$ 30,884,932	$ 15,921,058	$ 46,805,990	$ 16,749,632	184.39%	71.82%
6/30/2022	6/30/2021	0.03402%	$ 15,483,646	$ 7,790,932	$ 23,274,578	$ 16,801,325	92.16%	87.21%
6/30/2023	6/30/2022	0.03411%	$ 23,703,757	$ 11,870,911	$ 35,574,668	$ 17,881,093	132.56%	81.20%
California Public Employees' Retirement System:								
6/30/2015	6/30/2014	0.03137%	$ 3,561,398	$ -	$ 3,561,398	$ 3,343,358	106.52%	83.38%
6/30/2016	6/30/2015	0.03400%	$ 5,011,634	$ -	$ 5,011,634	$ 3,766,953	133.04%	79.43%
6/30/2017	6/30/2016	0.03590%	$ 7,090,272	$ -	$ 7,090,272	$ 4,311,176	164.46%	73.90%
6/30/2018	6/30/2017	0.03679%	$ 8,782,744	$ -	$ 8,782,744	$ 4,690,150	187.26%	71.87%
6/30/2019	6/30/2018	0.03736%	$ 9,961,352	$ -	$ 9,961,352	$ 4,983,188	199.90%	70.85%
6/30/2020	6/30/2019	0.03770%	$ 10,986,131	$ -	$ 10,986,131	$ 5,282,914	207.96%	70.05%
6/30/2021	6/30/2020	0.03999%	$ 12,269,080	$ -	$ 12,269,080	$ 5,810,086	211.17%	70.00%
6/30/2022	6/30/2021	0.04106%	$ 8,348,973	$ -	$ 8,348,973	$ 5,895,386	141.62%	80.97%
6/30/2023	6/30/2022	0.04103%	$ 14,118,026	$ -	$ 14,118,026	$ 6,369,380	221.65%	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.

CORCORAN UNIFIED SCHOOL DISTRICT

EXHIBIT B-3

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

Fiscal Year End	Statutorily Required Contribution	Contribution in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
California State Teachers' Retirement System:					
6/30/2015	$ 1,211,197	$ 1,211,197	$ -	$ 13,639,606	8.88%
6/30/2016	$ 1,572,343	$ 1,572,343	$ -	$ 14,653,709	10.73%
6/30/2017	$ 1,885,291	$ 1,885,291	$ -	$ 14,986,415	12.58%
6/30/2018	$ 2,215,549	$ 2,215,549	$ -	$ 15,353,770	14.43%
6/30/2019	$ 2,640,342	$ 2,640,342	$ -	$ 16,218,317	16.28%
6/30/2020	$ 2,864,187	$ 2,864,187	$ -	$ 16,749,632	17.10%
6/30/2021	$ 2,713,414	$ 2,713,414	$ -	$ 16,801,325	16.15%
6/30/2022	$ 3,025,481	$ 3,025,481	$ -	$ 17,881,093	16.92%
6/30/2023	$ 3,821,922	$ 3,821,922	$ -	$ 20,010,063	19.10%
California Public Employees' Retirement System:					
6/30/2015	$ 443,408	$ 443,408	$ -	$ 3,766,953	11.771%
6/30/2016	$ 510,745	$ 510,745	$ -	$ 4,311,176	11.847%
6/30/2017	$ 651,368	$ 651,368	$ -	$ 4,690,150	13.888%
6/30/2018	$ 773,939	$ 773,939	$ -	$ 4,983,188	15.531%
6/30/2019	$ 954,200	$ 954,200	$ -	$ 5,282,914	18.062%
6/30/2020	$ 1,145,807	$ 1,145,807	$ -	$ 5,810,086	19.721%
6/30/2021	$ 1,220,345	$ 1,220,345	$ -	$ 5,895,386	20.700%
6/30/2022	$ 1,459,225	$ 1,459,225	$ -	$ 6,369,380	22.910%
6/30/2023	$ 1,863,499	$ 1,863,499	$ -	$ 7,345,286	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.

CORCORAN UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

EXHIBIT B-4

Fiscal Year End	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB liability:						
Service cost	$ 165,232	$ 169,776	$ 174,445	$ 183,173	$ 241,922	$ 132,310
Interest	98,003	110,117	111,650	107,689	77,245	67,282
Differences between expected and actual experience	-	-	(29,593)	(35,759)	(535,025)	2,645
Changes of assumptions or other inputs	-	(51,587)	46,944	250,421	(40,610)	(283,365)
Benefit payments	(166,703)	(173,371)	(207,214)	(95,309)	(119,275)	(75,657)
Net change in total OPEB liability	96,532	54,935	96,232	410,215	(375,743)	(156,785)
Total OPEB liability - beginning	2,803,083	2,899,615	2,954,550	3,050,782	3,460,997	3,085,254
Total OPEB liability - ending	$ 2,899,615	$ 2,954,550	$ 3,050,782	$ 3,460,997	$ 3,085,254	$ 2,928,469
Covered-employee payroll	$ 5,961,407	$ 5,961,407	$ 6,525,882	$ 6,623,308	$ 5,980,354	$ 6,496,335
Total OPEB liability as a percentage of covered-employee payroll	48.64%	49.56%	46.75%	52.25%	51.59%	45.08%

*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.

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

Changes of Assumptions:

Fiscal Year End	Measurement Date	Discount Rate	Inflation	Payroll Growth	Projected Salary Increase (1)	Experience Study	Investment Rate of Return
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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The actuarial methods and assumptions used to calculate the net OPEB liability are described in Note 11 to the financial statements.

As of the June 30, 2022 measurement date, the discount rate increased from 2.16% to 3.54%.

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.

CORCORAN UNIFIED 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	$ 3,216,132	$ 4,251,939	$ 7,468,071
Cash on Hand and in Banks	268,403	-	268,403
Cash in Revolving Fund	5,000	-	5,000
Accounts Receivable	388,118	-	388,118
Due from Other Funds	550,000	-	550,000
Stores Inventories	70,070	-	70,070
Total Assets	$ 4,497,723	$ 4,251,939	$ 8,749,662
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	$ 835,834	$ -	$ 835,834
Due to Other Funds	50,000	-	50,000
Unearned Revenue	46,989	-	46,989
Total Liabilities	932,823	-	932,823
Fund Balance:			
Nonspendable Fund Balances:			
Revolving Cash	5,000	-	5,000
Stores Inventories	70,070	-	70,070
Restricted Fund Balances	1,165,078	215,461	1,380,539
Committed Fund Balances	2,324,752	4,036,478	6,361,230
Total Fund Balance	3,564,900	4,251,939	7,816,839
Total Liabilities and Fund Balances	$ 4,497,723	$ 4,251,939	$ 8,749,662

CORCORAN UNIFIED 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:			
LCFF Sources:			
Local Sources	$ 500,000	$ -	$ 500,000
Federal Revenue	2,684,830	-	2,684,830
Other State Revenue	1,255,401	1,338,557	2,593,958
Other Local Revenue	841,470	124,146	965,616
Total Revenues	5,281,701	1,462,703	6,744,404
Expenditures:			
Current:			
Instruction	634,801	-	634,801
Instruction - Related Services	257,635	-	257,635
Pupil Services	2,910,351	-	2,910,351
Ancillary Services	623,039	-	623,039
General Administration	-	3,500	3,500
Plant Services	106,030	1,355	107,385
Capital Outlay	877,175	98,004	975,179
Debt Service:			
Principal	-	430,000	430,000
Interest	-	427,331	427,331
Total Expenditures	5,409,031	960,190	6,369,221
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,330)	502,513	375,183
Other Financing Sources (Uses):			
Transfers In	5,301	857,331	862,632
Total Other Financing Sources (Uses)	5,301	857,331	862,632
Net Change in Fund Balance	(122,029)	1,359,844	1,237,815
Fund Balance, July 1	3,622,309	2,892,095	6,514,404
Prior Period Adjustment	64,620	-	64,620
Fund Balance, June 30	$ 3,564,900	$ 4,251,939	$ 7,816,839

CORCORAN UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund
ASSETS:			
Cash in County Treasury	$ -	$ 167,997	$ 174,326
Cash on Hand and in Banks	245,634	-	-
Cash in Revolving Fund	-	-	-
Accounts Receivable	-	1,359	-
Due from Other Funds	-	50,000	-
Stores Inventories	-	-	-
Total Assets	$ 245,634	$ 219,356	$ 174,326
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	$ -	$ 83,012	$ 161,716
Due to Other Funds	-	50,000	-
Unearned Revenue	-	-	6,262
Total Liabilities	-	133,012	167,978
Fund Balance:			
Nonspendable Fund Balances:			
Revolving Cash	-	-	-
Stores Inventories	-	-	-
Restricted Fund Balances	245,634	86,344	6,348
Committed Fund Balances	-	-	-
Total Fund Balance	245,634	86,344	6,348
Total Liabilities and Fund Balances	$ 245,634	$ 219,356	$ 174,326

Cafeteria Fund	Deferred Maintenance Fund	Scholarship Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
$ 607,654	$ 2,266,155	$ -	$ 3,216,132
-	-	22,769	268,403
5,000	-	-	5,000
386,759	-	-	388,118
-	500,000	-	550,000
70,070	-	-	70,070
$ 1,069,483	$ 2,766,155	$ 22,769	$ 4,497,723
$ 149,703	$ 441,403	$ -	$ 835,834
-	-	-	50,000
40,727	-	-	46,989
190,430	441,403	-	932,823
5,000	-	-	5,000
70,070	-	-	70,070
803,983	-	22,769	1,165,078
-	2,324,752	-	2,324,752
879,053	2,324,752	22,769	3,564,900
$ 1,069,483	$ 2,766,155	$ 22,769	$ 4,497,723

CORCORAN UNIFIED 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 Special Revenue Fund	Adult Education Fund	Child Development Fund
Revenues:			
LCFF Sources:			
Local Sources	$ -	$ -	$ -
Federal Revenue	-	41,660	29,400
Other State Revenue	-	280,745	491,778
Other Local Revenue	712,063	-	6,287
Total Revenues	712,063	322,405	527,465
Expenditures:			
Current:			
Instruction	-	231,485	403,316
Instruction - Related Services	-	107,069	124,978
Pupil Services	-	-	-
Ancillary Services	623,039	-	-
Plant Services	-	17,031	-
Capital Outlay	-	-	-
Total Expenditures	623,039	355,585	528,294
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,024	(33,180)	(829)
Other Financing Sources (Uses):			
Transfers In	-	-	5,301
Total Other Financing Sources (Uses)	-	-	5,301
Net Change in Fund Balance	89,024	(33,180)	4,472
Fund Balance, July 1	91,990	119,524	1,876
Prior Period Adjustment	64,620	-	-
Fund Balance, June 30	$ 245,634	$ 86,344	$ 6,348

Cafeteria Fund	Deferred Maintenance Fund	Scholarship Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
$ -	$ 500,000	$ -	$ 500,000
2,613,770	-	-	2,684,830
482,878	-	-	1,255,401
74,062	35,926	13,132	841,470
3,170,710	535,926	13,132	5,281,701
-	-	-	634,801
-	-	25,588	257,635
2,910,351	-	-	2,910,351
-	-	-	623,039
-	88,999	-	106,030
-	877,175	-	877,175
2,910,351	966,174	25,588	5,409,031
260,359	(430,248)	(12,456)	(127,330)
-	-	-	5,301
-	-	-	5,301
260,359	(430,248)	(12,456)	(122,029)
618,694	2,755,000	35,225	3,622,309
-	-	-	64,620
$ 879,053	$ 2,324,752	$ 22,769	$ 3,564,900

CORCORAN UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects #2	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS:			
Cash in County Treasury	$ 215,461	$ 4,036,478	$ 4,251,939
Total Assets	$ 215,461	$ 4,036,478	$ 4,251,939
LIABILITIES AND FUND BALANCE:			
Liabilities:	$ -	$ -	$ -
Total Liabilities	-	-	-
Fund Balance:			
Nonspendable Fund Balances:			
Restricted Fund Balances	215,461	-	215,461
Committed Fund Balances:			
Committed for Economic Uncertainties	-	4,036,478	4,036,478
Total Fund Balance	215,461	4,036,478	4,251,939
Total Liabilities and Fund Balances	$ 215,461	$ 4,036,478	$ 4,251,939

CORCORAN UNIFIED 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	Special Reserve Fund for Capital Outlay Projects #2	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:			
Other State Revenue	$ -	$ 1,338,557	$ 1,338,557
Other Local Revenue	72,354	51,792	124,146
Total Revenues	72,354	1,390,349	1,462,703
Expenditures:			
Current:			
General Administration	3,500	-	3,500
Plant Services	1,355	-	1,355
Capital Outlay	-	98,004	98,004
Debt Service:			
Principal	-	430,000	430,000
Interest	-	427,331	427,331
Total Expenditures	4,855	955,335	960,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,499	435,014	502,513
Other Financing Sources (Uses):			
Transfers In	-	857,331	857,331
Total Other Financing Sources (Uses)	-	857,331	857,331
Net Change in Fund Balance	67,499	1,292,345	1,359,844
Fund Balance, July 1	147,962	2,744,133	2,892,095
Fund Balance, June 30	$ 215,461	$ 4,036,478	$ 4,251,939

CORCORAN UNIFIED SCHOOL DISTRICT

TABLE D-1

LOCAL EDUCATION AGENCY
ORGANIZATION STRUCTURE
JUNE 30, 2023

Corcoran Unified School District was established on July 1, 1954. There were no changes in the boundaries of the District during the current year. The District consists of one preschool, three elementary schools, one middle school, one high school and one alternative education school, with an adult education program.

Governing Board

Name	Office	Term and Term Expiration
Berenice Alvarez	President	Four year term expires 12/2024
Valerie Bega	Vice President	Four year term expires 12/2026
Sandra DeLaFuente	Clerk	Four year term expires 12/2026
Patty Robertson	Member	Four year term expires 12/2024
Sammy Ramirez	Member	Four year term expires 12/2024

Administration

Name	Office	Tenure
Eduardo Ochoa	Superintendent	Two years
Charles Price	Chief Business Officer	Six months

CORCORAN UNIFIED SCHOOL DISTRICT

TABLE D-2

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2023

	Second Period Report		Annual Report	
	Per Report	Per Audit	Per Report	Per Audit
TK/K-3:				
Regular ADA	914.48	911.37	913.80	913.80
Grades 4-6:				
Regular ADA	724.15	725.58	724.87	724.87
Grades 7-8:				
Regular ADA	477.36	479.73	478.94	479.01
Community Day School	3.91	3.91	4.08	4.08
Grades 7-8 Totals	481.27	483.64	483.02	483.09
Grades 9-12:				
Regular ADA	865.94	867.41	862.75	862.23
Community Day School	3.84	3.84	4.15	4.15
Grades 9-12 Totals	869.78	871.25	866.90	866.38
ADA Totals	2,989.68	2,991.84	2,988.59	2,988.14

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

CORCORAN UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2023

TABLE D-3

Grade Level	Ed. Code 46201(b) Minutes Requirement	2022-23 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	56,930	180	Complied
Grade 1	50,400	54,230	180	Complied
Grade 2	50,400	55,520	180	Complied
Grade 3	50,400	55,520	180	Complied
Grade 4	54,000	59,960	180	Complied
Grade 5	54,000	59,960	180	Complied
Grade 6	54,000	63,768	180	Complied
Grade 7	54,000	63,768	180	Complied
Grade 8	54,000	63,768	180	Complied
Grade 9	64,800	65,508	180	Complied
Grade 10	64,800	65,508	180	Complied
Grade 11	64,800	65,508	180	Complied
Grade 12	64,800	65,508	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 Section 46200.

CORCORAN UNIFIED SCHOOL DISTRICT

TABLE D-4

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2023

General Fund	Budget 2024 (see note 1)	2023	2022	2021
Revenues and other financial sources	$ 60,762,153	$ 73,932,512	$ 56,380,764	$ 52,678,727
Expenditures	63,579,269	62,802,726	52,200,151	48,211,557
Other uses and transfers out	857,206	862,632	1,747,441	897,207
Total outgo	64,436,475	63,665,358	53,947,592	49,108,764
Change in fund balance (deficit)	(3,674,322)	10,267,154	2,433,172	3,569,963
Ending fund balance	$ 20,963,271	$ 24,637,593	$ 14,370,439	$ 11,937,267
Available reserves (see note 2)	$ 2,019,735	$ 3,055,693	$ 2,504,935	$ 1,663,713
Available reserves as a percentage of total outgo	3.1%	4.8%	4.6%	3.4%
Total long-term debt (see note 3)	$ 51,238,019	$ 51,688,019	$ 38,385,763	$ 58,593,149
Average daily attendance at P-2	2,990	2,992	2,796	3,112

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 $12,700,326 (106.39%) over the past two years. The fiscal year 2023-24 budget projects a decrease of $3,674,322 (14.91%). 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 enjoyed operating surpluses for the past three years but projects a deficit during the 2023-24 fiscal year. Total long-term debt has decreased by $6,905,130, over the past two years.

Average daily attendance has decreased by 120 over the past two years. ADA is anticipated to decrease by two 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.

CORCORAN UNIFIED SCHOOL DISTRICT

TABLE D-5

RECONCILIATION OF ANNUAL FINANCIAL AND BUDEGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	Scholarship Fund
June 30, 2023, annual financial and budget report fund balances	$ -
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Cash on hand and in banks understatement	22,769
Net adjustments and reclassifications	22,769
June 30, 2023, audited financial statement fund balances	$ 22,769

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

CORCORAN UNIFIED SCHOOL DISTRICT

TABLE D-6

SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2023

Charter Schools	Included in Audit?
None	N/A

CORCORAN UNIFIED SCHOOL DISTRICT

TABLE D-7

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through California Department of Education:			
Child Nutrition: School Programs (School Breakfast Needy)	10.553	13526	$ 428,356
Child Nutrition: School Programs (School Lunch - Sec 4)	10.555	13523	329,813
Child Nutrition: School Programs (School Lunch - Sec 11)	10.555	13524	1,349,578
Food Distribution-Commodities	10.555	13524	126,406
Total Pass-Through Entity ID Number: 13524			1,475,984
Total ALN 10.555			1,805,797
Child Nutrition: Summer Food Service Program Operations	10.559	13004	57,084
Total Child Nutrition Cluster			2,291,237
Child Nutrition: Child Care Food Program (CCFP) Claims-Centers and Family Day Care Homes (Meal Reimbursements)	10.558	13393	268,131
Child Nutrition: Fresh Fruit and Vegetable Program	10.582	14968	29,630
Total Passed Through California Department of Education			2,588,998
Total U.S. Department of Agriculture			2,588,998
U.S. DEPARTMENT OF EDUCATION			
Passed Through Kings County Office of Education:			
Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	25,512
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	134,994
Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	37,564
Total ALN 84.027			198,070
Total Special Education Cluster			198,070
Total Passed Through Kings County Office of Education			198,070
Passed Through California Department of Education:			
Adult Education: Adult Secondary Education	84.002	13978	23,440
Adult Education: Adult Basic Education & ELA	84.002A	14508	18,220
Total ALN 84.002			41,660
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income & Neglected	84.010	14329	1,632,780
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary Section 131	84.048	14894	39,461
ESEA (ESSA): Title III, English Learner Student Program	84.365	14346	99,229
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	243,309
ESEA (ESSA): Title V, Part B, Rural & Low Income School Program	84.358	14356	120,998
ESEA (ESSA): Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	124,182
COVID-19: Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	3,535
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	3,567,892
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	3,959,665
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	155,279
Total ALN 84.425			7,686,371
Total Passed Through California Department of Education			9,987,990
Total U.S. Department of Education			10,186,060
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through California Department of Education:			
Child Development: ARP California State Preschool Program One-Time Stipend	93.575	15640	29,400
Total Passed Through California Department of Education			29,400
Total U.S. Department of Health and Human Services			29,400
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 12,804,458

The accompanying notes are an integral part of this schedule.

CORCORAN UNIFIED 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 Corcoran Unified 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 Principles

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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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
Corcoran Unified 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 major fund, and the aggregate remaining fund information of Corcoran Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Corcoran Unified School District's basic financial statements, and have issued our report thereon dated May 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Corcoran Unified 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 Corcoran Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Corcoran Unified School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corcoran Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Corcoran Unified School District in a separate letter dated May 29, 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. Green and Company LLP

Visalia, California
May 29, 2024

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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
Corcoran Unified School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Corcoran Unified 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 each of Corcoran Unified School District's major federal programs for the year ended June 30, 2023. Corcoran Unified 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, Corcoran Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Corcoran Unified 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 Corcoran Unified 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 Corcoran Unified School District's federal programs.

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 Corcoran Unified 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 Corcoran Unified 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 Corcoran Unified 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 Corcoran Unified 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 Corcoran Unified 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.

Report on Internal Control Over Compliance

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

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

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

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

M. Green and Company LLP

Visalia, California
May 29, 2024

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

Board of Trustees
Corcoran Unified School District

Report on State Compliance

Opinion

We have audited the Corcoran Unified 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, Corcoran Unified 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 Corcoran Unified School District's state programs.

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:

2022-23 K-12 Audit Guide Procedures	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (See Below)
Continuation Education	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	Yes
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	No (See Below)

SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION AND CHARTER SCHOOLS:	
California Clean Energy Jobs Act	No (See Below)
After/Before School Education and Safety Program	Yes
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	Yes
Transitional Kindergarten	Yes
CHARTER SCHOOLS:	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes – Classroom Based	N/A
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 independent study or 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 Independent Study Certification for ADA Loss Mitigation since the District's attendance yield in 2019-20 school year was not greater than the attendance yield in the 2021-22 school year.

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 did not perform testing for Immunization as the School listed offers only independent study.

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 2022-001, 2022-002, 2022-003, 2023-001 and 2023-002.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2022-23 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. Green and Company LLP

Visalia, California
May 29, 2024

Findings and Recommendations Section

CORCORAN UNIFIED 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?	____ Yes __X__ 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:	

Assistance Listing Numbers	Name of Federal Program or Cluster
10.553, 10.555, 10.559	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?	__X__ Yes ____ 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

CORCORAN UNIFIED 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

NONE

D. State Award Findings and Questioned Costs

FINDING 2022-001
10000
STATE COMPLIANCE – ATTENDANCE

Criteria
Pursuant to Education Code Section 14503(a), if the LEA is not in compliance with a requirement that is a condition of eligibility for the receipt of State funds, the audit report shall include the number of units of Average Daily Attendance (ADA), if any, that were inappropriately reported for apportionment.

Condition
P-2 Attendance Report was understated by 2.16 ADA. Annual Attendance Report was overstated by 0.45. Component differences are as follows:

P-2 Attendance Report

Grade Span	ADA per Report	ADA per Audit	Differences in ADA	Derived Value of ADA	Total Derived Value
TK-3	914.48	911.37	(3.11)	14,225	(44,241)
4-6	724.15	725.58	1.43	13,080	18,704
7-8	477.36	479.73	2.37	13,468	31,918
9-12	865.94	867.41	1.47	16,013	23,540

Annual Attendance Report

Grade Span	ADA per Report	ADA per Audit	Differences in ADA
7-8	478.94	479.01	0.07
9-12	862.75	862.23	(0.52)

Questioned Costs
Not Applicable

Proper Perspective
The problem is isolated to the attendance reporting at the District.

Effect
The P-2 Attendance Report was understated by 2.16 ADA. The estimated total dollar value is $29,921, causing a potential increase in funding. The difference in Annual ADA is less than one ADA, therefore, there is no fiscal impact.

Cause
This was caused by changes being made to the monthly attendance in the monthly attendance summaries.

Recommendation
This is a repeated finding from the prior year. We recommend the District take steps to ensure the information used to prepare the attendance reports are complete and accurate. In addition, we recommend the District amend the P-2 Attendance Report.

Corrective Action Plan
The District attendance office will undergo additional training at the start of each year to emphasize the importance of communicating data changes following a reporting period. Procedures will be updated to ensure that attendance changes made by sites are double-checked, preventing any clerical data entry errors.

FINDING 2022-002
61000
STATE COMPLIANCE – CLASSROOM TEACHER SALARIES

Criteria
Education Code Section 41372 requires that payment of classroom teachers' salaries and benefits meet or exceed 55% (for unified districts) of total expenditures of the District.

Condition
The District only spent 47.61% of their current expense of education ($52,023,372) on classroom teachers' salaries and benefits ($24,077,806), which is below the required level.

Questioned Costs
Not Applicable

Proper Perspective
The finding is systemic to the entire district.

Effect
The deficiency amount was determined to be $3,844,527; 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 Kings 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
This is a repeated finding from prior year. 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 has obtained approval for a waiver from our school board and the Kings County Office of Education for the Classroom Teacher's Salaries Form. With the Local Control Funding Formula, it is challenging to allocate expenses, including one-time costs for facility modernizations and classroom furniture upgrades, while still meeting the 55% expenditure level.

FINDING 2022-003
40000
STATE COMPLIANCE – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS

Criteria
Pursuant to Education Code Section 42238.02(b)(2) the LEA shall annually submit its enrolled free and reduced-price meal eligibility, foster youth and English learner pupil-level records for enrolled pupils to the State Superintendent using the California Longitudinal Pupil Achievement Data System (CALPADS). Pursuant to Education Code Section 42238.02(b)(3)(B), the audit of the LEA shall include procedures for determining if the English learner, foster youth and free or reduced-price meal eligible pupil counts are consistent with the LEA's English Learner (EL), foster youth and free or reduced-price meal (FRPM) eligible pupil records.

Condition
In our sample of 60 students that were only free or reduced-price meal eligible identified under the "NSLP" program column and that were indicated as a "No" under the "Direct Certification" column on the certified 1.18-FRPM/English Learner/Foster Youth-Student list, five students were found to be ineligible.

Questioned Costs
Not Applicable

Proper Perspective
The error is systemic to the District, however the errors were found only at Corcoran High School and John Muir Middle School.

Effect

After extrapolation, the error in unduplicated pupil counts is 37 students. The estimated fiscal impact results in a reduction of funding of $96,467.

	Total Enrollment	Free & Reduced Meal Program (FRPM)	English Learners (ELAS)	Both FRPM & ELAS	Total
Funded under the LCFF	3,267	2,251	54	596	2,901
Audit Adjustments	-	(37)	-	-	(37)
Adjusted Counts	3,267	2,214	54	596	2,864

Cause

The CALPADS report was not updated with the correct information based on the students' confidential household income forms.

Recommendation

This is a repeat finding from prior year. We recommend the District ensure that students' status be updated each fiscal year to support the classification and to update the status of the students on the certified "1.18-FRPM/English Learner/Foster Youth-Student List" reported to the State.

Corrective Action Plan

The District has reviewed the finding of the ineligible unduplicated student and has implemented a plan with staff to double-check the comparability between software programs to ensure accuracy within the CALPADS software. During re-certification of the Community Eligible Program (CEP) child nutrition program, students will be listed as PAID status until FREE/REDUCED status is verified by Household Data, Direct Certification, or other forms of eligibility. When invoiced, the district will remit the funds back to the state for the amount of $96,467.

FINDING 2023-001
72000
STATE COMPLIANCE – SCHOOL ACCOUNTABILITY REPORT CARD

Criteria

Pursuant to the provisions of subsection (b)(8) of Education Code Section 33126, if the Facility Inspection Tool (FIT) was completed prior to the publication of the District's School Accountability Report Card (SARC), the information in the SARC is required to agree to the FIT.

Condition

The repair status of Interior inspected for Corcoran High School was reported as "Good" and on the SARC while it was reported as "Fair" on the FIT.

Questioned Costs

Not Applicable

Proper Perspective

The finding applies to reporting of the SARC of Corcoran High School.

Effect

Parents of the students currently enrolled with the District, as well as those considering enrolling their children, do not have an accurate SARC with which to make decisions.

Cause

The discrepancies were due to the District claiming to have made repairs on the Interior, but there was a lack of documentation that proves the repair was performed before the SARC was issued.

Recommendation

We recommend the District keep all supporting documents that reflect any differences between what is reported on the SARC and the status of FIT.

Corrective Action Plan

To address the audit finding regarding the discrepancy in the reported repair status of the Interior at Corcoran High School, a corrective plan will be implemented as follows. First, we will conduct a thorough review of both the School Accountability Report Card (SARC) and the Facility Inspection Tool (FIT) to identify the source of inconsistency. Second, we will establish a verification process to ensure that all reported data is accurate and consistent across different reporting tools. This process will include cross-referencing the FIT and SARC reports before final submission. Additionally, we will provide targeted training for staff responsible for data entry and reporting, emphasizing the importance of accuracy and consistency. Finally, we will implement a periodic internal audit of our reporting procedures to identify and correct discrepancies promptly. By taking these steps, we aim to ensure that all future reports accurately reflect the condition of school facilities.

FINDING 2023-002
40000
STATE COMPLIANCE – AFTER SCHOOL EDUCATION AND SAFETY PROGRAM

Criteria

Pursuant to Education Code Section 8483.75(a)(4), each program shall provide an amount of cash or in-kind local funds equal to not less than one-third of the total grant from the school district, governmental agencies, community organizations or the private sector.

Condition

The District contributed less than one-third of the total state grant as cash or in-kind local funds. The District contributed $192,591 and the requirement was $208,842.

Questioned Costs

Not Applicable

Proper Perspective

This was isolated to the ASES program general requirements for the District.

Effect

The District is out of compliance with State requirements.

Cause

Oversight by the District to charge the program the maximum allowable facility use fee for the 2022-2023 fiscal year.

Recommendation

We recommend the District be mindful of the ASES requirements and make sure they are contributing 1/3 of the State grant in the future.

Corrective Action Plan

To address this issue, a corrective plan will be implemented as follows: First, a thorough review of the current facility usage charges will be conducted to identify areas where adjustments can be made to maximize allocations. Next, the district will establish a standardized process to ensure that all potential in-kind contributions are accurately documented and valued in alignment with the grant requirements. Additionally, financial management training sessions will be provided to relevant staff to enhance their understanding of grant compliance and fund allocation procedures. To prevent future discrepancies, a periodic internal audit will be instituted to monitor adherence to financial requirements and to promptly address any deviations. By implementing these measures, the district aims to fully meet the financial contribution requirements and optimize the utilization of state grants for facility usage.

CLOVIS | HANFORD | PORTERVILLE | TULARE | **VISALIA**

M. GREEN AND COMPANY LLP

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Letter to Management

Board of Trustees
Corcoran Unified School District

Dear Members of the Board of Trustees:

We have completed our audit of Corcoran Unified School District for the year ended June 30, 2023. The following items came to our attention which we are providing for your consideration.

Cafeteria Revenues

During our review of the cafeteria revenues, we noted that all State revenue was improperly coded as Federal revenue. This caused the Federal revenue to be overstated while the State revenues were understated. We recommend the District pay close attention to the funding source of the revenue received, and record to proper object based on funding source.

Journal Entries

During our review of journal entries, we noted two journal entries tested were not initialed to document proper review and approval. We recommend all journal entries be reviewed and approved by someone other than the person who inputs the journal entry into the general ledger system to ensure proper monitoring of all adjustments.

Student Body Revenues

During our review of local revenues, we noted that deposits for one fundraiser and John Muir Middle School were not made on a timely basis. The actual receipts also don't match the expected profit from the end of fundraiser summary. We recommend the District make timely deposits on cash receipts.

Prior Year Issue

Cash: During our review of the bank reconciliations, we noted that the reconciled balances for the student boy cash in bank account did not agree to the general ledger. The student body activity was recorded for one month instead of the entire year. We recommended as part of year end closing procedures every year that the bank reconciliations are reviewed thoroughly to ensure reconciled amounts tie to the general ledger. We also recommended the student body activity be recorded for the entire year.

Very truly yours,

M. Green and Company LLP

M. GREEN AND COMPANY LLP
Certified Public Accountants

May 29, 2024

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CORCORAN UNIFIED 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
2022-001 P-2 Attendance Report was overstated by 1.43 ADA. We recommended the District take steps to ensure the information used to prepare the attendance reports is complete and accurate. The monthly attendance detail for each period should be used to determine if summary information is accurate.	Not Implemented	See current year finding 2022-001
2022-002 The District only spent 49.25% of their current expense of education ($46,329,336) on classroom teachers' salaries and benefits ($22,819,164), which was below the required level. We recommended the District continue to monitor the comparability of salaries between comparable school districts and apply for the waiver when needed.	Not Implemented	See current year finding 2022-002
2022-003 In our sample of 60 students that were only free or reduced price meal eligible identified under the "NSLP" program column and that were indicated as a "No" under the "Direct Certification" column on the certified 1.18 - FRPM/English Learner/Foster Youth-Student List report, one student was found to be ineligible. We recommended the District make the appropriate corrections in the CALPADs program when student status changes per program requirements.	Not Implemented	See current year finding 2022-003