Clovis Veterans Memorial District | Clovis, CA

Financial Statements

For the Year Ended June 30, 2024

PRICE PAIGE & COMPANY
Certified Public Accountants

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Tom Wright	Chairman
Don Watnick	Vice-Chair
August Flach	Secretary
Heather Frantzich	Director
Patrick Ruth	Director

PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clovis Veterans Memorial District
Clovis, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and General Fund of the Clovis Veterans Memorial District (the District) as of and for the year ended June 30, 2024, 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 and General Fund of the District, as of June 30, 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 generally accepted auditing standards 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 29-31, the schedule of proportionate share of the net pension liability on page 32, and the schedule of contributions on page 33 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Price Paige & Company

Clovis, California
January 3, 2025

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

Governmental Fund

Balance Sheet and Statement of Net Position

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	$ 13,455,472	$ -	$ 13,455,472
Receivables:			
Accounts	46,630	-	46,630
Interest	91,983	-	91,983
Inventory	53,704	-	53,704
Capital assets not being depreciated	-	2,460,242	2,460,242
Capital assets, net of accumulated depreciation/amortization	-	22,733,489	22,733,489
Total assets	13,647,789	25,193,731	38,841,520
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	-	604,579	604,579
Total deferred outflows of resources	-	604,579	604,579
Total assets and deferred outflows of resources	$ 13,647,789	$ 25,798,310	$ 39,446,099
LIABILITIES			
Accounts payable	$ 141,694	$ -	$ 141,694
Payroll liabilities	24,010	-	24,010
Deferred revenues	193,065	-	193,065
Deposits payable	11,052	-	11,052
Interest payable	-	29,164	29,164
Loans payable - current	-	226,000	226,000
Note payable - current	-	12,160	12,160
Compensated absences - current	-	31,538	31,538
Software subscription liability - current	-	23,041	23,041
Due in more than one year:			
Loans payable	-	1,903,000	1,903,000
Note payable	-	60,802	60,802
Software subscription liability	-	94,467	94,467
Compensated absences	-	42,611	42,611
Net pension liability	-	1,026,358	1,026,358
Total liabilities	369,821	3,449,141	3,818,962
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	89,434	(89,434)	-
Pension deferrals	-	126,208	126,208
Total deferred inflows of resources	89,434	36,774	126,208
FUND BALANCE/NET POSITION			
Fund balance:			
Nonspendable:			
Inventory	53,704	(53,704)	-
Committed:			
Capital projects	4,444,698	(4,444,698)	-
Unassigned	8,690,132	(8,690,132)	-
Total fund balance	13,188,534	(13,188,534)	-
Net position:			
Net investment in capital assets	-	22,874,261	22,874,261
Unrestricted	-	12,626,668	12,626,668
Total net position	-	35,500,929	35,500,929
Total liabilities, deferred inflows of resources, and fund balance/net position	$ 13,647,789	$ 25,798,310	$ 39,446,099

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - General Fund		$ 13,188,534
Capital assets used in governmental activities are not current financial resources; therefore, they are not reported in the General Fund.		25,193,731
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		89,434
Interest is not due and payable in the current period and, therefore, is not reported in the General Fund.		(29,164)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund.		(3,345,828)
Compensated absences were not due and payable in the current period; therefore, they are not reported in the General Fund.		(74,149)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for post- retirements benefits (pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	604,579	
Deferred inflows - pension related	(126,208)	
		478,371
Total net position - governmental activities		$ 35,500,929

Governmental Fund

Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Activities

	General Fund	Adjustments	Statement of Activities
REVENUES			
Program revenues:			
Charges for current services	$ 1,166,120	$ -	$ 1,166,120
Operating grant and contributions	3,852	-	3,852
General revenues:			
Property taxes	4,544,377	-	4,544,377
Intergovernmental	40,000	-	40,000
Investment earnings	288,447	22,525	310,972
Total revenues	6,042,796	22,525	6,065,321
EXPENDITURES			
Salaries and employee benefits	1,623,917	(1,694)	1,622,223
Administration	418,738	-	418,738
Activities	100,862	-	100,862
District governance	24,205	-	24,205
Buildings and grounds	567,841	-	567,841
Heritage center exhibits	10,912	-	10,912
Capital Outlay:			
Capital improvements	442,401	(434,697)	7,704
Depreciation and amortization	-	910,662	910,662
Debt service:			
Principal	255,204	(255,204)	-
Interest	67,773	(3,014)	64,759
Total expenditures	3,511,853	216,053	3,727,906
Net change in fund balance/net position	2,530,943	(193,528)	2,337,415
Fund balance/net position - beginning	10,657,591	22,505,923	33,163,514
Fund balance/net position - ending	$ 13,188,534	$ 22,312,395	$ 35,500,929

The notes to the basic financial statements are an integral part of this statement.

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - General Fund	$ 2,530,943
The General Fund reports capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(475,965)
Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities on the Statement of Net Position.	255,204
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	22,525
Interest expenditure adjustment to reconcile to amortization schedule for reporting on statement of activities.	3,014
Compensated absences in the statement of activities did not require the use of current financial resources. The difference between compensated absences paid and earned was:	(894)
Pension expense is reported in the government-wide statement of activities, but does not require the use of current financial resources; therefore, the expense is not reported as an expenditure in the General Fund.	2,588
Change in net position - governmental activities	$ 2,337,415

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Clovis Veterans Memorial District (the District) was formed in 1946 under the provisions of the Military and Veteran's Code of the State of California for the purpose of providing recreational facilities for various veterans and community activities. The District encompasses the area contained within the Clovis Unified School District, plus part of the Tarpey School District. The District Board is composed of five members elected by the public to serve four-year staggered terms without compensation.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within 60 days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District and is used to account for all financial resources.

The District adopts annual appropriated budgets for its General Fund. Budgetary comparison schedules have been provided for this fund to demonstrate compliance with the budgets.

D. Budgetary Procedures

By state law, the District's Governing Board must approve, and file with the County, a budget no later than July 31. The District's Governing Board satisfied these requirements.

The budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. The final revised budgets are presented in these financial statements.

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

E. Assets, Liabilities and Net Position

Cash and Investments

The District invests its excess cash principally with the Fresno County Treasury. The County pools these funds with those of other entities in the County and invests the cash in accordance with California Government Codes. Generally, investments with the County are available for withdrawal on demand.

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of more than one year. Furniture and equipment purchased or acquired are carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives or the related fixed assets, as applicable.

Depreciation is computed using the straight-line method over the following estimated useful life:

Ground improvements....................................20-50 years
Buildings..20-50 years
Furniture and equipment..................................5-10 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position (Continued)

Software Subscription Arrangements

The District has subscriptions for various information technology applications. The District recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use software arrangement assets in the government-wide financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). At the commencement of a subscription arrangement, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of the payments made. The Intangible Right-to-Use Software Arrangement asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the commencement of the subscription term. Subsequently, the intangible right-to-use software arrangement asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the District determines (1) the rate it uses to discount the expected SBITA payments to present value, (2) the SBITA term, and (3) the SBITA payments.

- The District uses the interest rate charged by the SBITA vendors as the discount rate. When the interest rate charged by the SBITA vendors is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.

- The subscription term includes the non-cancellable period of the arrangement. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments made during the subscription term.

The District monitors changes in circumstances that would require a remeasurement of its SBITA liability and related assets and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position. Payments made on the SBITA liability are reported as debt service expenditures within the Statement of Revenues, Expenditures and Changes in Fund Balances.

Compensated Absences

Vested leave (vacation, compensated time off, holiday) earned but not used in governmental funds is expensed and established as a liability and is reported in the government-wide Statement of Net Position. No liability is recorded for non-vesting leave such as sick leave.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position (Continued)

Pension Plan

The District recognizes a net pension liability, which represents its proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by Fresno County Employees' Retirement Association (FCERA). The net pension liability is measured as of the District's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred. The average remaining service lifetime for the 2022-2023 measurement period is 4.18 years. Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a recognition period of 5 years.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted component of net position as needed.

The District has implemented an operating reserve policy that requires an amount maintained equal to 50% of the District's anticipated operational expenditures, as described in the District's operating budget for each year. The reserve is to be reviewed annually and adjusted by the District's Governing Board.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position (Continued)

Net Position and Fund Balance

Net Position

In the government-wide financial statements, net position is reported in three categories as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of assets that do not meet the definition of “restricted” or “net investment in capital assets”.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Commissioners. These amounts cannot be used for any other purpose unless the Commissioners remove or change the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners or through the Commissioners delegating this responsibility to the District’s Manager through the budgetary process.

Unassigned – This classification includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed, or assigned to those purposes.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position (Continued)

Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The county of Fresno bills and collects the taxes for the District. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The District considers property taxes available if they are collected within sixty days after year-end of the year.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports 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 (a) future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category, deferred outflows related to pensions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. The separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to (a) future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has two types of deferred inflows which qualifies for reporting in this category, deferred inflows related to pensions and unavailable revenue.

Unavailable Revenue

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The District records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations.

Use of Estimates

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

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at consist of the following:

Bank deposits	$ 292,780
External Investment pool - Fresno County Treasury Investment Pool	13,162,692
Total	$ 13,455,472

A. Investments Authorized by the California Government Code

The District does not have an investment policy independent of what is allowed under the California Government Code.

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	13 months	30%	None
Repurchase Agreements	1 year	15%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	20%
Money Market Mutual Funds	N/A	20%	20%
Mortgage Pass-through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	10%	None
JPA Pools (other investment pools)	N/A	None	None

The Fresno County Treasury Investment Pool Statement of Investment Policy is more stringent than the California Government Code. As of June 30, 2024, the Investment Pool portfolio complied with its Statement of Investment Policy.

B. 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. As of June 30, 2024, the average years to maturity of the investments contained in the Fresno County Treasury Investment Pool is 2.14 years. The maturity distribution of the portfolio is as follows, 27.8% of the portfolio at cost matures within 12 months, 39.3% matures between 1 and 3 years, and 32.9% matures between 3 and 5 years.

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Fresno County Treasury Investment Pool does not have a rating provided by a nationally recognized statistical rating organization and is exempt from disclosure per the requirements of GASB 40. However, the assets of the portfolio held by the pool as of June 30, 2024, had an average dollar weighted quality rating at "AAA".

D. Concentration of Credit Risk

There are no investments in any one issuer (other than an external investment pool) that represents 5% or more of total District investments.

E. 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 does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits: the California Government Code requires that financial institutions secure deposits made by the state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under the 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 Laws also allow financial institutions to secure district deposits by pledging the first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, none of the District's deposits with financial institutions were held in uncollateralized accounts.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or governmental investment pools (such as the Fresno County Treasury Investment Pool).

F. Investments in Fresno County Treasury Investment Pool

The District is a voluntary participant in the Fresno County Treasury Investment Pool that is regulated by the California Government Code under the oversight of the Auditor-Controller/Treasurer-Tax Collector of Fresno County. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Investment Pool for the entire Treasury Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Treasury Investment Pool, which are recorded on an amortized cost basis.

G. Fair Value Hierarchy

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fresno County Treasury Investment Pool invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, it is not an investment type that can be categorized in any particular level in the fair value hierarchy.

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in capital assets:

	Balance 06/30/2023	Increases	Decreases	Balance 06/30/2024
Capital assets:				
Land	$ 2,271,637	$ -	$ -	$ 2,271,637
Construction in progress	85,912	102,693	-	188,605
Total capital assets, not being depreciated	2,357,549	102,693	-	2,460,242
Capital assets, being depreciated:				
Ground improvements	3,809,344	67,851	-	3,877,195
Buildings	27,630,762	-	-	27,630,762
Furniture and equipment	1,253,732	264,153	-	1,517,885
Intangible right-to-use software arrangements	200,822	-	-	200,822
Total capital assets, being depreciated	32,894,660	332,004	-	33,226,664
Less accumulated depreciation and amortization for:				
Ground improvements	(1,376,219)	(92,267)	-	(1,468,486)
Buildings	(7,583,541)	(641,800)	-	(8,225,341)
Furniture and equipment	(547,440)	(151,492)	-	(698,932)
Intangible right-to-use software arrangements	(75,313)	(25,103)	-	(100,416)
Total accumulated depreciation and amortization	(9,582,513)	(910,662)	-	(10,493,175)
Total capital assets, being depreciated, net	23,312,147	(578,658)	-	22,733,489
Governmental activities capital assets, net	$ 25,669,696	$ (475,965)	$ -	$ 25,193,731

Depreciation/amortization expense for the year ended June 30, 2024 was charged to the following governmental activities functions:

District activities	$ 142,262
Buildings and grounds	733,832
Administration	34,199
Heritage center exhibits	369
Total depreciation and amortization expense - governmental activities	$ 910,662

NOTE 4 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term debt:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Direct borrowings:					
Reimbursement agreement	$ 85,124	$ -	(12,162)	$ 72,962	$ 12,160
Subscription liability	140,550	-	(23,042)	117,508	23,041
2017 Lease financing	2,349,000	-	(220,000)	2,129,000	226,000
Total direct borrowings	2,574,674	-	(255,204)	2,319,470	261,201
Compensated absences	73,255	894	-	74,149	31,538
Total long-term debt	$ 2,647,929	$ 894	$ (255,204)	$ 2,393,619	$ 292,739

Total interest expense incurred on the direct borrowings identified above for the year ended June 30, 2024 was $67,773.

A. 2017 Lease Financing Direct Borrowings

In June 2017, the District entered into a lease agreement with Local Facilities Financing Corporation (the Corporation) to finance the purchase of real property and capital improvements to District facilities as part of the bond issuance of $4,470,000 in Direct Borrowings. Under the terms of the agreement, the District will lease the Rex Phebus Veterans Memorial Building to the Corporation in exchange for an up-front rental payment sufficient to enable the District to finance the purchase. The Corporation will lease the building back to the District in consideration for the payment by the District of semiannual lease payments as rental for the leased property, which the Corporation will assign to Branch Banking and Trust Company. The lease agreement contains a provision that, in the event of default, the outstanding principal balance and accrued interest shall become due and payable immediately. The District will also be liable for any costs the Corporation incurs to re-lease the property. Lease payments bear interest at 2.74% and are paid semi-annually in July and January, beginning July 2017. Lease payments to be made by the District to maturity of the agreement are as follows:

Lease Financing			
Fiscal Year	Principal	Interest	Total
2025	$ 226,000	$ 56,787	$ 282,787
2026	232,000	50,553	282,553
2027	238,000	44,155	282,155
2028	245,000	37,593	282,593
2029	252,000	16,276	268,276
2030-2033	936,000	66,431	1,002,431
Total	$ 2,129,000	$ 271,795	$ 2,400,795

NOTE 4 – LONG-TERM LIABILITIES (Continued)

B. Reimbursement Agreement Direct Borrowings

During the fiscal year ended June 30, 2022, the District entered into an agreement with the City of Clovis (the City) which calls for the reimbursement of the City for capital improvements to the District's properties that were paid for and constructed by the City. The agreement calls for equal annual payments to the City with no stated interest due on or before July 15 each year. The agreement does not include any specific acceleration clauses and default will be considered for nonpayment or late payments only after the City provides the District notice of default in writing ten days prior to declaring default.

Payments to be made by the District to maturity of the agreement are as follows:

Reimbursement Agreement	
Fiscal Year	Principal
2025	$ 12,160
2026	12,160
2027	12,160
2028	12,160
2029	12,160
2030	12,162
Total	$ 72,962

C. Subscription Liability

The District has one software arrangement that requires recognition under Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. The District recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use software arrangement assets for an accounting software. The software amortization expense is included within expenditures on the Statement of Activities related to the District's SBITAs, which are included as intangible right-to-use software arrangements in the District's capital assets.

The District has an accounting software arrangement with an eight-year term, initiated in fiscal year 2021 with annual payments that range from $23,680 to $34,500. An initial SBITA liability was recorded in the amount of $200,822 during fiscal year 2023. As of June 30, 2024, the value of the SBITA liability was $117,508. The District has used a 3.50% discount rate for this arrangement, which was the prime rate at the inception of the subscription arrangement. The value of the right-to-use software as of the end of the current fiscal year was $200,822 and had accumulated amortization of $100,416. In accordance with GASB 96, certain variable and other payments are not included in the measurement of the subscription liability.

A summary of future subscription payments under the SBITA agreement is as follows:

Subscription Liability			
Fiscal Year	Principal	Interest	Total
2025	$ 25,487	$ 4,113	$ 29,600
2026	28,029	3,221	31,250
2027	30,660	2,240	32,900
2028	33,332	1,167	34,499
Total	$ 117,508	$ 10,741	$ 128,249

NOTE 5 – RETIREMENT PLAN

A. Plan Description

Plan Administration

All qualified employees are eligible to participate in the Fresno County Employees' Retirement Association (FCERA) multiple employer defined benefit plan. FCERA was established by the County of Fresno Board of Supervisors on January 1, 1945. FCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. Seq.). FCERA is a cost-sharing multiple employer defined benefit public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the General and Safety members employed by the County of Fresno. FCERA also provides retirement benefits to the employee members of the Superior Court County of Fresno, Clovis Veterans Memorial District, Fresno-Madera Area Agency on Aging and Fresno Mosquito and Vector Control District.

The management of FCERA is vested with the FCERA Board of Retirement. The Board consists of nine members and one alternate. The County Treasurer is elected by the general public and a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the General members; one active member is elected by the Safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his/her term as County Treasurer.

Plan membership — At June 30, 2022, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	8,374
Vested terminated members entitled to buy not yet receiving benefits [1]	5,187
Active members	7,650
Total	21,211

[1] Includes terminated members due a refund of member contributions

Benefits Provided

FCERA provides service retirement, disability, death, and survivor benefits to the District's eligible employees. All regular full-time employees and permanent part-time employees who work 50% or more for the District become members of FCERA effective on the first day of the first full pay period after employment in a permanent position. There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, fire suppression, and district attorney investigators. All other employees are classified as General members. The retirement benefits the member will receive are based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier. The tiers and their basic provisions for the District are listed below:

Tier Name	Effective Date	Basic Provisions	Final Average Salary Period
General Tier 1	January 1, 2001	2.5% at 55; Maximum 3% COLA	Highest 1-year
General Tier 5	January 1, 2013	2.5% at 67; No COLA	Highest 3-years

NOTE 5 – RETIREMENT PLAN (Continued)

A. Plan Description (Continued)

Benefits Provided (Continued)

Any new member who becomes a member on or after January 1, 2013 is placed into Tier 5 and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq.

General members enrolled in Tier 1, 2, 3, or 4 are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members enrolled in General Tier 5 are eligible to retire once they have attained the age of 70 regardless of service or at age 52 and have acquired five years of retirement service credit.

For members enrolled in Tier 1, 2, 3, or 4, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members enrolled in Tier 5. However, for members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2023 is equal to $146,042 for those enrolled in Social Security ($175,250) for those not enrolled in Social Security). This limit is adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the member's date of death and the surviving spouse or domestic partner has attained age 55 on or prior to the member's date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

FCERA provides an annual cost-of-living benefit to all retirees in Tier 1, 2, or 3. The cost-of-living adjustment, based upon the Consumer Price Index for the West Region (with 1982-84 as the base period), is capped at 3.0%.

B. Contributions

The District and the other participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from FCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2023 for 2022-2023 (based on the June 30, 2021 valuation) was 49.59% of compensation.

Members are required to make contributions to FCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2023 for 2022-2023 (based on the June 30, 2021 valuation) was 9.65% of compensation.

For the year ended June 30, 2024, the employer contributions recognized as part of pension expense for the Plan were $210,070.

NOTE 5 – RETIREMENT PLAN (Continued)

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

As of June 30, 2024, the District reported net pension liabilities of $1,026,358 for its proportionate share of the net pension liability of FCERA.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2022 and 2023 was as follows:

Proportion - June 30, 2022	0.1240%
Proportion - June 30, 2023	0.1080%
Change - Increase (Decrease)	-0.0160%

For the year ended June 30, 2024 the District recognized pension expense of $240,992. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 243,580	$ -
Changes in assumptions	136,992	-
Differences between actual and expected experience	54,025	43,907
Net differences between projected and actual earnings on plan investments	115,067	-
Changes in proportion and differences between employer's contributions and proportionate share of contributions	54,915	82,301
Total	$ 604,579	$ 126,208

$243,580 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized as follows:

Year Ending June 30	
2025	$ 84,081
2026	(4,946)
2027	174,877
2028	(19,221)
2029	-
Thereafter	-

NOTE 5 – RETIREMENT PLAN (Continued)

D. Actuarial Valuation Assumptions

The Total Pension Liability (TPL) as of June 30, 2023 and 2022 were determined by actuarial valuations as of June 30, 2022 and 2021, respectively. The actuarial assumptions used were based on the results of an experience study for the period from July 1, 2018 through June 30, 2021. They are the same assumptions used in the June 30, 2023 funding valuation for FCERA. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll (3.00% payroll growth assumed in the Jun 30, 2021 valuation)
Remaining amortization period	UAAL established as of June 30, 2003 is amortized over a declining period (with 12 years remaining as of the June 30, 2021 valuation which set the rates for the 2022-2023 fiscal year) plus 15 years (declining) for UAAL due to actuarial gains or losses, changes in actuarial assumptions or plan amendments established on each subsequent valuation.
Asset valuation method	The actuarial value of assets is determined by recognizing any difference between the actual and the expected market return over 10 six-month interest crediting periods. The actuarial value of assets is further adjusted, if necessary, to be within 30% of the market value of assets. The valuation value of assets is the actuarial value of assets reduced by the value of the non-valuation reserves.

Actuarial assumptions:
June 30, 2021 valuation
(for year ended 2023 ADC)

Investment rate of return	6.50%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
Real across-the-board salary increase	0.50%
Projected salary increases	General: 4.10% to 11.50% and Safety: 4.50% to 11.50%, varying by service, including 2.50% inflation and 0.50% real across-the-board salary increase.
Administrative expenses	1.30% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
Cost of living adjustments (COLA)	Retiree COLA increases of 2.50% per year for General Tiers 1, 2 and 3 and Safety Tiers 1 and 2, and 0.00% for General Tiers 4 and 5 and Safety Tiers 4 and 5. For non-Tiers 4 and 5 members that have COLA banks, we assume they receive 3.0% COLA increases until their COLA banks are exhausted and 2.50% thereafter.
Other assumptions	The same as those used in the June 30, 2021 funding actuarial valuation

NOTE 5 – RETIREMENT PLAN (Continued)

E. Discount Rate

The discount rate used to measure the TPL was 6.50% for both June 30, 2023 and June 30, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2023 and June 30, 2022.

F. Target Asset Allocation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2023 is summarized in the following table. This information will change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Equity	23.0%	6.00%
Small Cap Equity	6.0%	6.65%
Developed International Equity	15.0%	7.01%
Emerging Market Equity	6.0%	8.80%
U.S. Core Fixed Income	12.0%	1.97%
High Yield Bonds	4.0%	4.63%
Bank Loan	4.0%	4.07%
Emerging Market Debt	2.0%	4.72%
Real Estate	4.0%	3.86%
Value Add Real Estate	2.0%	6.70%
Opportunistic Real Estate	2.0%	8.60%
Infrastructure	4.0%	7.30%
Private Credit	8.0%	6.75%
Private Equity	8.0%	9.98%
Total	100%	

NOTE 5 – RETIREMENT PLAN (Continued)

G. Discount Rate Sensitivity

The following presents Net Pension Liability (NPL) of the District as of June 30, 2024, calculated using the discount rate of 6.50%, as well as what the District's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate.

Discount Rate -1% 5.50%	Current Discount Rate 6.50%	Discount Rate +1% 7.50%
$ 1,898,687	$ 1,026,358	$ 311,649

H. Pension Plan Fiduciary Net Position

Detailed information about the FCERA's fiduciary net position is available in a separately issued FCERA annual comprehensive report, which may be obtained on the internet by visiting https://fresnocountyretirement.org/, by writing them at 7772 N. Palm Ave., Fresno CA 93711, or calling them at (559) 457-0681.

I. Payable to the Pension Plan

At June 30, 2024, the District did not have a payable for an outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 6 – INSURANCE COVERAGES

The District has the following coverages in force as of June 30, 2024:

Liability Limits:

General Liability, Automobile Liability and Errors & Omissions	$10,000,000 per occurrence
Employment Practices Liability	$10,000,000 per occurrence
Excess Liability	$29,000,000 per occurrence
Workers Compensation	$5,000,000 any one loss
Excess Worker's Compensation	Statutory coverage for WC and $500,000 For Employers Liability

Property Limits:

Property Damage	$10,000,000 any one loss
Boiler & Machinery	$100,000,000 per occurrence
All Risk Property Insurance	$1,000,000,000 per occurrence
Auto Physical Damage Program	$100,000 per accident
Business Travel Accident	$150,000 per accident
Group Fidelity	$1,000,000 Employee Theft $1,000,000 Employee Faithful Performance $1,000,000 Depositors Forgery or Alteration

NOTE 7 – CONTINGENCIES

In the opinion of management, based upon discussion with legal counsel, there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule
General Fund

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 3,816,000	$ 3,816,000	$ 4,544,377	$ 728,377
Intergovernmental	-	-	40,000	40,000
Investment earnings	50,000	50,000	288,447	238,447
Building fees and miscellaneous	763,200	763,200	1,169,972	406,772
Total revenues	4,629,200	4,629,200	6,042,796	1,413,596
EXPENDITURES				
Salaries and employee benefits:				
Salaries	1,148,058	1,148,058	1,068,802	79,256
Payroll taxes	145,000	145,000	73,400	71,600
Retirement	425,000	425,000	282,112	142,888
Insurance	288,010	288,010	191,463	96,547
Employee benefit package	15,000	15,000	8,140	6,860
Total salaries and employee benefits	2,021,068	2,021,068	1,623,917	397,151
Administration:				
Accounting	35,000	35,000	31,838	3,162
Advertising	127,500	127,500	117,009	10,491
Association membership	15,000	15,000	11,366	3,634
Bank charges	750	750	998	(248)
Communication	22,500	22,500	18,619	3,881
Consulting	60,000	60,000	73,965	(13,965)
Education	26,000	26,000	27,613	(1,613)
HR expense	4,000	4,000	3,982	18
Merchant deposit fees	22,000	22,000	25,926	(3,926)
Office expense	139,500	139,500	85,752	53,748
Payroll expense	12,000	12,000	13,835	(1,835)
Miscellaneous	-	-	7,835	(7,835)
Total administration	464,250	464,250	418,738	45,512
Activities:				
Christmas activities	5,000	5,000	6,952	(1,952)
District recognition	9,000	9,000	10,624	(1,624)
Memorial Day	18,000	18,000	12,893	5,107
Patriots dinner	15,000	15,000	14,637	363
Special events	25,000	25,000	-	25,000
Veterans Day	55,000	55,000	54,312	688
Miscellaneous activities	2,000	2,000	1,444	556
Total activities	129,000	129,000	100,862	28,138

Budgetary Comparison Schedule
General Fund
(Continued)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
EXPENDITURES (Continued)				
District governance:				
District governance	36,700	36,700	24,205	12,495
Total district governance	36,700	36,700	24,205	12,495
Buildings and grounds:				
Insurance	210,000	210,000	186,201	23,799
Maintenance and equipment	100,000	100,000	68,247	31,753
Inventory	45,000	45,000	31,010	13,990
Supplies	50,000	50,000	50,014	(14)
Employee uniforms/rugs	11,000	11,000	13,180	(2,180)
Utilities	180,999	180,999	167,048	13,951
Service	40,000	40,000	52,141	(12,141)
Total buildings and grounds	636,999	636,999	567,841	69,158
Heritage center exhibits	225,000	225,000	10,912	214,088
Capital improvements	10,000	10,000	442,401	(432,401)
Debt service:				
Principal	232,161	232,161	255,204	(23,043)
Interest	62,856	62,856	67,773	(4,917)
Total debt service	295,017	295,017	322,977	(27,960)
Total expenditures	3,818,034	3,818,034	3,511,853	306,181
Net change in fund balance	$ 811,166	$ 811,166	2,530,943	$ 1,719,777
Fund balance - beginning			10,657,591	
Fund balance - ending			$ 13,188,534	

NOTE 1 – BUDGETARY INFORMATION

An annual nonappropriated budget, which establishes the total spending authority for the General Fund, is adopted by the Board just prior to the beginning of the District's fiscal year. The Board may authorize amendments to the budget during the year as deemed necessary. Budgeted amounts are reported as amended.

The budgetary basis of accounting is consistent with generally accepted accounting principles applicable to the District's financial statements.

NOTE 2 – EXCESS EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2024, expenditures exceeded appropriations in the following categories:

Appropriations Category	Excess Expenditures
Administration:	
Bank charges	$ (248)
Consulting	(13,965)
Education	(1,613)
Merchant deposit fees	(3,926)
Payroll expense	(1,835)
Miscellaneous	(7,835)
Activities:	
Christmas activities	(1,952)
District recognition	(1,624)
Buildings and grounds:	
Supplies	(14)
Employee uniforms/rugs	(2,180)
Service	(12,141)
Capital improvements	(432,401)
Debt service:	
Principal	(23,043)
Interest	(4,917)

Schedule of Proportionate Share of Net Pension Liability
For the Last 10 Years*

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll [1]	Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.079%	$ 690,297	$ 301,313	229.10%	82.71%
2016	0.096%	1,042,901	364,020	286.50%	79.14%
2017	0.102%	1,559,493	394,517	395.29%	72.77%
2018	0.091%	1,187,091	443,055	267.93%	77.46%
2019	0.088%	1,035,685	468,880	220.88%	80.36%
2020	0.082%	922,735	429,925	214.63%	81.58%
2021	0.086%	1,202,796	487,489	246.73%	78.10%
2022	0.089%	415,759	484,336	85.84%	93.15%
2023	0.099%	1,229,120	548,733	223.99%	81.65%
2024	0.088%	1,026,358	510,168	201.18%	83.40%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Notes to Schedule:

Changes in Benefit Terms - None

Changes in Assumptions - None

The information presented above relates solely to the District and not FCERA as a whole.

Schedule of Contributions
For the Last 10 Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially required contribution (actuarially determined)	$ 130,847	$ 175,451	$ 193,182	$ 177,352	$ 190,392	$ 217,152	$ 244,844	$ 230,853	$ 210,070	$ 243,580
Contributions in relation to the actuarially determined contributions	(130,847)	(175,451)	(193,182)	(177,352)	(190,392)	(217,152)	(244,844)	(230,853)	(210,070)	(243,580)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 301,313	$ 364,020	$ 394,517	$ 443,055	$ 468,880	$ 429,925	$ 487,489	$ 484,336	$ 548,733	$ 510,168
Contributions as a percentage of covered-employee payroll	43.43%	48.20%	48.97%	40.03%	40.61%	50.51%	50.23%	47.66%	38.28%	47.75%

The information presented above relates solely to Clovis Veterans Memorial District and not FCERA as a whole.

PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

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

To the Board of Directors
Clovis Veterans Memorial District
Clovis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of the Clovis Veterans Memorial District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 3, 2025

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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Purpose of This Report

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

Price Paige & Company

Clovis, California
January 3, 2025

FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified - not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

FINANCIAL STATEMENT FINDINGS

None reported.