

PIERCE JOINT UNIFIED SCHOOL DISTRICT

**COUNTY OF COLUSA
ARBUCKLE, CALIFORNIA**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PIERCE JOINT UNIFIED SCHOOL DISTRICT

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PIERCE JOINT UNIFIED SCHOOL DISTRICT

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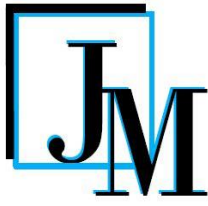
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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Pierce Joint Unified School District
Arbuckle, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pierce Joint Unified School District (the "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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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

The District's 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.

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 GAAS 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 GAAS 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, the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund, Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions, respectively, 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.

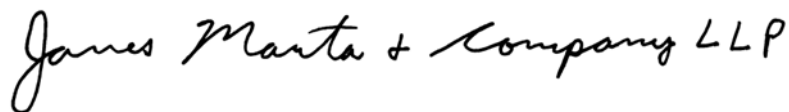
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *supplementary information as listed in the table of contents* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *supplementary information* is the responsibility of management and was derived from and relates 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 *supplementary information* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 11, 2024 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 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.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 11, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

PIERCE JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

The following discussion and analysis provides an overview of the financial position and activities of the Pierce Joint Unified School District (the "District") for the year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), as well as all liabilities (including long-term obligations). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental and fiduciary.

The *Governmental Activities* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Fiduciary Activities* only report a balance sheet and do not have a measurement focus.

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

The Primary unit of the government is the Pierce Joint Unified School District.

DISTRICT-WIDE STATEMENTS

The Statement of Net Position and the Statement of Activities

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

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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

In the *Statement of Net Position* and the *Statement of Activities*, the District activities are reported as follows:

Governmental Activities - The District reports all of its services in this category. This includes the education of transitional kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

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 law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds

Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measure cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds in a reconciliation following each governmental fund financial statement.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
Net Position

The District's combined net position, as of June 30, 2023, was \$27,211,535 reflecting an increase of 21%.

Table 1 – Net Position

	<u>Governmental Activities</u>		
	<u>2023</u>	<u>2022</u>	<u>Net Change</u>
Assets			
Current and other assets	\$ 27,553,498	\$ 20,807,196	\$ 6,746,302
Capital assets	32,010,981	31,075,637	935,344
Total Assets	<u>59,564,479</u>	<u>51,882,833</u>	<u>7,681,646</u>
Deferred Outflows of Resources			
Deferred loss on refunding of bonds	1,651,629	1,720,447	(68,818)
Deferred outflows on pensions	6,789,837	7,220,574	(430,737)
Total Deferred Outflows	<u>8,441,466</u>	<u>8,941,021</u>	<u>(499,555)</u>
Liabilities			
Current liabilities	3,632,442	4,222,052	(589,610)
Long-term obligations	31,970,030	27,972,798	3,997,232
Total Liabilities	<u>35,602,472</u>	<u>32,194,850</u>	<u>3,407,622</u>
Deferred Inflows of Resources			
Deferred inflows on pensions	5,191,938	6,175,227	(983,289)
Total Deferred Inflows	<u>5,191,938</u>	<u>6,175,227</u>	<u>(983,289)</u>
Net Position			
Net investment in capital assets	12,765,069	50,244,376	(37,479,307)
Restricted	8,629,425	6,396,717	2,232,708
Unrestricted	5,817,041	(34,187,316)	40,004,357
Total Net Position	<u>\$ 27,211,535</u>	<u>\$ 22,453,777</u>	<u>\$ 4,757,758</u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Change in Net Position

The District's total revenues increased 25% to \$33,157,158. The total cost of all programs and services increased by 52.3% to \$28,399,370. The District's expenses are predominantly related to educating and caring for students (66.81%). The purely administrative activities of the District accounted for 8.30% of total costs.

Table 2 – Change in Net Position

	<u>Governmental Activities</u>		<u>Net Change</u>
	<u>2023</u>	<u>2022</u>	
Revenues			
Program revenues:			
Charges for services	\$ 291,462	\$ 127,218	\$ 164,244
Operating grants and contributions	8,265,963	6,102,093	2,163,870
Capital grants and contributions	4,263,485	-	4,263,485
General revenues:			
Federal and State aid not restricted	13,830,846	11,265,007	2,565,839
Property taxes	7,068,695	6,987,929	80,766
Other general revenues	(563,323)	2,040,806	(2,604,129)
Total Revenues	<u>33,157,128</u>	<u>26,523,053</u>	<u>6,634,075</u>
Expenses			
Instruction-related	16,024,787	10,042,606	5,982,181
Student support services	2,949,031	1,608,658	1,340,373
Administration	2,366,138	1,417,089	949,049
Maintenance and operations	2,821,648	2,059,167	762,481
Other	4,237,766	3,515,111	722,655
Total Expenses	<u>28,399,370</u>	<u>18,642,631</u>	<u>9,756,739</u>
Change in Net Position	<u>\$ 4,757,758</u>	<u>\$ 7,880,422</u>	<u>\$ (3,122,664)</u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Governmental Activities

As reported in the Statement of Activities, the cost of all of our governmental activities was \$28,399,370 and \$18,642,631 for June 30, 2023 and 2022, respectively.

The Statement of Activities reflects the net cost of each of the District's largest functions - instruction, student support, administration, maintenance and operations, and other costs. Included in this table are each program's net costs (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the school year, the governmental funds reported a combined fund balance of \$25,034,592 which is an increase of \$7,359,835 from last year.

General Fund Budgetary Highlights

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May Revise figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim and any other time there are significant changes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets, net of depreciation, increased \$935,344 in fiscal year 2022-23, as acquisitions and improvements grew at a higher rate than accumulated depreciation.

Long-Term Liabilities

Total long-term liabilities increased \$4,022,232 in fiscal year 2022-23. This was mainly due to the districts increase in Net Pension Liability of \$4,931,914.

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- Student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California. Enrollment is expected to decrease slightly in fiscal year 2023-24.
- The future predictions require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 regarding this report or need additional financial information, contact the: District Office, Pierce Joint Unified School District, 540-A 6th Street, Arbuckle, California 95912.

BASIC FINANCIAL STATEMENTS

PIERCE JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 26,488,447
Receivables	1,047,030
Prepaid expenses	18,021
Capital assets, net of accumulated depreciation	32,010,981
Total Assets	59,564,479
DEFERRED OUTFLOWS	
Deferred loss on refunding of bonds	1,651,629
Deferred outflows on pensions (Note 6)	6,789,837
Total deferred outflows	8,441,466
LIABILITIES	
Accounts payable and other current liabilities	1,968,835
Unearned revenue	752,413
Long-term liabilities:	
Due within one year	911,194
Due in more than one year	31,970,030
Total Liabilities	35,602,472
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows on pensions (Note 6)	5,191,938
Total deferred inflows	5,191,938
NET POSITION	
Net investment in capital assets	12,765,069
Restricted	8,629,425
Unrestricted	5,817,041
Total Net Position	\$ 27,211,535

PIERCE JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Governmental Activities					
Instruction	\$ 13,854,814	\$ 27,325	\$ 5,599,310	\$ 4,263,485	\$ (3,964,694)
Instructional library, media and technology	240,371	-	108,548	-	(131,823)
School site administration	1,929,602	-	273,438	-	(1,656,164)
Pupil Services:					
Home-to-school transportation	471,151	-	21,762	-	(449,389)
Food services	1,313,733	-	1,479,331	-	165,598
All other pupil services	1,164,147	-	312,609	-	(851,538)
General administration:					
Centralized data processing	466,676	-	-	-	(466,676)
All other general administration	1,899,462	-	185,585	-	(1,713,877)
Plant services	2,821,648	15,888	264,519	-	(2,541,241)
Ancillary services	628,232	248,249	20,861	-	(359,122)
Enterprise activities	3,583	-	-	-	(3,583)
Interest on long-term debt	556,973	-	-	-	(556,973)
Other outgo	1,120,591	-	-	-	(1,120,591)
Depreciation (unallocated)	1,928,387	-	-	-	(1,928,387)
Total governmental activities	<u>\$ 28,399,370</u>	<u>\$ 291,462</u>	<u>\$ 8,265,963</u>	<u>\$ 4,263,485</u>	<u>(15,578,460)</u>
General Revenues					
Taxes and subventions:					
					5,958,447
					1,110,248
					13,830,846
					(1,140,728)
					27,236
					552,119
					(1,950)
					<u>20,336,218</u>
					Change in Net Position 4,757,758
					Net Position - July 1, 2022 22,453,777
					<u>\$ 27,211,535</u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	All Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	\$ 17,426,389	\$ 4,282,652	\$ 1,205,906	\$ 3,573,500	\$ 26,488,447
Accounts receivable	793,597	11,132	7,454	234,847	1,047,030
Due from other funds	56,202	-	4,893,784	63,463	5,013,449
Prepaid expenses	18,021	-	-	-	18,021
Total Assets	\$ 18,294,209	\$ 4,293,784	\$ 6,107,144	\$ 3,871,810	\$ 32,566,947
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,712,549	\$ -	\$ -	\$ 53,944	\$ 1,766,493
Due to other funds	663,463	4,293,784	-	56,202	5,013,449
Unearned revenue	752,413	-	-	-	752,413
Total Liabilities	3,128,425	4,293,784	-	110,146	7,532,355
Fund balances					
Nonspendable	58,021	-	-	-	58,021
Restricted	4,867,761	-	-	3,761,664	8,629,425
Assigned	288,172	-	6,107,144	-	6,395,316
Unassigned	9,951,830	-	-	-	9,951,830
Total Fund Balances	15,165,784	-	6,107,144	3,761,664	25,034,592
Total liabilities and fund balances	\$ 18,294,209	\$ 4,293,784	\$ 6,107,144	\$ 3,871,810	\$ 32,566,947

PIERCE JOINT UNIFIED SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2023

Total fund balances - governmental funds	\$ 25,034,592
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Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost:	\$ 52,517,919	
Accumulated depreciation:	<u>(20,506,938)</u>	
Net:		32,010,981

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.

Deferred outflows of resources relating to pensions	6,789,837
Deferred inflows of resources relating to pensions	(5,191,938)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.

(202,342)

Unamortized costs: In governmental funds, debt issue costs and premiums are recognized in the period they are incurred. In the government-wide statements, debt issue costs and premiums are amortized over the life of the debt. Unamortized debt issue costs and premiums included in deferred inflows and outflows on the statement of net position are:

Unamortized portion of loss on refunding of bonds	1,651,629
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Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds payable:	\$ 17,388,240	
Net pension liability	13,461,535	
California Energy Commission Loan	1,870,911	
Supplemental employee retirement plan	120,031	
Compensated absences payable	<u>40,507</u>	
		<u>(32,881,224)</u>

Total net position, governmental activities:	<u><u>\$ 27,211,535</u></u>
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PIERCE JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	All Non-Major Funds	Total
REVENUES					
LCFF sources	\$ 19,401,126	\$ -	\$ -	\$ -	\$ 19,401,126
Federal revenue	1,316,171	-	-	877,339	2,193,510
Other state revenues	6,023,611	4,263,484	-	451,523	10,738,618
Other local revenues	(144,954)	-	(300,406)	1,269,234	823,874
Total revenues	<u>26,595,954</u>	<u>4,263,484</u>	<u>(300,406)</u>	<u>2,598,096</u>	<u>33,157,128</u>
EXPENDITURES					
Certificated salaries	7,854,507	-	-	-	7,854,507
Classified salaries	2,742,259	-	-	373,590	3,115,849
Employee benefits	4,526,340	-	-	174,799	4,701,139
Books and supplies	1,485,974	-	-	726,185	2,212,159
Services and other operating expenditures	2,482,741	-	-	109,493	2,592,234
Capital outlay	1,373,473	-	636,305	880,911	2,890,689
Other outgo	1,192,041	-	-	32,489	1,224,530
Debt service expenditures	-	-	-	1,203,814	1,203,814
Total expenditures	<u>21,657,335</u>	<u>-</u>	<u>636,305</u>	<u>3,501,281</u>	<u>25,794,921</u>
Excess (deficiency) of revenues over expenditures	4,938,619	4,263,484	(936,711)	(903,185)	7,362,207
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	5,263,484	-	5,263,484
Operating transfers out	(1,000,000)	(4,263,484)	-	-	(5,263,484)
Other sources	-	-	-	(1,950)	(1,950)
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(4,263,484)</u>	<u>5,263,484</u>	<u>(1,950)</u>	<u>(1,950)</u>
Net change in fund balances	3,938,619	-	4,326,773	(905,135)	7,360,257
Fund balances, July 1, 2022	11,227,165	-	1,780,371	4,666,799	17,674,335
Fund balances, June 30, 2023	<u>\$ 15,165,784</u>	<u>\$ -</u>	<u>\$ 6,107,144</u>	<u>\$ 3,761,664</u>	<u>\$ 25,034,592</u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF
ACTIVITIES**

JUNE 30, 2023

Total net change in fund balances - governmental funds: \$ 7,360,257

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

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 2,863,731	
Depreciation expense:	<u>(1,928,387)</u>	935,344

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 429,487

Accreted interest on capital appreciation bonds is recognized as an expense in the government-wide statement of activities. 444,301

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: 655

Supplemental Employee Retirement Plan (SERP): In governmental funds, SERP costs are recognized when employer payments are made. In the statement of activities, SERP costs are recognized on the accrual basis. This year, the difference between SERP costs and actual employer payments was: 51,856

Pensions: In government funds, pension costs are recognized when employer contributions are made in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: (4,379,362)

Compensated absences in governmental funds are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: (15,962)

Amortization of debt issue premium or discount or deferred gain or loss from refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount plus any deferred gain or loss from debt refunding is amortized as interest over the life of the debt. Amortization of premium or discount or deferred gain or loss from debt refunding for the period is: (68,818)

Total change in net position - governmental activities \$ 4,757,758

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. HISTORY OF THE ORGANIZATION

The Pierce Joint Unified School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five-member Governing Board elected by registered voters of the District, which comprises an area in Colusa County. The District serves students in grades kindergarten through twelfth.

B. REPORTING ENTITY

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

C. ACCOUNTING POLICIES

The District prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

D. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the District and its component units. The effect of interfund activity, within the governmental activities, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

D. BASIS OF PRESENTATION (CONTINUED)

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

Fund Financial Statements

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

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the 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 year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

F. FUND ACCOUNTING

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

Governmental Funds

The **General Fund** is the general operating fund of the District and accounts for all revenues and expenditures of the District, not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The **Student Activity Fund** accounts for student body activities (ASB) to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body.

The **Cafeteria Fund** is used to account separately for federal, state, and local resources to operate the food service program.

The **Debt Service Funds** are used to account for the accumulation of restricted, committed, or assigned resources for the payment of principal and interest on general long-term obligations.

The **Bond Interest and Redemption Fund** is used for the repayment of bonds issued for a district (Education Code Sections 15125-15262).

The **Capital Projects Funds** are used to account for resources used for the acquisition or construction of major capital facilities and equipment. This classification includes the Capital Facilities Fund.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

F. FUND ACCOUNTING (CONTINUED)

The **Building Fund** is used primarily to account separately for proceeds from the sale of bonds (Education Code Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

The **County School Facilities Fund** is used primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (Education Code section 42840).

The **Special Reserve Fund for Capital Outlay Projects** is used primarily to provide to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (Education Code Section 17070.10 et seq.).

The **Capital Facilities Fund** is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (Education Code sections 17620–17626).

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of other parties in a trustee or agent capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

G. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. 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 Superintendent during the year to give consideration to unanticipated income and expenditures.

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

H. 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 at June 30.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

I. DEPOSITS AND INVESTMENTS

The District is authorized to maintain cash in banks and revolving funds that are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

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 is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq.

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

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

J. PREPAID EXPENSES/EXPENDITURES

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to recognize expenditures when incurred. Reported expenses are equally offset by a net position reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of current assets.

K. INVENTORY

Inventory in the Cafeteria Fund consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

The Cafeteria Fund records supplies expense which includes a handling charge for the delivery of government surplus food commodities. The state does not require the Cafeteria Fund to record the fair market value of these commodities. The supplies expenditures would have been greater had the District paid fair market value for the government surplus commodities.

L. 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 that cash received on specific projects and programs exceeds qualified expenditures.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

M. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives as follows: buildings and improvements, 5 to 50 years; furniture and equipment, 2 to 15 years; and vehicles, 8 years.

N. LONG-TERM OBLIGATIONS

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term obligations are recognized as liabilities in the governmental fund financial statements when due.

O. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position includes 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 as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes 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 a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

P. RESTRICTED NET POSITION

Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

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

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Q. FUND BALANCE

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (e.g. prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Trustees. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Trustees is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

R. FINANCING LEASES

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, \$700,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2023, the District did not have any financing leases that met the threshold.

S. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for SBITAs are recorded in the financial statements to the extent that the District's capitalization threshold is met, \$750,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2023, the District did not have any subscription based information technology agreements that met the threshold.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

T. LOCAL CONTROL FUNDING FORMULA/PROPERTY TAX

The District's local control funding formula is received from a combination of local property taxes, state apportionments, and other local sources.

The County of Colusa is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. Taxes are levied for each fiscal year on taxable real and personal property in the county. Secured property taxes attach as an enforceable lien on property as of March 1. Property taxes become delinquent after December 10 and April 10, respectively.

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

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula (LCFF) sources by the District.

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

U. USE OF ESTIMATES

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

V. PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pierce Joint Unified School District's California Public Employees' Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

2. CASH AND CASH EQUIVALENTS

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

	Governmental Activities
Cash in County Treasury	\$ 26,296,153
Cash on hand and in banks	152,294
Cash in revolving fund	40,000
	<u>\$ 26,488,447</u>

A. Cash on Hand and in Banks

Cash on hand and in banks consists of all cash held by the District and all cash maintained in commercial bank accounts owned by the District. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation.

B. Cash in Revolving Funds

Cash in revolving fund consists of all cash maintained in commercial bank accounts that are used as revolving funds.

C. Cash in County Treasury

County pool investments consist of District cash held by the Colusa County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are 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). The weighted average maturity of the pool is 1,568 days. The pool is rated AAA by Standard and Poor's.

Interest Rate Risk. California Government Code Section 53601 limits the District's investments to maturities of five years. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. 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. Presented in the next page is the actual rating as of the year-end for each investment type.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

3. INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as are imbursement. All other interfund transactions are treated as transfers.

As of June 30, 2023, the interfund balances were as follows:

	Due From	Due To
General Fund	\$ 56,202	\$ 663,463
Cafeteria Fund	42,849	55,949
Building Fund	20,614	253
County Schools Facilities Fund	-	4,293,784
Special Reserve Fund for Capital Outlay Projects	4,893,784	-
Total	\$ 5,013,449	\$ 5,013,449

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers during the fiscal year ended June 30, 2023 are as follows:

Transfer from County Schools Facilities Fund to Special Reserve Fund for Capital Outlay Projects for building projects.	\$ 4,263,484
Transfer from General Fund to Special Reserve Fund for Capital Outlay Projects to cover for capital outlay expenditures.	<u>1,000,000</u>
Total Transfers	<u><u>\$ 5,263,484</u></u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

4. CAPITAL ASSETS

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

	Balance July 1, 2022	Additions and Transfers	Deductions and Transfers	Balance June 30, 2023
Non-depreciable assets:				
Land	\$ 89,042	\$ -	\$ -	\$ 89,042
Work in progress	2,450,362	967,021	2,299,950	1,117,433
	<u>2,539,404</u>	<u>967,021</u>	<u>2,299,950</u>	<u>1,206,475</u>
Depreciable assets:				
Sites and improvements	3,546,347	305,599	-	3,851,946
Building and improvements	38,338,180	3,723,409	-	42,061,589
Furniture and equipment	5,230,257	167,652	-	5,397,909
	<u>47,114,784</u>	<u>4,196,660</u>	<u>-</u>	<u>51,311,444</u>
Totals, at cost	<u>49,654,188</u>	<u>5,163,681</u>	<u>2,299,950</u>	<u>52,517,919</u>
Accumulated depreciation:				
Sites and improvements	(838,345)	(183,481)	-	(1,021,826)
Building and improvements	(14,777,090)	(1,293,521)	-	(16,070,611)
Furniture and equipment	(2,963,116)	(451,385)	-	(3,414,501)
	<u>(18,578,551)</u>	<u>(1,928,387)</u>	<u>-</u>	<u>(20,506,938)</u>
Depreciable assets, net	<u>28,536,233</u>	<u>2,268,273</u>	<u>-</u>	<u>30,804,506</u>
Capital assets, net	<u>\$ 31,075,637</u>	<u>\$ 3,235,294</u>	<u>\$ 2,299,950</u>	<u>\$ 32,010,981</u>

The entire amount of depreciation expense was unallocated.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

5. LONG-TERM LIABILITIES

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2023, is shown below:

	Balance			Balance	Due
	July 1, 2022	Additions	Deductions	June 30, 2023	Within
					One Year
General Obligation Bonds	\$ 17,041,495	\$ -	\$ 325,548	\$ 16,715,947	\$ 344,897
Accreted Interest	1,116,594	-	444,301	672,293	415,103
Compensated Absences	24,545	15,962	-	40,507	-
California Energy Commission Loan	1,974,850	-	103,939	1,870,911	103,939
Supplemental Employee Retirement Plan	171,887	-	51,856	120,031	47,255
Net Pension Liability	8,529,621	4,931,914	-	13,461,535	-
	<u>\$ 28,858,992</u>	<u>\$ 4,947,876</u>	<u>\$ 925,644</u>	<u>\$ 32,881,224</u>	<u>\$ 911,194</u>

The Bond Interest and Redemption Fund makes payments for the general obligation bonds. The accrued vacation (compensated absences) and the Supplemental Early Retirement Plan (SERP) will be paid by the fund for which the employee works. The California Energy Commission loan will be paid from the General Fund.

Loan Agreement

In January 2021, the District entered into a loan agreement with the California Energy Commission for energy efficient capital improvements. The balance as of June 30, 2023 is \$1,870,911.

Year Ended			
June 30,	Principal	Interest	Total
2024	\$ 103,939	\$ -	\$ 103,939
2025	103,939	-	103,939
2026	103,939	-	103,939
2027	103,939	-	103,939
2028	103,939	-	103,939
2029-2033	519,698	-	519,698
2034-2038	519,698	-	519,698
2039-2042	311,820	-	311,820
Totals	<u>\$ 1,870,911</u>	<u>\$ -</u>	<u>\$1,870,911</u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

5. LONG-TERM LIABILITIES (CONTINUED)

Schedule of Changes in Long-Term Liabilities

General Obligation Bonds

In 2002, the District issued \$1,736,041 of capital appreciation bonds with interest rates between 5.30% and 5.64% that mature in 2028. In September 2011, the District issued \$2,850,000 of refunding bonds to retire 2002 current interest bonds originally issued in the amount of \$4,260,000. The refunding bonds bear interest between 0.65% and 3.00% and are due in annual installments ranging from \$360,000 to \$470,000 through August 2018.

In 2017, the District issued \$7,000,000 of General Obligation bonds (Series A) with interest rates between 2.0% and 5.0% that mature in 2046. In 2018, the District issued \$8,000,000 of General Obligation bonds (Series B) with interest rates between 2.0% and 5.0% that mature in 2044. Portions of Series A and Series B bonds were refunded with the 2021 Refunded General Obligation Bonds.

In 2021, the District issued \$9,545,000 of Refunding General Obligation bonds with interest rates between 0.259% and 3.075% that mature in 2047. The Refunding General Obligation bonds will pay off portions of the 2016 Series A and 2016 Series B bonds. The present value of the savings will net \$897,282.43.

Date Of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Outstanding July 1, 2022	Issued in Current Year	Accreted Interest Current Year	Redeemed Current Year	Outstanding June 30, 2023
2002	5.30 - 5.64%	8/1/2027	\$ 1,736,041	\$ 1,106,495	\$ -	\$ -	\$ 195,548	\$ 910,947
2002	5.30 - 5.64%	8/1/2027	-	1,116,594	-	-	444,301	672,293
2017	2.00 - 5.00%	8/1/2046	7,000,000	1,865,000	-	-	-	1,865,000
2018	2.00 - 5.00%	8/1/2044	8,000,000	4,670,000	-	-	20,000	4,650,000
2021	0.259 - 3.075%	8/1/2047	9,545,000	9,400,000	-	-	110,000	9,290,000
			<u>\$26,281,041</u>	<u>\$18,158,089</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 769,849</u>	<u>\$17,388,240</u>

The annual requirements to pay off the general obligation bonds are as follows:

Year Ended	Year Ended			
	June 30,	Principal	Interest	Total
2024	\$ 344,897	\$ 900,725	\$ 1,245,622	
2025	366,738	925,623	1,292,361	
2026	381,500	947,712	1,329,212	
2027	407,903	972,624	1,380,527	
2028	434,909	995,168	1,430,077	
2029-2033	1,840,000	2,217,177	4,057,177	
2034-2038	2,955,000	1,855,107	4,810,107	
2039-2043	4,485,000	1,278,066	5,763,066	
2044-2048	5,500,000	410,191	5,910,191	
Totals	<u>\$ 16,715,947</u>	<u>\$ 10,502,393</u>	<u>\$ 27,218,340</u>	

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

5. LONG-TERM LIABILITIES (CONTINUED)

Schedule of Changes in Long-Term Liabilities

Supplemental Employee Retirement Program

During fiscal year 2011-12 the District adopted an additional early retirement incentive program. Beginning September 1, 2012 and subject to a lifetime cap of \$40,440, the District will pay up to \$8,088 annually toward a District provided health and welfare benefit plan on behalf of retirees who meet certain criteria. The retiree must be at least 55 years of age and have 5 years of consecutive service within the District immediately preceding his/her retirement. Payment towards the District provided health and welfare benefit package selected by the retiree shall continue until the retiree's death or until the District has paid the total capped amount of \$40,440, whichever comes first. In 2013-14, two new retirees elected to participate in the retirement incentive program. In 2019-20, four new retirees elected to participate in the retirement incentive program. In 2020-21, no new retirees elected to participate in the retirement incentive program. In 2021-22, no new retirees elected to participate in the retirement incentive program. In 2022-23, no new retirees elected to participate in the retirement incentive program. Future estimated payments at June 30, 2023 are as follows:

Year Ended	
June 30,	Principal
2024	\$ 47,255
2025	47,255
2026	17,255
2027	8,266
Totals	\$ 120,031

PIERCE JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

6. EMPLOYEE RETIREMENT SYSTEMS

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

Plan Description

California Public Employees' Retirement System (CalPERS)

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

State Teachers' Retirement System (STRS)

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

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

	CalPERS		CalSTRS	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	8%	10.25%	10.205%
Required employer contribution rates	25.370%	25.370%	19.10%	19.10%

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

CalPERS

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. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

STRS

Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2023, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	CalPERS	STRS	Total
Contributions - employer	\$ 702,603	\$ 1,432,439	\$ 2,135,042
On behalf contributions - state	-	688,090	688,090
Total	\$ 702,603	\$ 2,120,529	\$ 2,823,132

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

As of June 30, 2023, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	\$ 4,896,781
STRS	8,564,754
Total Net Pension Liability	\$ 13,461,535

PIERCE JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension 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 for the Plan as of June 30, 2021 and 2022 was as follows:

Measurement			
Dates	Fiscal Year	CalPERS	STRS
June 30, 2021	2021-22	0.01449%	0.01227%
June 30, 2022	2022-23	0.01423%	0.01233%
Change - Increase (Decrease)		<u>-0.00026%</u>	<u>0.00006%</u>

For the year ended June 30, 2023, the District recognized pension expense of \$4,379,362. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS		STRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 702,603	\$ -	\$ 2,120,529	\$ -	\$ 2,823,132	\$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2021-22	27,577	188,944	103,235	175,065	130,812	364,009
Changes of Assumptions	278,744	-	2,973,869	-	3,252,613	-
Differences between Expected and Actual Experience	127,238	95,595	55,566	1,374,124	182,804	1,469,719
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	22,794	41,223	377,682	185,408	400,476	226,631
Net differences between projected and actual investment earnings on pension plan investments	-	178,761	-	2,952,818	-	3,131,579
Total	<u>\$ 1,158,956</u>	<u>\$ 504,523</u>	<u>\$ 5,630,881</u>	<u>\$ 4,687,415</u>	<u>\$ 6,789,837</u>	<u>\$ 5,191,938</u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The amounts 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 fiscal year ended June 30, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	CalPERS	STRS	Total Deferred Outflows/ (Inflows) of Resources
2024	\$ (13,843)	\$ (191,314)	\$ (205,157)
2025	(57,222)	(366,916)	(424,138)
2026	(94,856)	(660,788)	(755,644)
2027	117,751	101,635	219,386
2028	-	(26,220)	(26,220)
Thereafter	-	(33,460)	(33,460)
Total	<u>\$ (48,170)</u>	<u>\$ (1,177,063)</u>	<u>\$ (1,225,233)</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	STRS
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll Growth Rate	2.80%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return ⁽¹⁾	6.90%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

⁽¹⁾ Net of pension plan investment expenses, including inflation.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

STRS changed the mortality assumptions based on the July 1, 2015 through June 30, 2018, experience study adopted by the board in January 2020. STRS 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 our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

Discount Rate

CalPERS

The discount rate used to measure the total pension liability for the Plan 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. These discount rates are equal to the long-term expected rate of return of the respective plan assets and are net of investment expense but not reduced for administrative expenses.

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 pension plan investment expense and inflation) are developed for each major asset class.

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 expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are on the following table:

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Asset Class	CalPERS	
	Assumed Asset Allocation	Real Return ^{(a)(b)}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

^(a) An expected inflation of 2.30% used for this period.

^(b) Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

STRS

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. 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 increases actuarially determined. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the Plan'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.

The 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 STRS investment staff and investment consultants as inputs to the process.

The 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, STRS' 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 the June 30, 2022 measurement date, are summarized in the following table:

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Asset Class	STRS	
	Assumed Asset Allocation	Long-Term Expected Real Rate of Return ^(a)
Public Equity	42.0%	4.80%
Real Estate	15.0%	3.60%
Private Equity	13.0%	6.30%
Fixed Income	12.0%	1.30%
Risk Mitigating Strategies	10.0%	1.80%
Inflation Sensitive	6.0%	3.30%
Cash/Liquidity	2.0%	-0.40%
Total	100%	

^(a) 20-year average.

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

The following presents 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:

	CalPERS		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability/(Asset)	\$ 7,073,649	\$ 4,896,781	\$ 3,097,681

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability/(Asset)	\$ 14,546,128	\$ 8,564,754	\$ 3,598,414

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS and STRS comprehensive annual financial reports available on the CalPERS’ and STRS’ websites.

Payable to the Pension Plan

As of June 30, 2023, the District had no outstanding required contributions to the pension plans.

PIERCE JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

7. FUND BALANCES

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	General Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Funds	Total
Nonspendable:					
Prepaid Expenses	\$ 18,021	\$ -	\$ -	\$ -	\$ 18,021
Revolving Cash	40,000	-	-	-	40,000
Total Nonspendable	<u>58,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,021</u>
Restricted:					
Expanded Learning Opportunities Program	635,963	-	-	-	635,963
Educator Effectiveness, FY 2021-22	212,811	-	-	-	212,811
A-G Access/Success Grant	16,290	-	-	-	16,290
A-G Learning Loss Mitigation Grant	75,000	-	-	-	75,000
Arts, Music, and Instructional Materials					
Discretionary Block Grant	385,111	-	-	-	385,111
Learning Recovery Emergency Block Grant	2,047,765	-	-	-	2,047,765
Ongoing & Major Maintenance Account	933,527	-	-	-	933,527
Child Nutrition: School Programs	-	-	-	541,452	541,452
Child Nutrition: Kitchen Infrastructure Upgrade Funds	170,535	-	-	-	170,535
Lottery: Instructional Materials	321,783	-	-	-	321,783
Bond repayments	-	-	-	2,635,364	2,635,364
Other Restricted Local	55,860	-	-	399,925	455,785
Other Restricted State	13,116	-	-	-	13,116
Student Activity Funds	-	-	-	184,923	184,923
Total Restricted	<u>4,867,761</u>	<u>-</u>	<u>-</u>	<u>3,761,664</u>	<u>8,629,425</u>
Assigned:					
Bus Replacement Reserve	288,172	-	-	-	288,172
Special Reserve Fund for Other than					
Capital Outlay Projects	-	-	6,107,144	-	6,107,144
Total Assigned	<u>288,172</u>	<u>-</u>	<u>6,107,144</u>	<u>-</u>	<u>6,395,316</u>
Unassigned:					
Reserve for Economic Uncertainties	9,951,830	-	-	-	9,951,830
Total Unassigned	<u>9,951,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,951,830</u>
Total Fund Balances	<u>\$ 15,165,784</u>	<u>\$ -</u>	<u>\$ 6,107,144</u>	<u>\$ 3,761,664</u>	<u>\$ 25,034,592</u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

8. JOINT VENTURES

The District is a member of three joint powers authorities (JPAs). The District pays an annual premium to the entities for their coverage. The relationship between the District, the pools, and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District is a member of the following joint powers authorities (JPAs):

	Tri-Counties SIG June 30, 2022*	NVSIG June 30, 2022*	SELF June 30, 2023*
Total Assets	\$ 40,056,752	\$ 3,934,422	\$ 279,749,592
Deferred Outflows of Resources	178,032	-	706,136
Total Liabilities	12,923,043	1,112,209	241,775,359
Deferred Inflows of Resources	1,991,039	-	104,291
Net Position	<u>\$ 25,320,702</u>	<u>\$ 2,822,213</u>	<u>\$ 38,576,078</u>
Revenues	\$ 48,623,735	\$ 13,265,152	\$ 57,218,250
Expenditures	<u>47,863,037</u>	<u>12,956,520</u>	<u>108,529,460</u>
Change in Net Position	<u>\$ 760,698</u>	<u>\$ 308,632</u>	<u>\$ (51,311,210)</u>

* Latest available audited financial reports.

9. COMMITMENTS AND CONTINGENCIES

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

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

10. SUBSEQUENT EVENTS

The District's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2023 through January 11, 2024, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PIERCE JOINT UNIFIED SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
REVENUES				
LCFF sources	\$ 17,859,716	\$ 19,401,126	\$ 19,401,126	\$ -
Federal revenue	2,413,040	2,863,012	1,316,171	(1,546,841)
Other state revenues	1,965,771	6,952,773	6,023,611	(929,162)
Other local revenues	239,670	825,569	(144,954)	(970,523)
Total revenues	22,478,197	30,042,480	26,595,954	(3,446,526)
EXPENDITURES				
Certificated salaries	7,621,396	8,677,970	7,854,507	823,463
Classified salaries	2,476,684	2,961,502	2,742,259	219,243
Employee benefits	4,201,560	4,923,294	4,526,340	396,954
Books and supplies	2,179,183	5,359,033	1,485,974	3,873,059
Services and other operating expenditures	3,156,251	5,698,652	2,482,741	3,215,911
Capital outlay	232,158	2,122,804	1,373,473	749,331
Other outgo	1,207,904	1,192,887	1,192,041	846
Total expenditures	21,075,136	30,936,142	21,657,335	9,278,807
Excess (deficiency) of revenues over expenditures	1,403,061	(893,662)	4,938,619	5,832,281
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	838,729	-	(838,729)
Operating transfers out	(528,448)	(1,100,000)	(1,000,000)	100,000
Total other financing sources (uses)	(528,448)	(261,271)	(1,000,000)	(738,729)
Net change in fund balances	874,613	(1,154,933)	3,938,619	5,093,552
Fund balances, July 1, 2022	11,227,165	11,227,165	11,227,165	-
Fund balances, June 30, 2023	\$ 12,101,778	\$ 10,072,232	\$ 15,165,784	\$ 5,093,552

PIERCE JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CalPERS	June 30, 2014 ⁽¹⁾	June 30, 2015 ⁽¹⁾	June 30, 2016 ⁽¹⁾	June 30, 2017 ⁽¹⁾	June 30, 2018 ⁽¹⁾	June 30, 2019 ⁽¹⁾	June 30, 2020 ⁽¹⁾	June 30, 2021 ⁽¹⁾	June 30, 2022 ⁽¹⁾
Proportion of the net pension liability (asset)	0.01459%	0.01492%	0.01547%	0.01485%	0.01557%	0.01489%	0.01441%	0.01449%	0.01423%
Proportionate share of the net pension liability (asset)	\$ 1,656,641	\$ 2,199,655	\$ 3,055,149	\$ 3,545,955	\$ 4,151,852	\$ 4,340,679	\$ 4,421,168	\$ 2,946,761	\$ 4,896,781
Covered payroll ⁽²⁾	\$ 1,489,066	\$ 1,641,513	\$ 1,583,093	\$ 1,693,754	\$ 1,766,067	\$ 1,889,397	\$ 2,606,681	\$ 1,878,516	\$ 1,969,653
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	111.25%	134.00%	192.99%	209.35%	235.09%	229.74%	169.61%	156.87%	248.61%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.38%	79.43%	73.90%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 175,278	\$ 194,470	\$ 219,860	\$ 263,057	\$ 318,987	\$ 372,608	\$ 539,583	\$ 430,368	\$ 499,701
STRS	June 30, 2014 ⁽¹⁾	June 30, 2015 ⁽¹⁾	June 30, 2016 ⁽¹⁾	June 30, 2017 ⁽¹⁾	June 30, 2018 ⁽¹⁾	June 30, 2019 ⁽¹⁾	June 30, 2020 ⁽¹⁾	June 30, 2021 ⁽¹⁾	June 30, 2022 ⁽¹⁾
Proportion of the net pension liability (asset)	0.01119%	0.01142%	0.01176%	0.01186%	0.01209%	0.01196%	0.01251%	0.01227%	0.01233%
Proportionate share of the net pension liability (asset)	\$ 6,536,592	\$ 7,690,109	\$ 9,511,447	\$ 10,967,879	\$ 11,113,958	\$ 10,804,049	\$ 12,123,635	\$ 5,582,860	\$ 8,564,754
Covered payroll ⁽²⁾	\$ 4,628,682	\$ 4,387,642	\$ 4,998,879	\$ 5,479,737	\$ 5,705,584	\$ 6,121,585	\$ 7,583,090	\$ 7,437,979	\$ 7,148,450
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	141.22%	175.27%	190.27%	200.15%	194.79%	176.49%	159.88%	75.06%	119.81%
Plan fiduciary net position as a percentage of the total pension liability (asset)	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 411,027	\$ 470,794	\$ 628,859	\$ 790,726	\$ 928,869	\$ 1,046,791	\$ 1,224,669	\$ 1,258,506	\$ 1,365,354

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable. This is the measurement date of the actuary report.

⁽²⁾ Covered payroll is the payroll on which contributions to a pension plan are based.

⁽³⁾ The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CalPERS	Fiscal Year 2014-15 ⁽¹⁾	Fiscal Year 2015-16 ⁽¹⁾	Fiscal Year 2016-17 ⁽¹⁾	Fiscal Year 2017-18 ⁽¹⁾	Fiscal Year 2018-19 ⁽¹⁾	Fiscal Year 2019-20 ⁽¹⁾	Fiscal Year 2020-21 ⁽¹⁾	Fiscal Year 2021-22 ⁽¹⁾	Fiscal Year 2022-23 ⁽¹⁾
Contractually required contribution ⁽²⁾	\$ 175,278	\$ 194,470	\$ 219,860	\$ 263,057	\$ 318,987	\$ 372,608	\$ 539,583	\$ 430,368	\$ 499,701
Contributions in relation to the contractually required contribution ⁽²⁾	(192,649)	(220,106)	(262,927)	(321,583)	(376,936)	(415,574)	(436,797)	(504,409)	(702,603)
Contribution deficiency (excess)	<u>\$ (17,371)</u>	<u>\$ (25,636)</u>	<u>\$ (43,067)</u>	<u>\$ (58,526)</u>	<u>\$ (57,949)</u>	<u>\$ (42,966)</u>	<u>\$ 102,786</u>	<u>\$ (74,041)</u>	<u>\$ (202,902)</u>
Covered payroll ⁽³⁾	\$ 1,489,066	\$ 1,641,513	\$ 1,583,093	\$ 1,693,754	\$ 1,766,067	\$ 1,889,397	\$ 2,606,681	\$ 1,878,516	\$ 1,969,653
Contributions as a percentage of covered payroll ⁽³⁾	11.771%	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%	25.370%
STRS	Fiscal Year 2014-15 ⁽¹⁾	Fiscal Year 2015-16 ⁽¹⁾	Fiscal Year 2016-17 ⁽¹⁾	Fiscal Year 2017-18 ⁽¹⁾	Fiscal Year 2018-19 ⁽¹⁾	Fiscal Year 2019-20 ⁽¹⁾	Fiscal Year 2020-21 ⁽¹⁾	Fiscal Year 2021-22 ⁽¹⁾	Fiscal Year 2022-23 ⁽¹⁾
Contractually required contribution ⁽²⁾	\$ 411,027	\$ 470,794	\$ 628,859	\$ 790,726	\$ 928,869	\$ 1,046,791	\$ 1,224,669	\$ 1,258,506	\$ 1,365,354
Contributions in relation to the contractually required contribution ⁽²⁾	(493,039)	(635,416)	(794,756)	(939,083)	(1,066,031)	(1,180,212)	(1,085,570)	(1,225,256)	(1,432,439)
Contribution deficiency (excess)	<u>\$ (82,012)</u>	<u>\$ (164,622)</u>	<u>\$ (165,897)</u>	<u>\$ (148,357)</u>	<u>\$ (137,162)</u>	<u>\$ (133,421)</u>	<u>\$ 139,099</u>	<u>\$ 33,250</u>	<u>\$ (67,085)</u>
Covered payroll ⁽³⁾	\$ 4,628,682	\$ 4,387,642	\$ 4,998,879	\$ 5,479,737	\$ 5,705,584	\$ 6,121,585	\$ 7,583,090	\$ 7,437,979	\$ 7,148,450
Contributions as a percentage of covered payroll ⁽³⁾	8.880%	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%	19.100%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable.

⁽²⁾ Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

⁽³⁾ Covered payroll is the payroll on which contributions to a pension plan are based.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. PURPOSE OF SCHEDULES

- A - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

- B - Schedule of Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Assumptions

The discount rate changed for CalPERS from 7.15% to 6.90%. The inflation rate for CalPERS changed from 2.50% to 2.30%. The payroll growth rate for CalPERS changed from 2.75% to 2.80%. There were no changes in assumptions for CalSTRS.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for both CalPERS and CalSTRS.

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

C - Schedule of Pension Contributions

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll. In the future, as data becomes available, ten years of information will be presented.

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

	<u>CalPERS</u>	<u>STRS</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll Growth Rate	2.80%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return ⁽¹⁾	6.90%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

⁽¹⁾ Net of pension plan investment expenses, including inflation.

SUPPLEMENTARY INFORMATION

PIERCE JOINT UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	Student Activity Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total
ASSETS						
Cash and cash equivalents	\$ 184,764	\$ 358,086	\$ 13,239	\$ 382,047	\$ 2,635,364	\$ 3,573,500
Accounts receivable	159	215,481	589	18,618	-	234,847
Due from other funds	-	42,849	20,614	-	-	63,463
Total Assets	<u>\$ 184,923</u>	<u>\$ 616,416</u>	<u>\$ 34,442</u>	<u>\$ 400,665</u>	<u>\$ 2,635,364</u>	<u>\$ 3,871,810</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 19,015	\$ 34,189	\$ 740	\$ -	\$ 53,944
Due to other funds	-	55,949	253	-	-	56,202
Total Liabilities	<u>-</u>	<u>74,964</u>	<u>34,442</u>	<u>740</u>	<u>-</u>	<u>110,146</u>
Fund balances						
Restricted	184,923	541,452	-	399,925	2,635,364	3,761,664
Total Fund Balances	<u>184,923</u>	<u>541,452</u>	<u>-</u>	<u>399,925</u>	<u>2,635,364</u>	<u>3,761,664</u>
Total liabilities and fund balances	<u>\$ 184,923</u>	<u>\$ 616,416</u>	<u>\$ 34,442</u>	<u>\$ 400,665</u>	<u>\$ 2,635,364</u>	<u>\$ 3,871,810</u>

PIERCE JOINT UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	Student Activity Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total
REVENUES						
Federal revenue	\$ -	\$ 877,339	\$ -	\$ -	\$ -	\$ 877,339
Other state revenues	-	447,307	-	-	4,216	451,523
Other local revenues	254,152	(4,629)	10,779	29,234	979,698	1,269,234
Total revenues	254,152	1,320,017	10,779	29,234	983,914	2,598,096
EXPENDITURES						
Classified salaries	-	373,590	-	-	-	373,590
Employee benefits	-	174,799	-	-	-	174,799
Books and supplies	191,437	521,807	12,941	-	-	726,185
Services and other operating expenditures	43,638	15,184	9,859	40,812	-	109,493
Capital outlay	-	-	880,911	-	-	880,911
Other outgo	-	32,489	-	-	-	32,489
Debt service expenditures	-	-	-	-	1,203,814	1,203,814
Total expenditures	235,075	1,117,869	903,711	40,812	1,203,814	3,501,281
Excess (deficiency) of revenues over expenditures	19,077	202,148	(892,932)	(11,578)	(219,900)	(903,185)
OTHER FINANCING SOURCES (USES)						
Other uses	-	-	-	-	(1,950)	(1,950)
Total other financing sources (uses)	-	-	-	-	(1,950)	(1,950)
Net change in fund balances	19,077	202,148	(892,932)	(11,578)	(221,850)	(905,135)
Fund balances, July 1, 2022	165,846	339,304	892,932	411,503	2,857,214	4,666,799
Fund balances, June 30, 2023	\$ 184,923	\$ 541,452	\$ -	\$ 399,925	\$ 2,635,364	\$ 3,761,664

PIERCE JOINT UNIFIED SCHOOL DISTRICT

ORGANIZATION

JUNE 30, 2023

The Pierce Joint Unified School District (the District) is located in Arbuckle, California. The District was organized as a unified school district of the State of California in 1964 and provides public education for grades kindergarten through twelve within Colusa County. There were no changes to the District boundaries in the current year. The District currently operates two elementary schools, one junior high school, one high school, and a continuation high school.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires December</u>
John Friel	President	2024
George Green	Vice-President	2026
Melissa Doherty	Clerk	2026
Iluixochitl Perez Dudley	Member	2026
Abel Gomez	Member	2024

ADMINISTRATION

Carol Geyer
Superintendent

Daena Meras
Chief Business Official

PIERCE JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
JUNE 30, 2023

	Second Period Report	Annual Report
Elementary		
TK through Third	390.59	392.22
Fourth through Sixth	312.63	311.82
Seventh through Eighth	196.42	196.91
Total Elementary	899.64	900.95
Secondary		
Regular classes	489.61	488.28
Continuation education	12.83	11.43
Total Secondary	502.44	499.71
Total	1,402.08	1,400.66

PIERCE JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Grade Level	Standard Minutes Requirement	2022-23 Actual Minutes	Instructional Days	Status
Kindergarten	36,000	57,935	180	In compliance
Grade 1	50,400	53,315	180	In compliance
Grade 2	50,400	53,840	180	In compliance
Grade 3	50,400	53,840	180	In compliance
Grade 4	54,000	54,500	180	In compliance
Grade 5	54,000	54,500	180	In compliance
Grade 6	54,000	54,500	180	In compliance
Grade 7	54,000	65,190	180	In compliance
Grade 8	54,000	65,190	180	In compliance
Grade 9	64,800	65,830	180	In compliance
Grade 10	64,800	65,830	180	In compliance
Grade 11	64,800	65,830	180	In compliance
Grade 12	64,800	65,830	180	In compliance

PIERCE JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

FOR FISCAL YEAR ENDED JUNE 30, 2023

<u>Charter School ID Number</u>	<u>Charter Schools Chartered by the District</u>	<u>Included in the District Financial Statements, or Separate Report</u>
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There are currently no charter schools within the District.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Student Activity Fund
FUND BALANCE	
Balance, June 30, 2023, Unaudited Actuals	\$ 188,433
Decrease in:	
Cash in Bank(s)	(3,510)
Balance, June 30, 2023, Audited Financial Statements	\$ 184,923

There were no adjustments made to any other funds of the District.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education</u>			
<i>Passed through California Department of Education</i>			
Education Stabilization Fund (ESF) Cluster			
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	* \$ 617,092
84.425U	Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	10155	* 90,203
84.425D	Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	15618	* 169,498
84.425C	Expanded Learning Opportunities (ELO) Grant GEER II	15619	* 38,901
84.425	American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	15566	* 1,352
	Subtotal Education Stabilization Fund (ESF) Cluster		917,046
Title III Cluster:			
84.365	ESEA (ESSA): Title III, English Learner Student Program	14346	71,038
84.365	ESEA (ESSA): Title III, Immigrant Student Program	15146	2,655
	Subtotal Title III Cluster		73,693
84.010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	14329	315,676
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	9,756
	Total U.S. Department of Education		1,316,171
<u>U.S. Department of Agriculture</u>			
<i>Passed through California Department of Education</i>			
10.555	Child Nutrition: School Programs (NSL Sec 4)	13391	* 834,678
10.555	Supply Chain Assistance (SCA) Funds	15655	* 39,598
	Total U.S. Department of Agriculture		874,276
	Total Federal Programs		\$ 2,190,447

* Tested as a major program

PIERCE JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Adopted Budget 2023/2024	Actuals 2022/2023	Actuals 2021/2022	Actuals 2020/2021
<u>General Fund and Special Reserve Fund for Other Than Capital Outlay</u>				
Revenues and Other Financial Sources	\$ 26,416,845	\$ 26,595,954	\$ 22,239,282	\$ 21,632,353
Expenditures	24,380,496	21,657,335	20,199,888	19,736,206
Other Uses and Transfers Out	500,000	1,000,000	1,900,000	128,448
Total Outgo	24,880,496	22,657,335	22,099,888	19,864,654
Change in Fund Balance	1,536,349	3,938,619	139,394	1,767,699
Ending Fund Balance	<u>\$ 16,702,133</u>	<u>\$ 15,165,784</u>	<u>\$ 11,227,165</u>	<u>\$ 11,087,771</u>
Available Reserves	<u>\$ 11,446,200</u>	<u>\$ 9,197,824</u>	<u>\$ 9,197,824</u>	<u>\$ 9,702,550</u>
Reserve for Economic Uncertainties	<u>\$ 11,446,200</u>	<u>\$ 9,197,824</u>	<u>\$ 9,197,824</u>	<u>\$ 9,702,550</u>
Undesignated Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Available Reserves as a Percentage of Total Outgo	46.0%	40.6%	41.6%	48.8%
Total Long-Term Debt	\$ 31,970,030	\$ 32,881,224	\$ 28,858,992	\$ 37,704,219
Average Daily Attendance at P-2	1,397	1,402	1,400	1,400

The general fund and special reserve fund for other than capital outlay fund balance has increased by \$5,845,712 over the past three years. The fiscal year 2023-24 budget projects an increase of \$1,536,349. For a District this size, the State of California recommends available reserves of at least 3 percent of total general fund expenditures, transfers out, and other uses (total outgo). The District met this requirement.

The District has incurred an operating surplus in all of the past three fiscal years.

Total long-term liabilities have decreased by \$4,822,995 over the past two years due to decreases in the net pension liability and payments to general obligation bonds.

Average Daily Attendance (ADA) has increased by 2 over the past two years and attendance is budgeted to decrease for the fiscal year 2023-24.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. Schedule Of Average Daily Attendance

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

2. Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206. Districts must maintain their instructional minutes at the State's standard requirements as required by Education Code Section 46201(b).

3. Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

4. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides information necessary to reconcile the Annual Financial and Budget Report with the audited financial statements.

5. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes federal grant activity of the County Office and is presented under the modified accrual basis of accounting. The May 2023 Edition of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) require a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District did not elect to use the 10% de minimis cost rate.

The schedule on the following page provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amount consists of the fair value of federal food commodities received from the California Department of Education as a pass-through grant from the U.S. Department of Agriculture that are not reflected in the financial statements.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

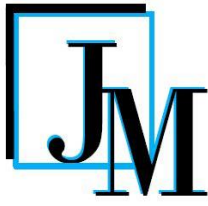
5. Schedule of Expenditures of Federal Awards (Continued)

	Assistance Listing Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$2,193,510
Reconciling items		
Pandemic EBT Local Administrative Grant	10.649	(3,063)
Total Schedule of Expenditures of Federal Awards		\$2,190,447

6. Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

OTHER INDEPENDENT AUDITOR'S REPORTS



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Pierce Joint Unified School District
Arbuckle, California

Report on Compliance

Opinion

We have audited the Pierce Joint Unified School District (the "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, Pierce Joint 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. 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 District's state programs.

Auditor's 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:

Local Education Agencies Other Than Charter Schools	
Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	
General Requirements	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive Program	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes

School Districts, County Offices of Education and Charter Schools

Description	Procedures Performed
California Clean Energy Jobs Act	No, see below
After/Before Schools Education and Safety Program	
General requirements	Yes
After School	Yes
Before School	No, see below
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	No, see below
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Transitional Kindergarten	Yes

Charter Schools

Description	Procedures Performed
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform any procedures related to Kindergarten Continuance as no students repeated kindergarten in the current school year.

We did not perform any procedures related to Independent Study and Continuation Education as the reported ADA was below the materiality threshold for testing in the current year.

We did not perform any procedures related to Immunizations as none of the District’s schools appeared on the lists of schools that did not submit immunization assessment reports to the California Department of Public Health or those that reported combined conditional admission and overdue rates greater than 10 percent in kindergarten and in 7th grade.

We did not perform any procedures related to Independent Study-Course Based, Early Retirement Incentive, Juvenile Court Schools, Middle or Early College High Schools, Apprenticeship: Related and Supplemental Instruction, the Before portion of the After/Before School Education and Safety Program, and District of Choice because the District did not participate in these programs.

We did not perform any procedures related to California Clean Energy Jobs Act because the District completed the requirements in a previous fiscal year.

We did not perform any procedures related to Attendance for Charter Schools, Mode of Instruction for Charter Schools, Nonclassroom-Based Instruction/Independent Study for Charter Schools, Determination of

Funding for Nonclassroom-Based Instruction for Charter Schools, and Charter School Facility Grant Program because the District did not have any charter schools.

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.

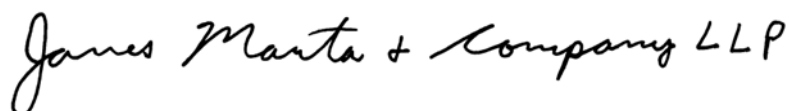
Report on Internal Control over Compliance

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.

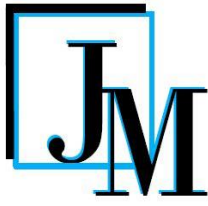
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 11, 2024



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Pierce Joint Unified School District
Arbuckle, California

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pierce Joint Unified School District (the "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, and have issued our report thereon dated January 11, 2024.

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 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.

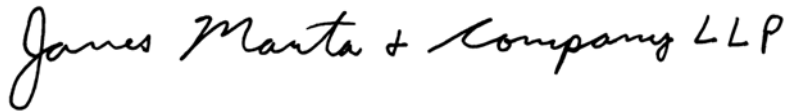
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

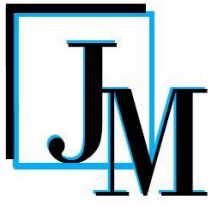
As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

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.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 11, 2024



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Pierce Joint Unified School District
Arbuckle, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pierce Joint Unified School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the May 2023 Edition of the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the May 2023 Edition of the 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 the 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 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 District's federal programs.

Auditor's 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 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 the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the 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.

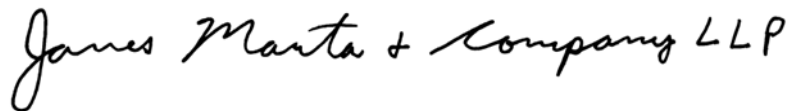
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Pierce Joint Unified School District as of and for the year ended June 30, 2023, and have issued our report thereon dated January 11, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 11, 2024

FINDINGS AND RECOMMENDATION

PIERCE JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I – Summary of Audit Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425, 84.425U, 84.425D, 84.425C 10.555	Education Stabilization Fund (ESF) Cluster Child Nutrition Cluster

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

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

State Awards

Internal control over state programs:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None reported

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

PIERCE JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section II – Financial Statement Findings

No matters were reported.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section IV – State Award Findings and Questioned Costs

No matters were reported.

PIERCE JOINT UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

No matters were reported.