



See what's possible.

PIONEER UNION SCHOOL DISTRICT

AUDIT REPORT

Fiscal Year Ended June 30, 2024

PIONEER UNION SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2024

Independent Auditors' Report	1
Management's Discussion and Analysis	4

FINANCIAL SECTION

Basic Financial Statements:

Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds - Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
Notes to Financial Statements	20

REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Budgetary Comparison Schedule	50
Schedule of the Proportionate Share of the Net Pension Liability	51
Schedule of Contributions - Pensions	53
Notes to Required Supplementary Information	55

SUPPLEMENTARY INFORMATION

Local Education Agency Organization Structure	57
Schedule of Expenditures of Federal Awards	58
Schedule of Average Daily Attendance	59
Schedule of Instructional Time	60
Schedule of Financial Trends and Analysis	61
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	62
Schedule of Charter Schools	63
Combining Statements - Non-Major Governmental Funds	
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	65
Note to Supplementary Information	66

PIONEER UNION SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2024

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	68
Independent Auditors' Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance Required by the Uniform Guidance	70
Independent Auditors' Report on State Compliance and on Internal Control over Compliance for State Programs	73

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results	77
Financial Statement Findings	78
Federal Award Findings and Questioned Costs	79
State Award Findings and Questioned Costs	80
Summary Schedule of Prior Year Audit Findings	83



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Pioneer Union School District
Somerset, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pioneer Union School District ("the District") as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 and the Required Supplementary Information section as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic 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 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 accompanying 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 December 07, 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
December 07, 2024

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The discussion and analysis of Pioneer Union School District’s (the “District”) financial performance provides an overall review of the District’s financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District’s financial performance as a whole. To provide a complete understanding of the District’s financial performance, please read it in conjunction with the Independent Auditors’ Report on page 1, notes to the basic financial statements and the District’s financial statements.

The Management’s Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* issued June 1999. Certain comparative information is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The District’s financial status increased overall as a result of this year’s operations. Net position of governmental activities increased by \$962,595, or 16.45% (See Table A-1).
- Governmental expenses were about \$5.3 million. Revenues were about \$6.3 million (See Table A-2).
- The District spent approximately \$904,973 in new capital assets during the year. These expenditures were incurred primarily on construction in progress, land improvements, buildings and improvements, furniture and equipment (See Table A-3).
- The District’s outstanding long-term debt increased by \$25,247. This was primarily due to the increase in the pension liability for 2023-24 (See Table A-4).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the government-wide statements.

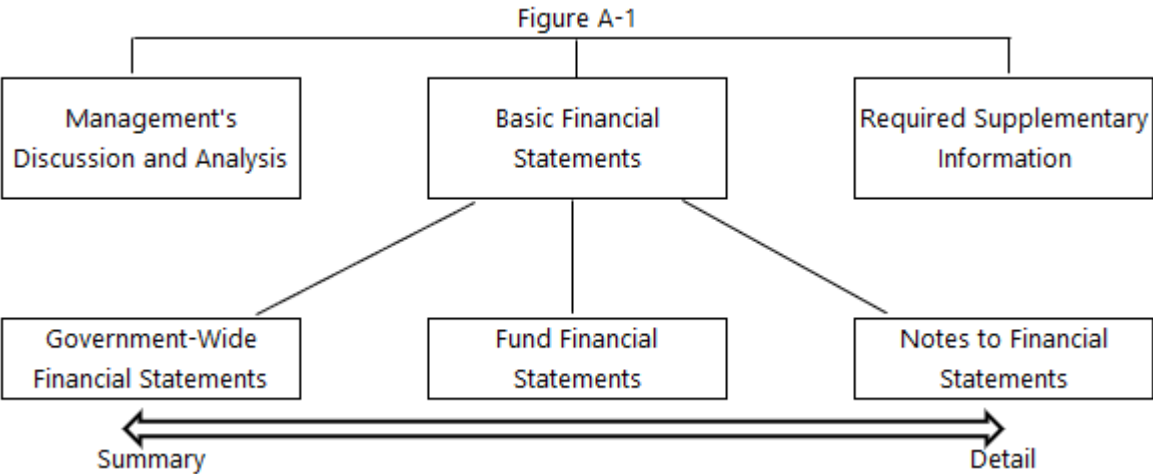
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

The fund financial statements also look at the District’s more significant funds with all other non-major funds presented in total in one column.

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Figure A-1, Organization of Pioneer Union School District’s Annual Financial Report



The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Type of Statements	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District, except fiduciary.	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance.	Activities of the District that operate like business, such as self-insurance funds.	Instances in which the District administers resources on behalf of someone else.
<i>Required financial statements</i>	<ul style="list-style-type: none"> Statement of Net Position Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Net Position Statement of Revenues, Expenditures, and Changes in Fund Net Position Statement of Cash Flows 	<ul style="list-style-type: none"> Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

Type of Statements	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term.	Only assets expected to be used up and liabilities that come during the year or soon thereafter; no capital assets included.	All assets and liabilities, both short-term and long-term; the District's funds do not contain non-financial assets, though they can.	All assets and liabilities, both short-term and long-term; the District's funds do not contain non-financial assets, though they can.
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or position.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's demographics and the condition of school buildings and other facilities.
- In the government-wide financial statements, the District's activities are categorized as Governmental Activities. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District operates the following:

Governmental funds – All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District’s net position was higher on June 30, 2024, than it was the year before – increasing to \$6.8 million as noted in the summary below:

Table A-1

	Governmental Activities		
	2024	2023	Net Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 3,286,053	\$ 2,951,895	\$ 334,158
Non-current assets	6,564,031	5,986,559	577,472
Deferred outflows of resources	1,205,407	1,152,346	53,061
Total Assets and Deferred Outflows of Resources	11,055,491	10,090,800	964,691
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	352,558	340,900	11,658
Non-current liabilities	3,490,953	3,465,706	25,247
Deferred inflows of resources	396,267	431,076	(34,809)
Total Liabilities and Deferred Inflows of Resources	4,239,778	4,237,682	2,096
NET POSITION			
Investment in capital assets, net	6,563,387	5,979,436	583,951
Restricted	1,468,872	1,245,869	223,003
Unrestricted	(1,216,546)	(1,372,187)	155,641
Total Net Position	\$ 6,815,713	\$ 5,853,118	\$ 962,595

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued

Changes in Net Position, governmental activities

The District's total revenues increased by 21.00% to \$6.3 million. The increase is due primarily to the increase in one-time state and federal grants and increased revenue due to participation in the cafeteria programs.

The total cost of all programs and services increased 10.50% to \$5.3 million. The District's expenses are predominantly related to educating students, 68.00%. The administrative activities of the District accounted for 10.00% of total costs.

Table A-2

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 62,930	\$ 26,570	\$ 36,360
Operating grants and contributions	1,781,125	1,760,116	21,009
General revenues			
Taxes and subventions	2,231,100	2,115,847	115,253
Federal and state aid not restricted for specific purposes	1,425,819	1,100,679	325,140
Other	809,493	212,081	597,412
Total Revenues	6,310,467	5,215,293	1,095,174
EXPENSES			
Instruction	2,226,641	1,986,836	239,805
Instruction-related services	444,965	354,152	90,813
Pupil services	966,705	855,333	111,372
General administration	537,022	542,407	(5,385)
Plant services	580,452	499,032	81,420
Ancillary services	45,156	40,766	4,390
Community services	14,038	17,139	(3,101)
Interest on long-term debt	145	-	145
Other outgo	205,247	213,398	(8,151)
Depreciation (Unallocated)	320,972	322,457	(1,485)
Amortization (Unallocated)	6,529	8,165	(1,636)
Total Expenses	5,347,872	4,839,685	508,187
Changes in net position	962,595	375,608	586,987
Net Position - Beginning	5,853,118	5,477,510	375,608
Net Position - Ending	\$ 6,815,713	\$ 5,853,118	\$ 962,595

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed this year, its governmental funds reported a combined fund balance of \$2.9 million, which is above last year's ending fund balance of \$2.6 million. The primary causes of the increased fund balance are the federal and state resources related to one-time block grants to address learning loss during the pandemic.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

Revenues

- Local Control Funding Formula (LCFF) was fully implemented in FY 2018-19. In FY 2022-23 statutory cost of-living adjustment (COLA) of 8.22% was funded.
- Enrollment decreased from prior year to 283 or by 10 students. Under the law, the District is allowed to use the greater of current year, previous year's Average Daily Attendance (ADA), or the prior three year average ADA.
- Carryover of unspent categorical funds from prior year were budgeted.
- Other revenue categories were also adjusted as grants became available from the Federal, State and local agencies.

Expenditures

- Employee benefits for the State Teacher Retirement System (STRS) remained at 19.10% and the Public Employee Retirement System (PERS) increased from 25.37% to 26.68% of the employees' gross payroll.
- Restricted Maintenance Account (RMA) contribution was at 3% due to *Education Code* Section 17070.75(b)(2)(C).
- Budgeted expenditures were adjusted in accordance to the increase in categorical program revenues.
- Additionally, budget for unspent categorical programs (entitlements) with fund balance from the prior year were increased.
- Other expenditure categories were adjusted to cover any unexpected changes during the year.

While the District's final budget for the General Fund, as listed on page 50, anticipated that revenues would exceed expenditures by about \$142,551, the actual results for the year show that revenues exceeded expenditures by \$312,894. Actual revenues were \$173,554 less than anticipated, and expenditures were \$343,897 less than budgeted. These amounts consist primarily of restricted categorical program dollars that were not spent as of June 30, 2024, and will be carried over into the 2024-25 budget.

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION

By the end of 2023-24, the District had invested \$6.6 million in net capital assets (including right-of-use assets), related to the District's ongoing construction, modernization, and equipment program. Total depreciation and amortization for the year was \$327,501. More detailed information about capital assets can be found in note 4 of the financial statements.

Table A-3

	Governmental Activities		
	2024	2023	Net Change
CAPITAL ASSETS AND RIGHT-TO-USE ASSETS			
Land	\$ 95,110	\$ 95,110	\$ -
Construction in progress	571,539	-	571,539
Land improvements	881,585	686,946	194,639
Buildings and improvements	12,078,043	12,024,101	53,942
Furniture and equipment	1,154,011	1,069,158	84,853
Right-of-use leased assets	22,627	22,627	-
Accumulated depreciation	(8,216,851)	(7,895,879)	(320,972)
Accumulated amortization	(22,033)	(15,504)	(6,529)
Total Capital Assets and Right-of-use Assets	\$ 6,564,031	\$ 5,986,559	\$ 577,472

LONG-TERM LIABILITIES

At year-end, the District had \$3.5 million in lease liabilities, pension liabilities, and compensated absences – an increase of 1.03% from last year. (more detailed information about the District's long-term liabilities is presented in notes to financial statements).

Table A-4

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
Lease liabilities	\$ 644	\$ 8,229	\$ (7,585)
Compensated absences	15,670	18,809	(3,139)
Net pension liability	3,474,639	3,438,668	35,971
Less: current portion of long-term debt	(16,314)	(26,394)	10,080
Total Long-term Liabilities	\$ 3,474,639	\$ 3,439,312	\$ 35,327

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FACTORS BEARING ON THE DISTRICT’S FUTURE

During the District’s budget development process, the following budget assumptions were applied to the District’s budget based on the most current information available at that time. However, revenue and expenditure assumptions have changed since then. The following assumptions were applied to the Pioneer Union School District’s 2024-25 Budget that was adopted in June 2024.

The following assumptions were used in estimating revenues and expenditures:

- a) Local Control Funding Formula (LCFF) for 2024-25 is calculated using the following assumptions
 - Average Daily Attendance (ADA) of 255.75
 - Cost of Living Adjustment (COLA) of 1.07%
 - Unduplicated Pupil Percentage of 51.23% (rolling three-year average)
- b) Federal Revenues are projected to decline mainly due to the elimination of ESSER dollars to be fully expended by September 30th, 2024.
- c) State Revenues are projected to decline mainly due to the elimination of one-time funds. Such as UPK planning funds, and Special Education Learning Recovery funds.
- d) Local Revenues are based on historical trends and commitments from donors.
- e) Classroom staffing allocation has been adjusted based on the projected enrollment. Class sizes and the ratio remains the same as the prior-year as follows:

K	20
1	23
2	20
3	23
4	25
5	27
6	17
7-8	29

- f) Employee Benefits include all the related statutory benefits applicable to the Certificated and Classified Salaries. The State Teachers Retirement System (STRS) contribution rate remained at 19.10%, while the Public Employees’ Retirement System (PERS) contribution rate increase to 26.68%

**PIONEER UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FACTORS BEARING ON THE DISTRICT'S FUTURE, continued

- g) Deferred Maintenance funds have been spent down and many maintenance projects remain.
- h) Salary settlements for two years included a 2% increase for 24/25 in both Certificated and Classified groups.
- i) Increased supply budget to include a one-time curriculum adoption
- j) Services and Operation Expenses decreased with the assumption that less emergency repairs will be necessary in 24/25.

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 about this report or need additional financial information, please contact Kelly Howard, Chief Business Officer, Pioneer Union School District, 6862 Mt. Aukum Road, Somerset, CA 95864, (530) 620-3556.

FINANCIAL SECTION

PIONEER UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,772,783
Accounts receivable	508,646
Stores Inventory	4,624
Capital assets, not depreciated	666,649
Capital assets, net of accumulated depreciation	5,896,788
Right-of-use leased assets, net	594
Total Assets	<u>9,850,084</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>1,205,407</u>
Total Deferred Outflows of Resources	<u>1,205,407</u>
LIABILITIES	
Accrued liabilities	227,413
Unearned revenue	125,145
Long-term liabilities, current portion	16,314
Net pension liability	<u>3,474,639</u>
Total Liabilities	<u>3,843,511</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>396,267</u>
Total Deferred Inflows of Resources	<u>396,267</u>
NET POSITION	
Investment in capital assets, net	6,563,387
Restricted	
Educational Programs	948,352
Capital projects	308,964
Child nutrition	199,414
Student activity funds	9,686
Other restrictions	2,456
Unrestricted	<u>(1,216,546)</u>
Total Net Position	<u>\$ 6,815,713</u>

PIONEER UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

				Net (Expense)
				Revenues and
				Changes in
				Net Position
Function/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 2,226,641	\$ -	\$ 967,367	\$ (1,259,274)
Instruction-related services				
Instructional supervision and administration	203	-	64	(139)
Instructional library, media, and technology	38,323	-	8,674	(29,649)
School site administration	406,439	-	49,391	(357,048)
Pupil services				
Home-to-school transportation	270,567	-	3,138	(267,429)
Food services	339,597	431	340,302	1,136
All other pupil services	356,541	50,336	181,526	(124,679)
General administration				
Centralized data processing	100,448	-	178	(100,270)
All other general administration	436,574	12,162	57,551	(366,861)
Plant services	580,452	1	24,178	(556,273)
Ancillary services	45,156	-	63,355	18,199
Community services	14,038	-	656	(13,382)
Interest on long-term debt	145	-	-	(145)
Other outgo	205,247	-	84,745	(120,502)
Depreciation (unallocated)	320,972	-	-	(320,972)
Amortization (unallocated)	6,529	-	-	(6,529)
Total Governmental Activities	\$ 5,347,872	\$ 62,930	\$ 1,781,125	(3,503,817)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				2,231,100
Federal and state aid not restricted for specific purposes				1,425,819
Interest and investment earnings				133,850
Interagency revenues				7,089
Miscellaneous				668,554
Subtotal, General Revenues				4,466,412
Changes in Net Position				962,595
Net Position - Beginning				5,853,118
Net Position - Ending				\$ 6,815,713

PIONEER UNION SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,233,148	\$ 46,747	\$ 492,888	\$ 2,772,783
Accounts receivable	465,421	-	43,225	508,646
Due from other funds	12,011	-	33,979	45,990
Stores inventory	-	-	4,624	4,624
Total Assets	<u>\$ 2,710,580</u>	<u>\$ 46,747</u>	<u>\$ 574,716</u>	<u>\$ 3,332,043</u>
LIABILITIES				
Accrued liabilities	\$ 171,713	\$ 45,772	\$ 9,928	\$ 227,413
Due to other funds	33,856	-	12,134	45,990
Unearned revenue	121,264	-	3,881	125,145
Total Liabilities	<u>326,833</u>	<u>45,772</u>	<u>25,943</u>	<u>398,548</u>
FUND BALANCES				
Non-spendable	1,000	-	4,624	5,624
Restricted	952,931	-	515,941	1,468,872
Committed	-	-	28,208	28,208
Assigned	304,143	975	-	305,118
Unassigned	1,125,673	-	-	1,125,673
Total Fund Balances	<u>2,383,747</u>	<u>975</u>	<u>548,773</u>	<u>2,933,495</u>
Total Liabilities and Fund Balances	<u>\$ 2,710,580</u>	<u>\$ 46,747</u>	<u>\$ 574,716</u>	<u>\$ 3,332,043</u>

**PIONEER UNION SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Fund Balances - Governmental Funds	\$ 2,933,495
--	--------------

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, right-to-use assets, accumulated depreciation, and accumulated amortization:

Capital assets, gross	\$ 14,780,288	
Accumulated depreciation	(8,216,851)	
Right-to-use leased assets, gross	22,627	
Accumulated amortization	<u>(22,033)</u>	6,564,031

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:

Lease liabilities	644	
Compensated absences	15,670	
Net pension liability	<u>3,474,639</u>	(3,490,953)

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 pensions are reported:

Deferred outflows of resources related to pensions:	1,205,407	
Deferred inflows of resources related to pensions:	<u>(396,267)</u>	809,140

Total Net Position - Governmental Activities	<u>\$ 6,815,713</u>
--	---------------------

PIONEER UNION SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	\$ 3,550,618	\$ -	\$ 32,000	\$ 3,582,618
Federal sources	629,564	-	185,645	815,209
Other state sources	612,860	-	231,848	844,708
Other local sources	365,524	590,414	122,645	1,078,583
Total Revenues	5,158,566	590,414	572,138	6,321,118
EXPENDITURES				
Current				
Instruction	2,262,733	-	50,386	2,313,119
Instruction-related services				
Instructional supervision and administration	203	-	-	203
Instructional library, media, and technology	37,144	-	-	37,144
School site administration	409,700	-	-	409,700
Pupil services				
Home-to-school transportation	269,221	-	-	269,221
Food services	43,092	-	292,337	335,429
All other pupil services	352,541	-	-	352,541
General administration				
Centralized data processing	98,337	-	-	98,337
All other general administration	417,551	-	17,501	435,052
Plant services	598,994	-	34,891	633,885
Facilities acquisition and maintenance	92,147	588,190	161,935	842,272
Ancillary services	37,450	-	7,706	45,156
Community services	13,582	-	-	13,582
Transfers to other agencies	205,247	-	-	205,247
Debt service				
Principal	7,585	-	-	7,585
Interest and other	145	-	-	145
Total Expenditures	4,845,672	588,190	564,756	5,998,618
Excess/(Deficiency) of Revenues				
Over Expenditures	312,894	2,224	7,382	322,500
NET CHANGES IN FUND BALANCE	312,894	2,224	7,382	322,500
Fund Balance - Beginning	2,070,853	(1,249)	541,391	2,610,995
Fund Balance - Ending	\$ 2,383,747	\$ 975	\$ 548,773	\$ 2,933,495

**PIONEER UNION SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net Changes in Fund Balances - Governmental Funds	\$	322,500
---	----	---------

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 asset and right-of-use leased 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:	\$	904,973	
Depreciation expense:		(320,972)	
Amortization expense:		(6,529)	
		577,472	577,472

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:

7,585

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

3,139

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:

51,899

Changes in Net Position of Governmental Activities

	\$	962,595
--	----	---------

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pioneer Union School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountant (AICPA).

Financial Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. The District has considered all potential component units in determining how to define the reporting entity, using criteria set forth in generally accepted accounting principles. The District determined that there are no potential component units that meet the criteria for inclusion within the reporting entity.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and proprietary.

Governmental Funds: Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund: The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Special Reserve Fund for Capital Outlay Projects: The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Non-Major Governmental Funds

Special Revenue Funds: The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Special Revenue Fund:** The Student Activity Special Revenue Fund is used to account for those student body activities that do not meet the fiduciary activity criteria pursuant to GASB 84 but are determined to be governmental activities.
- **Child Development Fund:** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Special Revenue Fund:** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).
- **Deferred Maintenance Fund:** This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

Capital Project Funds: The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

- **Capital Facilities Fund:** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620- 17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements: The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and for each governmental function, and exclude fiduciary activity. 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, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

Fund Financial Statements: Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

- **Governmental Funds:** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus, continued

Revenues – Exchange and Non-Exchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on 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.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Unearned Revenue: Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Expenses/Expenditures: On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's Board of Trustees and District Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund as required supplementary information in the financial statements.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Budgets and Budgetary Accounting, continued

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.

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.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The County is authorized to deposit cash and invest excess funds by California *Government Code* Section 53648 et seq. The funds maintained by the county either are secured by federal depository insurance or are collateralized.

Investments Valuation - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. However, the District's financial statements do not reflect the fair value of investments as the differences between total investment cost and fair value has been determined to be immaterial.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents, continued

Deposits and Investment Risk Disclosures – In accordance with GASB Statement No. 40, *Deposit and Risk Disclosures* (Amendment of GASB No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

Accounts Receivable

Accounts receivable include amounts due from the Local Control Fund Formula (LCFF), Federal, State and/or local governments, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of charges for other services. The District does not provide for an allowance for uncollectible accounts as an estimation of amounts that may not be received. Accounts receivable at June 30, 2024 are deemed fully collectible.

Stores Inventory

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary funds when consumed rather than when purchased.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities columns of the statement of net position.

Right-of-Use Leased Assets

Right-of-use leased assets have been recorded as a result of implementing GASB Statement No. 87. The right-of-use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus, any ancillary charges necessary to place the lease into service. The lease liabilities are measured at the present value of payments expected to be made during the lease term (less any lease incentives).

The District will recognize amortization expense related to the lease asset, representing the decrease in the useful life of the right to use the underlying asset over the lease term. Consistent with the foundation principle that a lease is a financing, the District will recognize interest expense related to the amortization of the discount on the lease liability.

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation on all assets is provided on the straight-line basis over an estimated useful life of 5 to 50 years depending on the asset class.

Deferred Outflows/Inflows 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position includes 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 and so will not be recognized as an inflow of resources (revenue) until then.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities 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 liabilities 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.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken, since such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires. At retirement, each classified member will receive 0.004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Unearned Revenue

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

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 California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Investment in Capital Assets, net - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that does not meet the definition of "net investment in capital assets " or "restricted net position".

The government-wide financial statements report \$1,468,872 of restricted net position, of which is restricted by enabling legislation.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances - Governmental Funds

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain unrestricted fund balance in its General Fund sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District does not have a formal policy but the Governing Board has established a goal to achieve and maintain unrestricted fund balance in the General Fund of 20% of total General Fund expenditures, other uses and transfers out at the close of each fiscal year, consistent with the recommended level promulgated by the State of California. For a District this size, the policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than 5 percent of General Fund expenditures and other financing uses.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund insurance premiums. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the Statement of Activities.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Local Control Funding Formula/Property Tax

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

The county 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. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

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 alternate 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 sources by the District.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Local Control Funding Formula/Property Tax, continued

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

The District's Local Control Funding Formula Revenue is the amount of general-purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the second period ADA to derive the District's total entitlement.

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2024:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023.

Management has determined that the adoption of the new accounting standard did not have any material impact on the financial statements of the District.

Upcoming GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023.

GASB Statement No. 102 - In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024.

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Upcoming GASB Pronouncements, continued

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

NOTE 2 – CASH AND CASH EQUIVALENTS

Summary of Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2024, consist of the following:

	Governmental Activities
Cash in county	\$ 2,815,245
Cash in revolving fund	1,000
Fair market value adjustment	(43,462)
Total	<u>\$ 2,772,783</u>

Policies and Practices

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury 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.

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

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Policies and Practices, continued

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California *Government Code* Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the Pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

Cash in commercial banks - Cash balances held in commercial banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). These amounts are held within various financial institutions. As of June 30, 2024, the carrying amount of the District's accounts was \$1,000, all of which was insured.

General Authorizations

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

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

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Risk Disclosures

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool (and LAIF) which purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The District manages its exposure to interest rate risk by investing in the County Pool and having the pool purchase a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2024, the District had the following investment maturities:

Investment Type:	Fair Value	Maturity
County Treasury	\$ 2,771,783	619 Days

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by *Government Code* Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to credit risk.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

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

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024, consisted of intergovernmental grants, entitlements, interest and other local sources. All accounts receivable are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government			
Categorical aid	\$ 341,036	\$ 38,061	\$ 379,097
State Government			
Categorical aid	12,230	3,060	15,290
Lottery	26,425	-	26,425
LCFF	13,271	-	13,271
Local Government			
Interest	53,469	2,104	55,573
Other local sources	18,990	-	18,990
Total	<u>\$ 465,421</u>	<u>\$ 43,225</u>	<u>\$ 508,646</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 95,110	\$ -	\$ -	\$ 95,110
Construction in progress	-	571,539	-	571,539
Total Capital Assets not Being Depreciated	<u>95,110</u>	<u>571,539</u>	<u>-</u>	<u>666,649</u>
Capital assets being depreciated				
Land improvements	686,946	194,639	-	881,585
Buildings and improvements	12,024,101	53,942	-	12,078,043
Furniture and equipment	1,069,158	84,853	-	1,154,011
Total Capital Assets Being Depreciated	<u>13,780,205</u>	<u>333,434</u>	<u>-</u>	<u>14,113,639</u>
Total Capital Assets	<u>13,875,315</u>	<u>904,973</u>	<u>-</u>	<u>14,780,288</u>
Less: Accumulated Depreciation				
Land improvements	262,515	8,961	-	271,476
Buildings and improvements	6,929,275	232,481	-	7,161,756
Furniture and equipment	704,089	79,530	-	783,619
Total Accumulated Depreciation	<u>7,895,879</u>	<u>320,972</u>	<u>-</u>	<u>8,216,851</u>
Capital Assets, net	<u>5,979,436</u>	<u>584,001</u>	<u>-</u>	<u>6,563,437</u>
Right-of-use leased assets				
Furniture and equipment	22,627	-	-	22,627
Less: Accumulated Amortization				
Furniture and equipment	15,504	6,529	-	22,033
Right-of-use leased assets, net	<u>7,123</u>	<u>(6,529)</u>	<u>-</u>	<u>594</u>
Capital Assets and Right-of-Use Leased Assets, Net	<u>\$ 5,986,559</u>	<u>\$ 577,472</u>	<u>\$ -</u>	<u>\$ 6,564,031</u>

Depreciation expense of \$320,972 and amortization expense of \$6,529 were unallocated as direct expenses to governmental functions.

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2024, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

Payable Fund	Receivable Fund		
	Non-Major Governmental		
	General Fund	Funds	Total
General Fund	\$ -	\$ 33,856	\$ 33,856
Non-Major Governmental Funds	12,011	123	12,134
Total	\$ 12,011	\$ 33,979	\$ 45,990

Due from Child Development Fund to General Fund for indirect costs.	\$ 4,406
Due from Cafeteria Special Revenue Fund to General Fund for indirect costs.	7,605
Due from General Fund to Student Activity Special Revenue Fund for science camp.	1,743
Due from Cafeteria Special Revenue Fund to Student Activity Special Revenue Fund for student account transfers.	123
Due from General Fund to Cafeteria Special Revenue Fund for staffing meeting.	113
Due from General Fund to Deferred Maintenance Fund for fund deferred maintenance contribution.	32,000
	<u>\$ 45,990</u>

All remaining balance resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers (In/Out)

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

There were no interfund transfers for the year ended June 30, 2024.

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – Accrued Liabilities

Accrued liabilities at June 30, 2024, consisted of the following:

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Payroll and related	\$ 3,037	\$ -	\$ -	\$ 3,037
Vendors payable	168,676	45,772	9,928	224,376
Total	\$ 171,713	\$ 45,772	\$ 9,928	\$ 227,413

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government			
Categorical aid	\$ 65,410	\$ -	\$ 65,410
State Government			
Other state sources	55,854	3,881	59,735
Total	\$ 121,264	\$ 3,881	\$ 125,145

NOTE 8 – LONG-TERM LIABILITIES

Summary

The changes in the District's long-term liabilities during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
Lease liabilities	\$ 8,229	\$ -	\$ 7,585	\$ 644	\$ 644
Compensated absences	18,809		3,139	15,670	15,670
Net pension liability	3,438,668	35,971	-	3,474,639	-
Total	\$ 3,465,706	\$ 35,971	\$ 10,724	\$ 3,490,953	\$ 16,314

The lease liability, pension liability, and compensated absences will be paid from the General Fund.

Compensated Absences

Total compensated absences (unpaid employee vacation) as of June 30, 2024 amounted to \$15,670. This amount is included as part of long-term liabilities in the government-wide financial statements.

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – LEASES

The District has entered into a non-noncancellable agreement to lease office equipment. The lease agreement qualifies as other than a short-term lease and is therefore considered right-of-use leased assets under GASB Statement No. 87.

The agreement was executed August 25, 2019 to lease five copy machines and requires 60 monthly payments of \$646 (see below). The agreement is measured at a discount rate of 3.50%, which is based on the District's estimated incremental borrowing rate.

Right-of-Use Leased Assets

As a result of the lease, the District has recorded a right-of-use leased asset with a net book value of \$594 on June 30, 2024. The right-of-use leased asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Right-of-use leased assets				
Furniture and equipment	\$ 22,627	\$ -	\$ -	\$ 22,627
Less: Accumulated amortization				
Furniture and equipment	15,504	6,529	-	22,033
Right-of-use leased assets, net	\$ 7,123	\$ (6,529)	\$ -	\$ 594

Lease Liabilities

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2025	\$ 644	\$ 2	\$ 646
Total	\$ 644	\$ 2	\$ 646

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	\$ 1,000	\$ -	\$ -	\$ 1,000
Stores inventory	-	-	4,624	4,624
Total non-spendable	1,000	-	4,624	5,624
Restricted				
Legally restricted programs	839,197	-	109,155	948,352
Capital projects	-	-	308,964	308,964
Child nutrition	111,278	-	88,136	199,414
Student activity funds	-	-	9,686	9,686
Other restrictions	2,456	-	-	2,456
Total restricted	952,931	-	515,941	1,468,872
Committed				
Other commitments	-	-	28,208	28,208
Total committed	-	-	28,208	28,208
Assigned				
Capital projects	-	975	-	975
Other assignments	304,143	-	-	304,143
Total assigned	304,143	975	-	305,118
Unassigned				
Reserve for economic uncertainties	242,284	-	-	242,284
Remaining unassigned	883,389	-	-	883,389
Total unassigned	1,125,673	-	-	1,125,673
Total	\$ 2,383,747	\$ 975	\$ 548,773	\$ 2,933,495

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – RISK MANAGEMENT

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ended June 30, 2024, the District contracted with Schools Insurance Authority for property and liability insurance coverage and also for theft insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant change in coverage from the prior year.

Workers' Compensation

For fiscal year 2023-24, the District participated in the Schools Insurance Authority (SIA), an insurance purchasing pool. The intent of the SIA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SIA. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the SIA.

Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the SIA. Participation in the SIA is limited to districts that can meet the SIA selection criteria.

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 1,530,732	\$ 528,569	\$ 315,297	\$ 174,025
CalPERS	1,943,907	676,838	80,970	310,788
Total	\$ 3,474,639	\$ 1,205,407	\$ 396,267	\$ 484,813

The details of each plan are as follows:

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers’ Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members’ final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers’ Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District’s total contributions were \$277,102.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	1,530,732
State's proportionate share of the net pension liability associated with the District		733,430
Total	\$	<u>2,264,162</u>

The net pension liability was measured as of June 30, 2023. 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 school districts and the State, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.002 percent and 0.002 percent, resulting in no change in the proportionate share.

For the year ended June 30, 2024, the District recognized pension expense of \$174,025. In addition, the District recognized pension expense and revenue of (\$10,651) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 6,477	\$ -
Differences between expected and actual experience	120,300	81,883
Changes in assumptions	8,862	-
Net changes in proportionate share of net pension liability	115,828	233,414
District contributions subsequent to the measurement date	277,102	-
Total	<u>\$ 528,569</u>	<u>\$ 315,297</u>

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (82,599)
2026	(109,611)
2027	119,137
2028	(26,053)
2029	15,246
Thereafter	20,050
Total	<u>\$ (63,830)</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

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 CalSTRS 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, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
	100%	

*20-year average. Real rates of return of net of assumed 2.75% inflation.

Discount Rate

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

The following presents the District’s proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan’s net pension liability	\$ 2,567,681	\$ 1,530,732	\$ 669,425

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member’s final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.68%	26.68%

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Contributions

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. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. 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. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$259,610.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$1,943,907. The net pension liability was measured as of June 30, 2023. 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 school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.005 percent and 0.005 percent, resulting in no change in the proportionate share.

For the year ended June 30, 2024, the District recognized pension expense of \$310,788. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 207,637	\$ -
Differences between expected and actual experience	70,939	29,856
Changes in assumptions	89,555	-
Net changes in proportionate share of net pension liability	49,097	51,114
District contributions subsequent to the measurement date	259,610	-
Total	\$ 676,838	\$ 80,970

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources
Related to Pensions, continued**

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 95,325
2026	76,618
2027	159,661
2028	4,654
Total	<u>\$ 336,258</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table 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.

PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Actuarial Methods and Assumptions, continued

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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.54%
Global Equity - non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 2,810,386	\$ 1,943,907	\$ 1,227,781

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$117,317. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Tax Deferred Annuity/Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the TDA as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee's gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Joint Ventures

The District participates in one joint venture under a joint powers agreement (JPA) with the Schools Insurance Authority. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The JPA arranges for and/or provides coverage for its members. The JPA is governed by a board consisting of a representative from each member district. The board controls the operations of their JPA, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in the JPA.

State and Federal Allowances, Awards and Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

**PIONEER UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 – COMMITMENTS AND CONTINGENCIES, continued

Construction Commitments

As of June 30, 2024, the District has no commitments with respect to the unfinished capital projects.

NOTE 14 – SUBSEQUENT EVENT

Management has evaluated subsequent events from June 30, 2024 through December 07, 2024, the date on which the financial statements were available to be issued, noting no items which require adjustment or disclosure other than those set forth in the preceding notes to the unaudited condensed financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**PIONEER UNION SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 3,377,327	\$ 3,548,672	\$ 3,550,618	\$ 1,946
Federal sources	632,651	785,024	629,564	(155,460)
Other state sources	661,973	636,083	612,860	(23,223)
Other local sources	235,474	362,341	365,524	3,183
Total Revenues	4,907,425	5,332,120	5,158,566	(173,554)
EXPENDITURES				
Certificated salaries	1,495,013	1,495,278	1,532,538	(37,260)
Classified salaries	950,506	895,752	920,673	(24,921)
Employee benefits	1,053,191	1,018,747	971,743	47,004
Books and supplies	206,758	159,135	115,029	44,106
Services and other operating expenditures	905,874	994,125	976,555	17,570
Capital outlay	308,000	429,972	128,724	301,248
Other outgo				
Excluding transfers of indirect costs	110,741	209,093	212,977	(3,884)
Transfers of indirect costs	(13,791)	(12,533)	(12,567)	34
Total Expenditures	5,016,292	5,189,569	4,845,672	343,897
Excess/(Deficiency) of Revenues				
Over Expenditures	(108,867)	142,551	312,894	170,343
NET CHANGES IN FUND BALANCE	(108,867)	142,551	312,894	170,343
Fund Balance - Beginning	2,070,853	2,070,853	2,070,853	-
Fund Balance - Ending	\$ 1,961,986	\$ 2,213,404	\$ 2,383,747	\$ 170,343

PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
CalSTRS					
District's proportion of the net pension liability	0.002%	0.002%	0.002%	0.002%	0.002%
District's proportionate share of the net pension liability	\$ 1,530,732	\$ 1,578,022	\$ 938,861	\$ 1,902,816	\$ 1,762,000
State's proportionate share of the net pension liability associated with the District	733,430	790,277	469,727	980,895	961,296
Total	\$ 2,264,162	\$ 2,368,299	\$ 1,408,588	\$ 2,883,711	\$ 2,723,296
District's covered-employee payroll	\$ 1,239,660	\$ 1,308,126	\$ 1,123,015	\$ 1,072,561	\$ 1,049,644
District's proportionate share of the net pension liability as percentage of covered-employee payroll	123%	121%	84%	177%	168%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
	Reporting Fiscal Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
CalPERS					
District's proportion of the net pension liability	0.005%	0.005%	0.005%	0.005%	0.006%
District's proportionate share of the net pension liability	\$ 1,943,907	\$ 1,860,646	\$ 1,093,341	\$ 1,528,891	\$ 1,604,293
District's covered-employee payroll	\$ 935,960	\$ 832,776	\$ 788,280	\$ 719,446	\$ 762,363
District's proportionate share of the net pension liability as percentage of covered-employee payroll	208%	223%	139%	213%	210%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS					
District's proportion of the net pension liability	0.002%	0.002%	0.002%	0.004%	0.003%
District's proportionate share of the net pension liability	\$ 1,886,086	\$ 2,181,089	\$ 1,959,344	\$ 1,849,554	\$ 1,753,110
State's proportionate share of the net pension liability associated with the District	1,079,877	1,290,325	1,115,583	2,061,819	1,073,575
Total	\$ 2,965,963	\$ 3,471,414	\$ 3,074,927	\$ 3,911,373	\$ 2,826,685
District's covered-employee payroll	\$ 1,096,854	\$ 1,254,897	\$ 1,220,876	\$ 1,256,565	\$ 1,344,691
District's proportionate share of the net pension liability as percentage of covered-employee payroll	172%	174%	160%	147%	130%
Plan fiduciary net position as a percentage of the total pension liability	71%	70%	70%	74%	77%
	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS					
District's proportion of the net pension liability	0.006%	0.006%	0.007%	0.007%	0.006%
District's proportionate share of the net pension liability	\$ 1,486,384	\$ 1,430,719	\$ 1,307,839	\$ 998,255	\$ 726,556
District's covered-employee payroll	\$ 737,415	\$ 770,464	\$ 794,783	\$ 749,834	\$ 672,413
District's proportionate share of the net pension liability as percentage of covered-employee payroll	202%	186%	165%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

**PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2024**

CalSTRS	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 277,102	\$ 236,775	\$ 221,335	\$ 181,367	\$ 183,408
District's contributions in relation to the statutorily required contribution	277,102	236,775	221,335	181,367	183,408
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,450,796	\$ 1,239,660	\$ 1,308,126	\$ 1,123,015	\$ 1,072,561
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.15%	17.10%
CalPERS	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 259,610	\$ 237,453	\$ 190,789	\$ 163,174	\$ 141,882
District's contributions in relation to the statutorily required contribution	259,610	237,453	190,789	163,174	141,882
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 973,051	\$ 935,960	\$ 832,776	\$ 788,280	\$ 719,446
District's contributions as a percentage of covered-employee payroll	26.68%	25.37%	22.91%	20.70%	19.72%

**PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2024**

CalSTRS	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 170,882	\$ 158,276	\$ 157,866	\$ 131,000	\$ 111,583
District's contributions in relation to the statutorily required contribution	170,882	158,276	157,866	131,000	111,583
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,049,644	\$ 1,096,854	\$ 1,254,897	\$ 1,220,876	\$ 1,256,565
District's contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%

CalPERS	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 137,698	\$ 114,528	\$ 107,002	\$ 94,159	\$ 88,263
District's contributions in relation to the statutorily required contribution	137,698	114,528	107,002	94,159	88,263
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 762,363	\$ 737,415	\$ 770,464	\$ 794,792	\$ 749,834
District's contributions as a percentage of covered-employee payroll	18.06%	15.53%	13.89%	11.85%	11.77%

PIONEER UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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 State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

Schedule of the 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.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in assumptions since the previous valuation for CalSTRS. The consumer price inflation changed from 2.50 percent to 2.30 percent since the previous valuation for CalPERS.

Schedule of Contributions – Pension

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

PIONEER UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, the District incurred an excess of expenditures over appropriations in General Fund presented in the Budgetary Comparison Schedule by major object code, as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 1,495,278	\$ 1,532,538	\$ 37,260
Classified salaries	\$ 895,752	\$ 920,673	\$ 24,921
Other outgo			
Excluding transfers of indirect costs	\$ 209,093	\$ 212,977	\$ 3,884

SUPPLEMENTARY INFORMATION

PIONEER UNION SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2024

ORGANIZATION

The Pioneer Union School District was established in 1966 by the consolidation of five elementary schools. The District is in Somerset, California. There was no change in District boundaries during the year. The District operates an elementary school, middle schools and one necessary small school.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2024, were as follows:

GOVERNING BOARD		
Name	Office	Term Expires
Jonathan Russell	President	December 2024
Nanette Hargo	Vice President	December 2024
Cory Morrison	Clerk	December 2026
Nathaniel Houston	Member	December 2026
Patricia Ciampa	Member	December 2026
ADMINISTRATION		

Patrick Paturel
Superintendent

Kelly Howard
Chief Business Officer

PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
<i>Passed Through California Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13523	\$ 93,727
School Breakfast Program	10.553	13525	13,219
School Breakfast Needy	10.553	13526	13,640
COVID-19: Supply Chain Assistance (SCA) Funds	10.555	15637	26,563
National School Lunch Program Equipment Assistance Grant	10.579	14906	131
Total Child Nutrition Cluster			<u>147,280</u>
<i>Passed Through El Dorado County Office of Education</i>			
Forest Reserve Funds	10.665	10044	6,821
Rural Energy for America Program (REAP)	10.868	N/A	36,787
Total U.S. Department of Agriculture			<u>190,888</u>
U.S. Department of Education:			
<i>Passed Through El Dorado County Special Education Local Plan Area</i>			
Special Education Cluster:			
IDEA Basic Local Assistance	84.027	13379	26,708
IDEA Mental Health	84.027A	15197	3,108
Total Special Education Cluster			<u>29,816</u>
<i>Passed Through California Department of Education</i>			
Education Stabilization Funds			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	325,042
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	145,880
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425U	15621	10,887
Total Education Stabilization Funds			<u>481,809</u>
Title I Part A	84.010	14329	38,981
Title II, Part A, Supporting Effective Instruction	84.367	14341	5,925
Title IV Student Support & Academic Enrichment	84.424	15396	6,807
Project School Emergency Response to Violence (SERV)	84.184	15446	21,785
Total U.S. Department of Education			<u>585,123</u>
Total Federal Financial Assistance			<u>\$ 776,011</u>

**PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2024**

	Second Period Report	Annual Report
	Certification No. (6254F557)	Certification No. (32897E57)
Regular ADA		
Transitional Kindergarten through Third	122.85	122.50
Fourth through Sixth	78.79	78.76
Seventh and Eighth	53.68	53.41
Total Regular ADA	255.32	254.67
ADA Totals	255.32	254.67

**PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2024**

Grade Level	Minutes Requirement	Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	57,140	180	N/A	Complied
Grade 1	50,400	56,240	180	N/A	Complied
Grade 2	50,400	56,240	180	N/A	Complied
Grade 3	50,400	56,240	180	N/A	Complied
Grade 4	54,000	56,240	180	N/A	Complied
Grade 5	54,000	56,240	180	N/A	Complied
Grade 6	54,000	57,320	180	N/A	Complied
Grade 7	54,000	57,320	180	N/A	Complied
Grade 8	54,000	57,320	180	N/A	Complied

**PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

	2025 (Budget)	2024	2023	2022
General Fund - Budgetary Basis				
Revenues and Other Financing Sources	\$ 4,574,496	\$ 5,158,566	\$ 4,737,433	\$ 4,166,423
Expenditures and Other Financing Uses	4,789,595	4,845,672	4,263,842	3,781,393
Net Change in Fund Balance	(215,099)	312,894	473,591	385,030
Ending Fund Balance	\$ 2,168,648	\$ 2,383,747	\$ 2,070,853	\$ 1,597,262
Available Reserves*	\$ 947,019	\$ 1,125,673	\$ 923,227	\$ 1,029,417
Available Reserves as a Percentage of Outgo	19.8%	23.2%	21.7%	27.2%
Long-term Debt	\$ 3,474,639	\$ 3,490,953	\$ 3,465,706	\$ 2,062,918
Average Daily Attendance at P-2	256	255	243	250

The General Fund balance has increased by \$786,485 over the past two years. The fiscal year 2024-25 budget projects a decrease of \$215,099, or 9.02%. For a district this size, the State recommends available reserves of at least 5 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in the past three years and anticipates incurring an operating deficit during the 2024-25 fiscal year. Total long-term liabilities have increased by \$1,428,035 over the past two years.

Average daily attendance has remained the same over the past two years. Additional increase of 1 ADA is anticipated during fiscal year 2024-25.

* Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

**PIONEER UNION SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund
June 30, 2024 annual financial and budget report fund balance	\$ 2,418,700	\$ 9,808	\$ 111,016	\$ 93,716	\$ 313,802	\$ 1,707
Adjustments and reclassifications						
Increase/(decrease) in total fund balance						
Fair market value adjustment	(34,953)	(122)	(1,861)	(956)	(4,838)	(732)
Net adjustments and reclassifications	(34,953)	(122)	(1,861)	(956)	(4,838)	(732)
June 30, 2024 audited financial statements fund balance	\$ 2,383,747	\$ 9,686	\$ 109,155	\$ 92,760	\$ 308,964	\$ 975

See note to supplementary information.

**PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2024**

	Charter School	Number	Included in Audit Report
	N/A	N/A	N/A

See note to supplementary information.

PIONEER UNION SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	Special Revenue Funds				Capital Projects Funds	
	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 7,820	\$ 118,867	\$ 61,029	\$ (3,792)	\$ 308,964	\$ 492,888
Accounts receivable	-	5,164	38,061	-	-	43,225
Due from other funds	1,866	-	113	32,000	-	33,979
Stores inventory	-	-	4,624	-	-	4,624
Total Assets	\$ 9,686	\$ 124,031	\$ 103,827	\$ 28,208	\$ 308,964	\$ 574,716
LIABILITIES						
Accrued liabilities	\$ -	\$ 6,589	\$ 3,339	\$ -	\$ -	\$ 9,928
Due to other funds	-	4,406	7,728	-	-	12,134
Unearned revenue	-	3,881	-	-	-	3,881
Total Liabilities	-	14,876	11,067	-	-	25,943
FUND BALANCES						
Non-spendable	-	-	4,624	-	-	4,624
Restricted	9,686	109,155	88,136	-	308,964	515,941
Committed	-	-	-	28,208	-	28,208
Total Fund Balances	9,686	109,155	92,760	28,208	308,964	548,773
Total Liabilities and Fund Balances	\$ 9,686	\$ 124,031	\$ 103,827	\$ 28,208	\$ 308,964	\$ 574,716

See note to supplementary information.

**PIONEER UNION SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds				Capital Projects Funds	Total Non-Major Governmental Funds
	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Capital Facilities Fund	
REVENUES						
LCFF sources	\$ -	\$ -	\$ -	\$ 32,000	\$ -	\$ 32,000
Federal sources	-	38,496	147,149	-	-	185,645
Other state sources	-	68,618	163,230	-	-	231,848
Other local sources	12,179	9,754	33,409	10,676	56,627	122,645
Total Revenues	12,179	116,868	343,788	42,676	56,627	572,138
EXPENDITURES						
Current						
Instruction	-	50,386	-	-	-	50,386
Pupil services						
Food services	-	-	292,337	-	-	292,337
General administration						
All other general administration	-	4,406	8,161	-	4,934	17,501
Plant services	-	-	750	34,141	-	34,891
Facilities acquisition and maintenance	-	-	-	161,935	-	161,935
Ancillary services	7,706	-	-	-	-	7,706
Total Expenditures	7,706	54,792	301,248	196,076	4,934	564,756
Excess/(Deficiency) of Revenues						
Over Expenditures	4,473	62,076	42,540	(153,400)	51,693	7,382
NET CHANGES IN FUND BALANCE	4,473	62,076	42,540	(153,400)	51,693	7,382
Fund Balance - Beginning	5,213	47,079	50,220	181,608	257,271	541,391
Fund Balance - Ending	\$ 9,686	\$ 109,155	\$ 92,760	\$ 28,208	\$ 308,964	\$ 548,773

See note to supplementary information.

PIONEER UNION SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Expenditures of Federal Awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the Federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

Summary of Significant Accounting Policies – Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The District has not elected to use the ten percent de minimis cost rate.

Schedule of Average Daily Attendance

Average daily attendance (ADA) 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.

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

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.

PIONEER UNION SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES, continued

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' 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

Board of Trustees
Pioneer Union School District
Somerset, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pioneer Union School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 07, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.



San Diego, California
December 07, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Pioneer Union School District
Somerset, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pioneer Union School District's (the "District") compliance with the types of compliance requirements described in 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, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 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 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

CWDL, Certified Public Accountants

San Diego, California

December 07, 2024



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Board of Trustees
Pioneer Union School District
Somerset, California

Report on Compliance

Opinion on State Compliance

We have audited Pioneer Union School District's (the "District") compliance with the requirements specified in the *2023-24 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, 2024.

In our opinion, the 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, 2024.

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 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 *2023-24 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 *2023-24 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:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Not applicable
E. Continuation Education	Not applicable
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not applicable
N. Middle or Early College High Schools	Not applicable

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
O. K-3 Grade Span Adjustment	Yes
P. RESERVED	Not applicable
Q. Apprenticeship: Related and Supplemental Instruction	Not applicable
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not applicable
TT. Home to School Transportation Reimbursement	Not applicable
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not applicable
Z. Immunizations	Not applicable
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Not applicable
CZ. Career Technical Education Incentive Grant	Not applicable
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	Not applicable
BB. Mode of Instruction	Not applicable
CC. Nonclassroom-Based Instruction/Independent Study	Not applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Not applicable
EE. Annual Instructional Minutes - Classroom Based	Not applicable
FF. Charter School Facility Grant Program	Not applicable

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

We 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 or material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2024-001 and #2024-002. Our opinion on state compliance is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
December 07, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PIONEER UNION SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2024

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	No
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.425, 84.425U	Education Stabilization Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for state programs:	Unmodified

**PIONEER UNION SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statement findings for the year ended June 30, 2024.

**PIONEER UNION SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE	AB3627 FINDING TYPES
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2024.

**PIONEER UNION SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

FINDING #2024-001 – CLASSROOM TEACHERS SALARIES (61000)

Criteria

California Education Code (EC) Section 41372 requires a minimum percentage of expenditures be charged for classroom teacher salaries. For elementary school districts, this percentage is 60%. *EC* Section 41374 provides the District an exemption to this requirement if individual class sessions are maintained below 28 pupils.

Condition

During the audit of the Classroom Teacher Salaries, it was noted the District did not meet the minimum "Percentage of Current Cost of Education Expended for Classroom Compensation" and was not exempt under the provisions of *EC* Section 41374.

Cause

Classroom teacher salaries were less than the State requirement.

Repeat Finding

Yes.

Effect

By not meeting the minimum percentage as established by *EC* Section 41372, the District is out of compliance with the established regulation and law.

Questioned Costs

Current Expense of Education	\$	4,169,780
Total classroom salaries and benefits	\$	2,181,165
Percentage spent by District		52.31%
Minimum percentage required		60.00%
Deficiency amount	\$	320,657

**PIONEER UNION SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2024-001 – CLASSROOM TEACHERS SALARIES (61000), continued

Recommendation

This is a repeat finding. The District should implement procedures to ensure the minimum percentage is met or maintain class sizes at or below 28 to qualify for the exemption provisions of *EC* Section 41374. If the District is unable to maintain class sizes below 28 and the application for this *Education Code* during a fiscal year would result in a serious hardship to the District, the Governing Board may apply to the County Superintendent of Schools in writing for exemption from the requirements.

Corrective Action Plan/District Response

It is the Districts opinion that staffing/salaries for administration are lean compared to all other districts in El Dorado County. In addition, the District has adopted a 6% ongoing salary increase for Certificated and Classified with a 1% off schedule one-time increase for 23/24 and a 2% salary increase in 24/25 which exceeds the State COLA. The average class size for 23/24 TK-5 is 22 students. Grade 6 held 39, grade 7 held 21, and grade 8 held 38 students. There are two balloon classes in our district but overall, class sizes are well below 28. As the budget becomes more strained, it will become increasingly difficult to increase spending by \$320,657 and therefore, the District will apply for a waiver.

FINDING #2024-002 – EXPANDED LEARNING OPPORTUNITIES PROGRAM (60000)

Criteria

Education Code Section 46120 establishes specific requirements for Local Educational Agencies (LEAs) regarding expanded learning opportunities programs (ELOP). These requirements include:

- Nine-Hour Requirement: The combined total of instructional time, recess, lunch, and expanded learning opportunities must equal no less than nine hours on all school days.
- Non-School Days Requirement: LEAs must offer expanded learning opportunities on at least 30 non-school days throughout the year during school breaks.

Condition

The District did not offer any expanded learning opportunities on non-school days. Consequently, it failed to meet the following requirement of Education Code Section 46120, providing expanded learning opportunities on a minimum of 30 non-school days during the year.

Effect

Failure to comply with Education Code Section 46120 may result in the following consequences:

- Penalties for non-compliance, as outlined in subdivision (c) of the Education Code.
- Potential loss of funding or imposition of additional corrective action requirements by the overseeing authority.

Cause

The primary cause of non-compliance was insufficient planning and scheduling by the district to ensure the provision of expanded learning opportunities on non-school days.

**PIONEER UNION SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2024-002 – EXPANDED LEARNING OPPORTUNITIES PROGRAM (60000), continued

Questioned Costs

The District received \$185,255 for Expanded Learning Opportunities Program Entitlement.

Repeat Finding

No.

Recommendation

To address and resolve the compliance issues, the following actions are recommended:

- Review and Adjust Scheduling:
 - Evaluate and restructure the daily schedule to ensure that instructional time, recess, lunch, and expanded learning opportunities collectively meet the nine-hour requirement on all school days.
- Develop a Plan for Non-School Days:
 - Create a comprehensive plan to offer expanded learning opportunities on at least 30 non-school days throughout the year, in alignment with Education Code requirements.
 - Coordinate with staff and community partners to provide engaging and meaningful activities during school breaks.
- Utilize Allowable Exceptions:
 - If staff development days are used, ensure proper documentation to exclude up to three days from the non-school day requirement.
 - In cases of emergency conditions that led to non-compliance, adopt a resolution and document the circumstances in accordance with Section 46120(b)(9) to mitigate penalties.
- Strengthen Monitoring and Reporting:
 - Implement a robust system for regularly monitoring compliance with Education Code Section 46120.
 - Establish a process for timely identification and correction of any gaps in program implementation.
 - Ensure accurate and consistent reporting of compliance efforts to relevant stakeholders and oversight agencies.

By implementing these recommendations, Pioneer School District can ensure compliance with Education Code Section 46120, thereby avoiding penalties and enhancing educational opportunities for students.

Corrective Action Plan/District Response

The District agrees with this finding and has already established a plan with the County Office of Education to ensure that the 30 intercessional days will be provided for fiscal year 2024-25.

PIONEER UNION SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

FINDING #2023-001 – CLASSROOM TEACHERS SALARIES (61000)

Criteria

California Education Code (EC) Section 41372 requires a minimum percentage of expenditures be charged for classroom teacher salaries. For elementary school districts, this percentage is 60%. *EC* Section 41374 provides the District an exemption to this requirement if individual class sessions are maintained below 28 pupils.

Condition

During the audit of the Classroom Teacher Salaries, it was noted the District did not meet the minimum "Percentage of Current Cost of Education Expended for Classroom Compensation" and was not exempt under the provisions of *EC* Section 41374.

Cause

Classroom teacher salaries were less than the State requirement.

Effect

By not meeting the minimum percentage as established by *EC* Section 41372, the District is out of compliance with the established regulation and law.

Questioned Costs

Current Expense of Education	\$	3,521,427
Total classroom salaries and benefits	\$	1,858,785
Percentage spent by District		52.78%
Minimum percentage required		60.00%
Deficiency amount	\$	254,247

Recommendation

This is a repeat finding. The District should implement procedures to ensure the minimum percentage is met or maintain class sizes at or below 28 to qualify for the exemption provisions of *EC* Section 41374. If the District is unable to maintain class sizes below 28 and the application for this *Education Code* during a fiscal year would result in a serious hardship to the District, the Governing Board may apply to the County Superintendent of Schools in writing for exemption from the requirements.

Corrective Action Plan

The District will be filing a waiver with the El Dorado County Office of Education for this finding. While we recognize that this is a repeat finding, the District believes that it would be fiscally irresponsible to spend \$254,247 without a substantial need when enrollment has declined significantly for the District, small class sizes are maintained, and the calculation is skewed by the influx of many restricted funding resources.

Current Status

Not implemented. See Finding #2024-001.