

# **PIEDMONT UNIFIED SCHOOL DISTRICT**

**AUDIT REPORT  
JUNE 30, 2024**



**PIEDMONT UNIFIED SCHOOL DISTRICT  
TABLE OF CONTENTS  
JUNE 30, 2024**

---

**FINANCIAL SECTION**

Report on the Audit of the Financial Statements ..... 1  
 Management’s Discussion and Analysis..... 4  
 Basic Financial Statements  
   Government-wide Financial Statements  
     Statement of Net Position..... 11  
     Statement of Activities ..... 12  
   Fund Financial Statements  
     Governmental Funds – Balance Sheet ..... 13  
     Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... 14  
     Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 16  
     Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities ..... 17  
 Notes to Financial Statements..... 19

**REQUIRED SUPPLEMENTARY INFORMATION**

General Fund – Budgetary Comparison Schedule ..... 51  
 Schedule of Changes in Total OPEB Liability and Related Ratios ..... 52  
 Schedule of the District’s Proportionate Share of the Net Pension Liability - CalSTRS ..... 53  
 Schedule of the District’s Proportionate Share of the Net Pension Liability - CalPERS ..... 54  
 Schedule of District Contributions - CalSTRS ..... 55  
 Schedule of District Contributions - CalPERS ..... 56  
 Notes to Required Supplementary Information ..... 57

**SUPPLEMENTARY INFORMATION**

Schedule of Expenditures of Federal Awards..... 59  
 Schedule of Average Daily Attendance (ADA) ..... 60  
 Schedule of Instructional Time ..... 61  
 Schedule of Financial Trends and Analysis ..... 62  
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements ..... 63  
 Schedule of Charter Schools ..... 64  
 Combining Statements – Non-Major Governmental Funds  
   Combining Balance Sheet ..... 65  
   Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 66  
 Notes to Supplementary Information ..... 67

**OTHER INFORMATION**

Local Education Agency Organization Structure ..... 69

**PIEDMONT UNIFIED SCHOOL DISTRICT  
TABLE OF CONTENTS  
JUNE 30, 2024**

---

**OTHER INDEPENDENT AUDITORS' REPORTS**

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*.....70  
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over  
Compliance Required by the Uniform Guidance .....72  
Report on State Compliance and on Internal Control over Compliance for State Programs.....75

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Summary of Auditors' Results.....79  
Financial Statement Findings .....80  
Federal Award Findings and Questioned Costs .....81  
State Award Findings and Questioned Costs .....82  
Summary Schedule of Prior Audit Findings.....83

---

## **FINANCIAL SECTION**

---

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Independent Auditors' Report

Governing Board  
Piedmont Unified School District  
Piedmont, California

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Piedmont Unified School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Piedmont Unified School 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, each major fund, and the aggregate remaining fund information of the Piedmont Unified School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Piedmont Unified School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Piedmont Unified School 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 Piedmont Unified School 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 required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions 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 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 Piedmont Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the Piedmont Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Piedmont Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Piedmont Unified School District's internal control over financial reporting and compliance.



San Diego, California  
December 13, 2024

# PIEDMONT UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

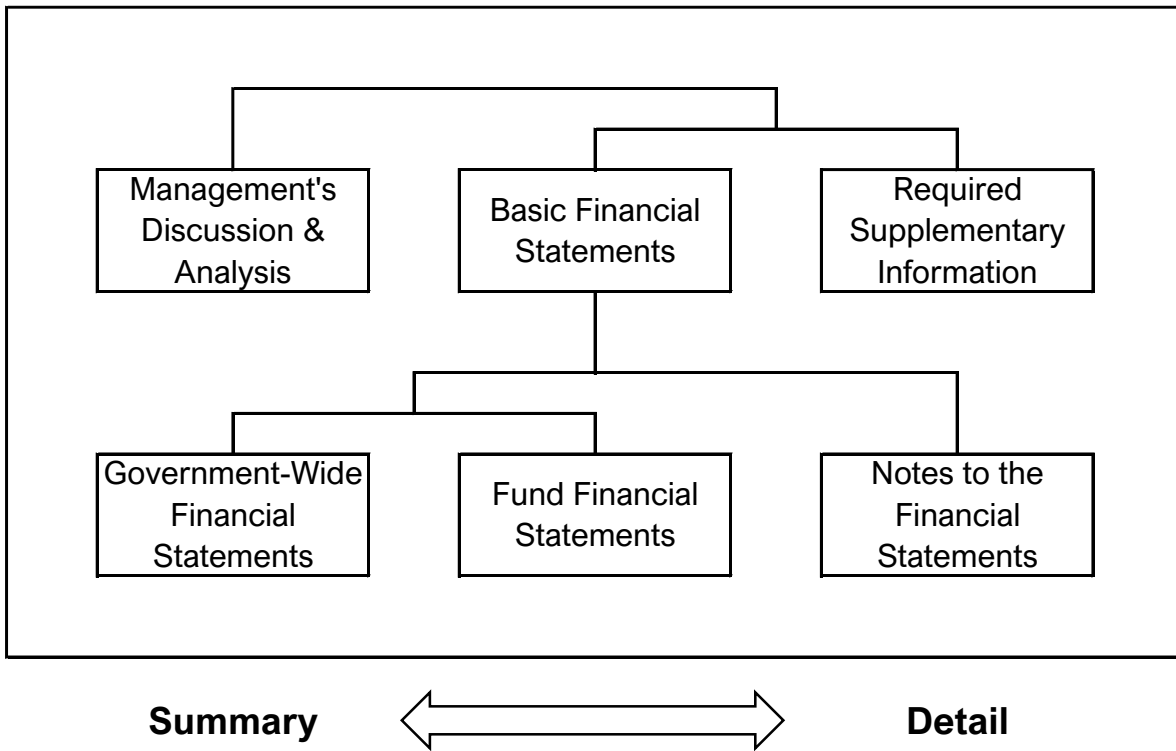
Our discussion and analysis of Piedmont Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- ▶ The District's net position was \$(5,450,526) at June 30, 2024. This was an increase of \$11,895,281 from the prior year.
- ▶ Overall revenues were \$72,212,573 which exceeded expenses of \$60,317,292.

## OVERVIEW OF FINANCIAL STATEMENTS

### Components of the Financial Section





**PIEDMONT UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

---

**OVERVIEW OF FINANCIAL STATEMENTS (continued)**

**Components of the Financial Section (continued)**

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
  
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
  - ▶ **Governmental Funds** 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.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

**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 government'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 is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

---

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

**Net Position**

The District's net position was \$(5,450,526) at June 30, 2024, as reflected in the table below. Of this amount, \$(24,010,267) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Net Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 34,563,734	\$ 51,152,143	\$ (16,588,409)
Capital assets	131,738,986	129,769,441	1,969,545
<b>Total Assets</b>	<b>166,302,720</b>	<b>180,921,584</b>	<b>(14,618,864)</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>18,064,055</b>	<b>15,993,455</b>	<b>2,070,600</b>
<b>LIABILITIES</b>			
Current liabilities	7,451,197	6,906,616	544,581
Long-term liabilities	178,256,471	201,279,388	(23,022,917)
<b>Total Liabilities</b>	<b>185,707,668</b>	<b>208,186,004</b>	<b>(22,478,336)</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>4,109,633</b>	<b>6,074,842</b>	<b>(1,965,209)</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,076,274	(16,956,477)	18,032,751
Restricted	17,483,467	11,322,182	6,161,285
Unrestricted	(24,010,267)	(11,711,512)	(12,298,755)
<b>Total Net Position</b>	<b>\$ (5,450,526)</b>	<b>\$ (17,345,807)</b>	<b>\$ 11,895,281</b>

**PIEDMONT UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Net Change</b>
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 456,172	\$ 275,005	\$ 181,167
Operating grants and contributions	8,343,212	7,574,282	768,930
Capital grants and contributions	9,522,966	2,711,045	6,811,921
General revenues			
Property taxes	37,483,350	35,234,999	2,248,351
Unrestricted federal and state aid	10,931,535	10,614,332	317,203
Other	5,475,338	5,237,494	237,844
<b>Total Revenues</b>	<b>72,212,573</b>	<b>61,647,157</b>	<b>10,565,416</b>
<b>EXPENSES</b>			
Instruction	31,682,362	29,025,038	2,657,324
Instruction-related services	7,977,247	7,435,241	542,006
Pupil services	5,473,588	4,707,277	766,311
General administration	4,678,966	4,626,748	52,218
Plant services	5,053,614	4,776,157	277,457
Ancillary services	1,353,108	1,154,705	198,403
Debt service	4,050,207	5,319,476	(1,269,269)
Other outgo	48,200	(245,539)	293,739
<b>Total Expenses</b>	<b>60,317,292</b>	<b>56,799,103</b>	<b>3,518,189</b>
<b>Change in net position</b>	<b>11,895,281</b>	<b>4,848,054</b>	<b>7,047,227</b>
<b>Net Position - Beginning</b>	<b>(17,345,807)</b>	<b>(22,193,861)</b>	<b>4,848,054</b>
<b>Net Position - Ending</b>	<b>\$ (5,450,526)</b>	<b>\$ (17,345,807)</b>	<b>\$ 11,895,281</b>

The cost of all our governmental activities this year was \$60,317,292 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was \$37,483,350 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

---

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position (continued)**

In the table below, we have presented the net cost of each of the District’s functions. Net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	<b>Net Cost of Services</b>	
	<b>2024</b>	<b>2023</b>
Instruction	\$ 18,644,157	\$ 22,075,098
Instruction-related services	7,554,023	7,110,668
Pupil services	3,874,498	3,345,985
General administration	4,660,322	4,585,178
Plant services	5,038,833	4,595,293
Ancillary services	895,991	879,700
Debt service	4,050,207	5,319,476
Transfers to other agencies	(2,723,089)	(1,672,627)
<b>Total</b>	<b>\$ 41,994,942</b>	<b>\$ 46,238,771</b>

**FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$22,978,564, which is less than last year’s ending fund balance of \$41,174,924. The District’s General Fund had \$1,195,282 more in operating revenues than expenditures for the year ended June 30, 2024. The District’s County School Facilities Fund had \$3,952,398 more in operating revenues than expenditures for the year ended June 30, 2024. The District’s Bond Interest and Redemption Fund had \$2,115,939 more in operating revenues than expenditures for the year ended June 30, 2024, additionally, the Bond Interest and Redemption Fund had \$25,327,268 in other financing uses related to the redemption of the 2017B Crossover Refunding Bonds for a net decrease in fund balance of \$23,211,329.

**CURRENT YEAR BUDGET 2023-2024**

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District’s financial projections and current budget based on State and local financial information.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

By the end of 2023-2024 the District had invested \$131,738,986 in capital assets, net of accumulated depreciation.

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Net Change</b>
<b>CAPITAL ASSETS</b>			
Land	\$ 335,023	\$ 335,023	\$ -
Construction in progress	5,625,383	767,909	4,857,474
Land improvements	4,383,055	5,307,883	(924,828)
Buildings & improvements	160,522,064	159,972,806	549,258
Furniture & equipment	986,638	942,661	43,977
Less: Accumulated depreciation	(40,113,177)	(37,556,841)	(2,556,336)
<b>Total</b>	<b>\$ 131,738,986</b>	<b>\$ 129,769,441</b>	<b>\$ 1,969,545</b>

**Long-Term Liabilities**

At year-end, the District had \$178,256,471 in long-term liabilities, a decrease of 11.44% from last year – as shown in the table below. More detailed information about the District’s long-term liabilities is presented in footnotes to the financial statements.

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Net Change</b>
<b>LONG-TERM LIABILITIES</b>			
Total general obligation bonds	\$ 128,926,240	\$ 154,552,991	\$ (25,626,751)
Lease revenue bonds	2,610,389	2,911,469	(301,080)
Financed purchases	-	7,715	(7,715)
Compensated absences	192,800	194,118	(1,318)
Total OPEB liability	6,241,538	6,436,794	(195,256)
Net pension liability	42,366,471	39,119,805	3,246,666
Less: current portion of long-term liabilities	(2,080,967)	(1,943,504)	(137,463)
<b>Total</b>	<b>\$ 178,256,471</b>	<b>\$ 201,279,388</b>	<b>\$ (23,022,917)</b>

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

Several economic factors could impact California school district funding and the District’s budget in the next fiscal year:

Long-term Declining Enrollment: Lower birth rates and increased migration out of state have resulted in long-term declining enrollment across California schools. Enrollment can fluctuate due to factors such as population growth, competition from private and parochial schools, inter-district transfers in or out, economic conditions, and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to adjust fixed operating costs.

Revenue Uncertainties: Proposition 98 guarantees have improved over the 2023-24 fiscal year, but the prior 2022-23 revenues fell short of estimates, reducing the guarantee and resulting in the use of Proposition 98 reserves. California faced a significant budget deficit due to a severe revenue decline in 2022-23, driven mainly by lower income tax collections and economic downturns. However, recent tax forecasts show that actual revenues surpass projections. Surpluses could help fund more Proposition 98 revenue for school districts.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

---

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)**

Underfunded Pension Liabilities: The District participates in state employee pension plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2024. The amount of the liability is material to the District's financial position. The CalSTRS projected employer contribution rate for 2024-25 is 19.10 percent. The CalPERS projected employer contribution rate for 2024-25 is 27.05 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Economic Downturn: Higher borrowing costs and reduced investment have slowed economic activity, particularly affecting sectors like technology and startups, which are crucial to California's economy. The unemployment rate is up but might reverse with future jobs in the technology and aerospace industries.

Federal Reserve Actions: The Federal Reserve's interest rate hikes have increased borrowing costs, reducing investment and economic growth.

Stock Market Performance: The steep decline in the stock market in prior years has negatively impacted income tax collections from high-income Californians and corporations. Overall, market performance in 2024 is trending in a positive direction.

These factors contribute to a challenging fiscal environment, potentially affecting the state's ability to maintain or increase funding for school districts. All these factors were considered in preparing the District's 2024-25 fiscal year budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and 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 any additional financial information, contact Piedmont Unified School District, Piedmont, California, 94611.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

---

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 32,013,128
Accounts receivable	2,119,410
Prepaid expenses	431,196
Capital assets, not depreciated	5,960,406
Capital assets, net of accumulated depreciation	125,778,580
<b>Total Assets</b>	<b>166,302,720</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	15,786,970
Deferred outflows related to OPEB	1,133,168
Deferred amount on refunding	1,143,917
<b>Total Deferred Outflows of Resources</b>	<b>18,064,055</b>
<b>LIABILITIES</b>	
Accrued liabilities	5,163,098
Unearned revenue	207,132
Long-term liabilities, current portion	2,080,967
Long-term liabilities, non-current portion	178,256,471
<b>Total Liabilities</b>	<b>185,707,668</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	1,777,399
Deferred inflows related to OPEB	2,062,234
Deferred amount on refunding	270,000
<b>Total Deferred Inflows of Resources</b>	<b>4,109,633</b>
<b>NET POSITION</b>	
Net investment in capital assets	1,076,274
Restricted:	
Capital projects	5,933,907
Debt service	9,849,044
Educational programs	1,348,423
Food service	78,139
Associated student body	273,954
Unrestricted	(24,010,267)
<b>Total Net Position</b>	<b>\$ (5,450,526)</b>

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

**PIEDMONT UNIFIED SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 31,682,362	\$ -	\$ 3,515,239	\$ 9,522,966	\$ (18,644,157)
Instruction-related services					
Instructional supervision and administration	2,171,345	-	97,204	-	(2,074,141)
Instructional library, media, and technology	842,173	-	29,316	-	(812,857)
School site administration	4,963,729	-	296,704	-	(4,667,025)
Pupil services					
Home-to-school transportation	343,074	-	65	-	(343,009)
Food services	1,678,891	118,963	1,361,114	-	(198,814)
All other pupil services	3,451,623	-	118,948	-	(3,332,675)
General administration					
Centralized data processing	1,453,504	-	16,340	-	(1,437,164)
All other general administration	3,225,462	-	2,304	-	(3,223,158)
Plant services	5,053,614	-	14,781	-	(5,038,833)
Ancillary services	1,353,108	337,209	119,908	-	(895,991)
Interest on long-term debt	4,050,207	-	-	-	(4,050,207)
Other outgo	48,200	-	2,771,289	-	2,723,089
<b>Total Governmental Activities</b>	<b>\$ 60,317,292</b>	<b>\$ 456,172</b>	<b>\$ 8,343,212</b>	<b>\$ 9,522,966</b>	<b>(41,994,942)</b>
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					16,714,734
Property taxes, levied for debt service					6,592,934
Property taxes, levied for other specific purposes					14,175,682
Federal and state aid not restricted for specific purposes					10,931,535
Interest and investment earnings					263,906
Miscellaneous					5,211,432
<b>Subtotal, General Revenue</b>					<b>53,890,223</b>
<b>CHANGE IN NET POSITION</b>					<b>11,895,281</b>
<b>Net Position - Beginning</b>					<b>(17,345,807)</b>
<b>Net Position - Ending</b>					<b>\$ (5,450,526)</b>

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



**PIEDMONT UNIFIED SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2024**

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 4,890,810	\$ 6,780,279	\$ 11,664,665	\$ 567,374	\$ 23,903,128
Accounts receivable	1,617,324	54,998	79,439	367,649	2,119,410
Due from other funds	211,568	-	-	4,160	215,728
Prepaid expenditures	426,704	-	-	4,492	431,196
<b>Total Assets</b>	<b>\$ 7,146,406</b>	<b>\$ 6,835,277</b>	<b>\$ 11,744,104</b>	<b>\$ 943,675</b>	<b>\$ 26,669,462</b>
<b>LIABILITIES</b>					
Accrued liabilities	\$ 2,032,162	\$ 957,712	\$ -	\$ 278,164	\$ 3,268,038
Due to other funds	4,160	111,568	-	100,000	215,728
Unearned revenue	167,616	-	-	39,516	207,132
<b>Total Liabilities</b>	<b>2,203,938</b>	<b>1,069,280</b>	<b>-</b>	<b>417,680</b>	<b>3,690,898</b>
<b>FUND BALANCES</b>					
Nonspendable	470,804	-	-	5,992	476,796
Restricted	1,348,423	5,765,997	11,744,104	520,003	19,378,527
Assigned	1,282,813	-	-	-	1,282,813
Unassigned	1,840,428	-	-	-	1,840,428
<b>Total Fund Balances</b>	<b>4,942,468</b>	<b>5,765,997</b>	<b>11,744,104</b>	<b>525,995</b>	<b>22,978,564</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,146,406</b>	<b>\$ 6,835,277</b>	<b>\$ 11,744,104</b>	<b>\$ 943,675</b>	<b>\$ 26,669,462</b>

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

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

---

**Total Fund Balance - Governmental Funds** \$ 22,978,564

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

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

Capital assets	\$ 171,852,163	
Accumulated depreciation	<u>(40,113,177)</u>	131,738,986

Deferred amount on refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:

873,917

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(1,895,060)

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:

Total general obligation bonds	\$ 128,926,240	
Lease revenue bonds	2,610,389	
Compensated absences	192,800	
Total OPEB liability	6,241,538	
Net pension liability	<u>42,366,471</u>	(180,337,438)

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	\$ 15,786,970	
Deferred inflows of resources related to pensions	<u>(1,777,399)</u>	14,009,571

***(continued on the next page)***

**PIEDMONT UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET  
POSITION, continued  
JUNE 30, 2024**

---

Deferred outflows and inflows of resources relating to OPEB:

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

Deferred outflows of resources related to OPEB	\$ 1,133,168	
Deferred inflows of resources related to OPEB	<u>(2,062,234)</u>	(929,066)

Cash and investments:

In governmental funds, payments made to the general obligation bond sinking fund are expensed at the time of payment. In the government wide statements, the general obligation bond sinking fund investment balance increases with each payment until the bonds are paid at maturity.

8,110,000

<b>Total Net Position - Governmental Activities</b>		<u>\$ (5,450,526)</u>
---	--	-----------------------

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

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
LCFF sources	\$ 26,581,944	\$ -	\$ -	\$ -	\$ 26,581,944
Federal sources	618,192	-	496,018	234,848	1,349,058
Other state sources	4,471,052	9,267,451	21,599	1,201,229	14,961,331
Other local sources	21,891,528	242,260	8,160,892	1,234,123	31,528,803
<b>Total Revenues</b>	<b>53,562,716</b>	<b>9,509,711</b>	<b>8,678,509</b>	<b>2,670,200</b>	<b>74,421,136</b>
<b>EXPENDITURES</b>					
Current					
Instruction	30,978,831	-	-	-	30,978,831
Instruction-related services					
Instructional supervision and administration	2,148,962	-	-	-	2,148,962
Instructional library, media, and technology	829,933	-	-	-	829,933
School site administration	4,888,628	-	-	-	4,888,628
Pupil services					
Home-to-school transportation	339,035	-	-	-	339,035
Food services	8,327	-	-	1,672,182	1,680,509
All other pupil services	3,420,986	-	-	-	3,420,986
General administration					
Centralized data processing	1,383,855	-	-	-	1,383,855
All other general administration	2,607,865	-	-	-	2,607,865
Plant services	4,495,122	129,585	-	23,164	4,647,871
Facilities acquisition and construction	279,226	5,074,678	-	685,436	6,039,340
Ancillary services	930,307	-	-	422,129	1,352,436
Transfers to other agencies	48,200	-	-	-	48,200
Debt service					
Principal	7,715	301,080	2,415,000	-	2,723,795
Interest and other	442	51,970	4,147,570	-	4,199,982
<b>Total Expenditures</b>	<b>52,367,434</b>	<b>5,557,313</b>	<b>6,562,570</b>	<b>2,802,911</b>	<b>67,290,228</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,195,282</b>	<b>3,952,398</b>	<b>2,115,939</b>	<b>(132,711)</b>	<b>7,130,908</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	2,892	2,892
Transfers out	(2,892)	-	-	-	(2,892)
Other uses	-	-	(25,327,268)	-	(25,327,268)
<b>Net Financing Sources (Uses)</b>	<b>(2,892)</b>	<b>-</b>	<b>(25,327,268)</b>	<b>2,892</b>	<b>(25,327,268)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,192,390</b>	<b>3,952,398</b>	<b>(23,211,329)</b>	<b>(129,819)</b>	<b>(18,196,360)</b>
<b>Fund Balance - Beginning</b>	<b>3,750,078</b>	<b>1,813,599</b>	<b>34,955,433</b>	<b>655,814</b>	<b>41,174,924</b>
<b>Fund Balance - Ending</b>	<b>\$ 4,942,468</b>	<b>\$ 5,765,997</b>	<b>\$ 11,744,104</b>	<b>\$ 525,995</b>	<b>\$ 22,978,564</b>

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

**PIEDMONT UNIFIED 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 Change in Fund Balances - Governmental Funds** \$ (18,196,360)

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

Capital outlay:

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

Expenditures for capital outlay:	\$	5,879,493	
Depreciation expense:		<u>(3,389,085)</u>	2,490,408

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:

25,840,385

Deferred amounts on refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:

1,004,459

Gain or loss from the disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(520,863)

Unmatured interest on long-term debt:

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

25,833

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(121,113)

***(continued on the next page)***

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

---

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: 1,318

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: (6,405)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: (73,655)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 1,451,274

**Change in Net Position of Governmental Activities**

**\$ 11,895,281**

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

---

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

**A. Financial Reporting Entity**

The Piedmont Unified 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 generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. 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 and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no such component units.

**C. Basis of Presentation**

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. 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 of 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.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**Fund Financial Statements.** The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

**Major Governmental Funds**

**General Fund:** The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

**County School Facilities Fund:** This fund is established pursuant to *Education Code Section 17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code Section 17070 et seq.*).

**Bond Interest and Redemption Fund:** This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

**Non-Major Governmental Funds**

**Special Revenue Funds:** Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

**Student Activity Fund:** This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

**Cafeteria Fund:** This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Fund shall be 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*).



**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**Non-Major Governmental Funds (continued)**

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

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

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use 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 results from special revenue funds and the restrictions on their use.

**Governmental Funds**

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

**D. Basis of Accounting – Measurement Focus**

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus (continued)**

**Revenues – Exchange and Non-Exchange Transactions (continued)**

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

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

**Unearned Revenue**

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position**

**Cash and Cash Equivalents**

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

**Investments**

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Inventories**

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

**Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. 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. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	50 Years
Improvements	50 Years
Equipment	5 to 20 Years

**Interfund Balances**

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

**Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

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 because 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.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Accrued Liabilities and Long-Term Obligations**

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

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

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

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**Premiums and Discounts**

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

**Deferred Outflows/Deferred Inflows of Resources**

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Pensions**

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

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, lease receivables (net of related deferred inflows), prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

*Restricted* - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

*Assigned* - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Fund Balance (continued)**

*Unassigned* - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**F. 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. 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.

**G. 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.

**H. Budgetary Data**

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. 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. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Property Tax**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**J. New Accounting Pronouncements**

**GASB Statement No. 99** – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has fully implemented this Statement as of 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. The District has fully implemented this Statement as of June 30, 2024.

**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. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 102** – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the 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. The District has not yet determined the impact on the financial statements.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2024**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. New Accounting 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. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

**NOTE 2 – CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

	<b>Governmental Funds</b>	<b>District-Wide</b>	<b>Governmental Activities</b>
Investment in county treasury	\$ 23,793,150	\$ 8,110,000	\$ 31,903,150
Fair value adjustment	(243,507)	-	(243,507)
Cash on hand and in banks	307,885	-	307,885
Cash in revolving fund	45,600	-	45,600
<b>Total</b>	<b>\$ 23,903,128</b>	<b>\$ 8,110,000</b>	<b>\$ 32,013,128</b>

**B. 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; collateralized mortgage obligations; and the County Investment Pool.

**Investment in County Treasury** – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Alameda County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is 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.



**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**C. General Authorizations**

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

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

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of \$31,659,643. The average weighted maturity for this pool is 742 days.

**E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2024, the pooled investments in the County Treasury were not rated.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2024**

---

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**F. Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2024, \$69,506 of the District's bank balance was exposed to custodial credit risk.

**G. Fair Value**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Alameda County Treasury Investment Pool is not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2024 were as follows:

	<b><u>Uncategorized</u></b>
Investment in county treasury	<u>\$ 31,659,643</u>
<b>Total</b>	<u><b>\$ 31,659,643</b></u>

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2024 consisted of the following:

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government					
Categorical aid	\$ 589,460	\$ -	\$ -	\$ 18,624	\$ 608,084
State Government					
Apportionment	228,590	-	-	-	228,590
Categorical aid	299,093	-	-	130,931	430,024
Lottery	92,383	-	-	-	92,383
Local Government					
Other local sources	407,798	54,998	79,439	218,094	760,329
<b>Total</b>	<b>\$ 1,617,324</b>	<b>\$ 54,998</b>	<b>\$ 79,439</b>	<b>\$ 367,649</b>	<b>\$ 2,119,410</b>

**NOTE 4 – CAPITAL ASSETS**

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

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 335,023	\$ -	\$ -	\$ 335,023
Construction in progress	767,909	4,857,474	-	5,625,383
Total capital assets not being depreciated	1,102,932	4,857,474	-	5,960,406
Capital assets being depreciated				
Land improvements	5,307,883	367,180	1,292,008	4,383,055
Buildings & improvements	159,972,806	610,862	61,604	160,522,064
Furniture & equipment	942,661	43,977	-	986,638
Total capital assets being depreciated	166,223,350	1,022,019	1,353,612	165,891,757
Less: Accumulated depreciation				
Land improvements	2,702,099	86,654	831,922	1,956,831
Buildings & improvements	34,371,049	3,241,564	827	37,611,786
Furniture & equipment	483,693	60,867	-	544,560
Total accumulated depreciation	37,556,841	3,389,085	832,749	40,113,177
Total capital assets being depreciated, net	128,666,509	(2,367,066)	520,863	125,778,580
<b>Governmental Activities</b>				
<b>Capital Assets, net</b>	<b>\$ 129,769,441</b>	<b>\$ 2,490,408</b>	<b>\$ 520,863</b>	<b>\$ 131,738,986</b>

**PIEDMONT UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2024**

---

**NOTE 4 – CAPITAL ASSETS (continued)**

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

<b>Governmental Activities</b>	
Instruction	\$ 2,108,948
Instructional supervision and administration	112,379
Instructional library, media, and technology	52,046
School site administration	280,254
Home-to-school transportation	4,039
Food services	20,132
All other pupil services	193,625
Centralized data processing	111,323
All other general administration	165,030
Plant services	320,204
Ancillary services	21,105
<b>Total</b>	<u>\$ 3,389,085</u>

**NOTE 5 – INTERFUND TRANSACTIONS**

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

Individual interfund receivable and payable balances at June 30, 2024 were as follows:

	<u>Due From Other Funds</u>		
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
<u>Due To Other Funds</u>			
General Fund	\$ -	\$ 4,160	\$ 4,160
County School Facilities Fund	111,568	-	111,568
Non-Major Governmental Funds	100,000	-	100,000
<b>Total</b>	<u>\$ 211,568</u>	<u>\$ 4,160</u>	<u>\$ 215,728</u>

The County School Facilities Fund owed the General Fund for expenditures incurred.	\$ 111,568
The Non-Major Cafeteria Fund owed the General Fund for program support.	100,000
The General Fund owed the Non-Major Student Activity Fund for expenditures incurred.	4,160
<b>Total</b>	<u>\$ 215,728</u>

**B. Operating Transfers**

Interfund transfers for the year ended June 30, 2024 consisted of the General Fund transferring \$2,892 to the Non-Major Cafeteria Fund for a one-time payment.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

**NOTE 6 – ACCRUED LIABILITIES**

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

	<b>General Fund</b>	<b>County School Facilities Fund</b>	<b>Non-Major Governmental Funds</b>	<b>District-Wide</b>	<b>Governmental Activities</b>
Payroll	\$ 1,470,635	\$ 68	\$ 5,326	\$ -	\$ 1,476,029
Construction	-	957,644	202,282	-	1,159,926
Vendors payable	556,372	-	70,556	-	626,928
Unmatured interest	-	-	-	1,895,060	1,895,060
Due to grantor government	5,155	-	-	-	5,155
<b>Total</b>	<b>\$ 2,032,162</b>	<b>\$ 957,712</b>	<b>\$ 278,164</b>	<b>\$ 1,895,060</b>	<b>\$ 5,163,098</b>

**NOTE 7 – UNEARNED REVENUE**

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

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Governmental Activities</b>
Federal sources	\$ 7,974	\$ -	\$ 7,974
State categorical sources	101,423	-	101,423
Local sources	58,219	39,516	97,735
<b>Total</b>	<b>\$ 167,616</b>	<b>\$ 39,516</b>	<b>\$ 207,132</b>

**NOTE 8 – LONG-TERM LIABILITIES**

A schedule of changes in long-term liabilities for the year ended June 30, 2024 consisted of the following:

	<b>Balance July 01, 2023</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2024</b>	<b>Balance Due In One Year</b>
<b>Governmental Activities</b>					
General obligation bonds	\$ 147,300,477	\$ 121,113	\$ 24,296,590	\$ 123,125,000	\$ 1,450,000
Unamortized premium	7,252,514	-	1,451,274	5,801,240	324,513
Total general obligation bonds	154,552,991	121,113	25,747,864	128,926,240	1,774,513
Lease revenue bonds	2,911,469	-	301,080	2,610,389	306,454
Financed purchases	7,715	-	7,715	-	-
Compensated absences	194,118	-	1,318	192,800	-
Total OPEB liability	6,436,794	-	195,256	6,241,538	-
Net pension liability	39,119,805	3,246,666	-	42,366,471	-
<b>Total</b>	<b>\$ 203,222,892</b>	<b>\$ 3,367,779</b>	<b>\$ 26,253,233</b>	<b>\$ 180,337,438</b>	<b>\$ 2,080,967</b>

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments on direct placement-lease revenue bonds are made in the County School Facilities Fund.
- Payments for financed purchases are made in the General Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**A. General Obligation Bonds**

The outstanding general obligation bonded debt at June 30, 2024 is:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2024
					Outstanding July 01, 2023	Additions	Deductions	
2011 Series D QSCB	04/20/2011	05/01/2026	5.75%	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
2006 Series E	08/23/2013	08/01/2043	5.30% - 6.30%	11,998,678	22,935,477	121,113	23,056,590	-
2015 Refunding	03/10/2015	08/01/2031	2.00% - 5.00%	16,075,000	13,395,000	-	910,000	12,485,000
2017 Series 2017A	04/12/2017	08/01/2046	5.00%	26,000,000	21,230,000	-	70,000	21,160,000
2017 Refunding	04/12/2017	08/01/2034	3.125% - 5.00%	16,775,000	16,775,000	-	-	16,775,000
2017B Crossover Refunding	12/21/2017	08/01/2041	3.00% - 4.00%	27,000,000	27,000,000	-	-	27,000,000
2016 Series 2019	08/27/2019	08/01/2049	3.00% - 5.00%	30,000,000	26,350,000	-	135,000	26,215,000
2016 Series 2021	02/25/2021	08/01/2046	2.00% - 5.00%	10,000,000	9,615,000	-	125,000	9,490,000
					<b>\$ 147,300,477</b>	<b>\$ 121,113</b>	<b>\$ 24,296,590</b>	<b>\$ 123,125,000</b>

The annual requirements to amortize the general obligation bonds payable are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,450,000	\$ 4,517,044	\$ 5,967,044
2026	11,695,000	4,449,469	16,144,469
2027	1,960,000	3,802,394	5,762,394
2028	3,715,000	3,696,219	7,411,219
2029	4,205,000	3,541,869	7,746,869
2030 - 2034	28,490,000	14,766,251	43,256,251
2035 - 2039	25,510,000	9,487,768	34,997,768
2040 - 2044	24,935,000	5,232,896	30,167,896
2045 - 2049	18,055,000	1,795,527	19,850,527
2050	3,110,000	46,650	3,156,650
<b>Total</b>	<b>\$ 123,125,000</b>	<b>\$ 51,336,087</b>	<b>\$ 174,461,087</b>

On December 21, 2017, the District issued General Obligation Crossover Refunding Bonds (2017B Refunding Bonds) in the amount of \$27,000,000 to refund the outstanding maturities of the Election 2006, Series E Bonds (2006E Bonds). The 2006E Bonds issued in 2013 will be called on August 1, 2023, the "Crossover Date". The proceeds from the 2017B Refunding Bonds were placed in an escrow account held by U.S. Bank and are sufficient to pay off the 2006E Bonds on the Crossover Date, including accreted interest to that date. The funds placed in the escrow account are also sufficient to pay debt service due on the 2017B Refunding Bonds up to and including the Crossover Date. Only interest is due on the 2017B Refunding Bonds through the Crossover Date. After the Crossover Date, the debt service on the 2017B Refunding Bonds will be paid through tax collections. The economic gain on the crossover refunding was \$10,847,027. The 2006E Bonds were called as of June 30, 2024 and the corresponding escrow account had no remaining balance. A deferred outflow of resources related to refunding was \$1,143,917 at June 30, 2024.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**B. Direct Placement – Lease Revenue Bonds**

The lease revenue bonds were executed and delivered pursuant to a Lease agreement dated as of February 1, 2022, by and between Piedmont Unified School District and the Public Property Financing Corporation of California, to lease certain real property and facilities of the District. These were issued in the amount of \$3,200,000 with an interest rate of 1.785% and mature on February 1, 2032. The annual requirements to amortize the direct placement lease revenue bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 306,454	\$ 46,595	\$ 353,049
2026	311,924	41,125	353,049
2027	317,492	35,557	353,049
2028	323,159	29,890	353,049
2029	328,928	24,122	353,050
2030 - 2032	1,022,432	36,716	1,059,148
<b>Total</b>	<b>\$ 2,610,389</b>	<b>\$ 214,005</b>	<b>\$ 2,824,394</b>

**C. Financed Purchases**

The District entered into an agreement to purchase a Ford F-250 super duty truck. The agreement was fully paid by June 30, 2024.

**D. Compensated Absences**

Total unpaid employee compensated absences as of June 30, 2024 amounted to \$192,800. This amount is included as part of long-term liabilities in the government-wide financial statements.

**E. Other Postemployment Benefits**

The District's beginning total OPEB liability was \$6,436,794 and decreased by \$195,256 during the year ended June 30, 2024. The ending total OPEB liability at June 30, 2024 was \$6,241,538. See Note 10 for additional information regarding the total OPEB liability.

**F. Net Pension Liability**

The District's beginning net pension liability was \$39,119,805 and increased by \$3,246,666 during the year ended June 30, 2024. The ending net pension liability at June 30, 2024 was \$42,366,471. See Note 11 for additional information regarding the net pension liability.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 9 – FUND BALANCES**

Fund balances were composed of the following elements at June 30, 2024:

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	\$ 44,100	\$ -	\$ -	\$ 1,500	\$ 45,600
Prepaid expenditures	426,704	-	-	4,492	431,196
Total non-spendable	<u>470,804</u>	-	-	5,992	476,796
Restricted					
Educational programs	1,348,423	-	-	-	1,348,423
Food service	-	-	-	78,139	78,139
Associated student body	-	-	-	273,954	273,954
Capital projects	-	5,765,997	-	167,910	5,933,907
Debt service	-	-	11,744,104	-	11,744,104
Total restricted	<u>1,348,423</u>	<u>5,765,997</u>	<u>11,744,104</u>	<u>520,003</u>	<u>19,378,527</u>
Assigned					
Carryover - site specific donations	330,076	-	-	-	330,076
Negotiated increases to health benefits	528,726	-	-	-	528,726
Other assignments	424,011	-	-	-	424,011
Total assigned	<u>1,282,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,282,813</u>
Unassigned	1,840,428	-	-	-	1,840,428
<b>Total</b>	<u>\$ 4,942,468</u>	<u>\$ 5,765,997</u>	<u>\$ 11,744,104</u>	<u>\$ 525,995</u>	<u>\$ 22,978,564</u>

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than three percent of General Fund expenditures and other financing uses.



**PIEDMONT UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2024**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**A. Plan Description**

The Piedmont Unified School District’s defined benefit OPEB plan, Piedmont Unified School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**B. Benefits Provided**

The eligibility requirements and benefits provided by the Plan are described below.

	<u>Certificated*</u>	<u>Classified**</u>	<u>Management***</u>
Benefit types provided	Medical and dental	Medical and dental	Medical and dental
Duration of Benefits	5 years but not beyond Medicare age****	5 years but not beyond Medicare age****	5 years but not beyond Medicare age****
Required Service	10 years	15 years	10 years
Minimum Age	55	55	55
Dependent Coverage	No	No	No
			100% for 0.5 FTE or greater; less than 0.5 FTE pro-rated
District Contribution %	Based on FTE	100%	
District Cap*****	\$6,500	\$6,500 (some exceptions)	\$6,500

\*Certificated retirees hired prior to 7/1/01 may receive \$100 per month toward the cost of Medicare Supplement coverage if not on the top step of the salary schedule

\*\*Classified retirees hired prior to 7/1/89 receive lifetime coverage based on the District cap 2 years prior to their retirement date. Those hired after 7/1/89 and before 7/1/08 may receive \$100 per month toward Medicare Supplement Plan for number of years equal to length of service. Those hired after 7/1/08 are not entitled to a District contribution to Medicare Supplement coverage

\*\*\*Management retirees hired prior to 7/1/01 may receive \$150 per month toward Medicare Supplement

\*\*\*\*Those retired prior to 7/1/14 not limited to 5 years

\*\*\*\*\*The District Cap is assumed to remain frozen in all future years.

**C. Contributions**

For the measurement period, the District contributed \$376,664 to the Plan, all of which was used for current premiums.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**D. Plan Membership**

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	131
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>297</u>
<b>Total number of participants**</b>	<b><u>428</u></b>

\*Information not provided

\*\*As of the June 30, 2023 valuation date

**E. Total OPEB Liability**

The Piedmont Unified School District’s total OPEB liability of \$6,241,538 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**F. Actuarial Assumptions and Other Inputs**

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement period.

**Economic assumptions:**

Inflation	2.50%
Discount rate	3.65%
Salary increases	2.75%
Healthcare cost trend rates	4.00%

**Non-economic assumptions:**

*Mortality:*

Certificated	2020 CalSTRS Mortality
Classified	2021 CalPERS Mortality for Miscellaneous and Schools Employees

*Retirement rates:*

Certificated Management & Certificated	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Classified & Classified Management	Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for Schools Employees

The actuarial assumptions used in the June 30, 2023 valuation were based on a review of plan experience during the period July 1, 2022 to June 30, 2023.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed seventeen years.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**G. Changes in Total OPEB Liability**

	<u>June 30, 2024</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 236,549
Interest on total OPEB liability	225,514
Difference between expected and actual experience	(283,772)
Changes of assumptions	3,117
Benefits payments	<u>(376,664)</u>
Net change in total OPEB liability	(195,256)
Total OPEB liability - beginning	<u>6,436,794</u>
Total OPEB liability - ending	<u>\$ 6,241,538</u>
Covered-employee payroll	N/A*
District's total OPEB liability as a percentage of covered-employee payroll	N/A*

\*The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

**H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Piedmont Unified School District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<b>1% Decrease</b>	<b>Valuation Discount Rate</b>	<b>1% Increase</b>
	<b>(2.65%)</b>	<b>(3.65%)</b>	<b>(4.65%)</b>
Total OPEB liability	\$ 6,696,618	\$ 6,241,538	\$ 5,829,459

**I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the Piedmont Unified School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
	<b>(3.00%)</b>	<b>(4.00%)</b>	<b>(5.00%)</b>
Total OPEB liability	\$ 5,956,934	\$ 6,241,538	\$ 6,570,263

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the Piedmont Unified School District recognized OPEB expense of \$326,851. At June 30, 2024, the Piedmont Unified School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 242,789	\$ 995,292
Changes in assumptions	569,933	1,066,942
District contributions subsequent to the measurement date	320,446	-
<b>Total</b>	<u>\$ 1,133,168</u>	<u>\$ 2,062,234</u>

The \$320,446 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 229,074	\$ 364,286
2026	229,074	364,286
2027	229,066	364,286
2028	124,166	356,259
2029	355	335,518
Thereafter	987	277,599
<b>Total</b>	<u>\$ 812,722</u>	<u>\$ 2,062,234</u>

**NOTE 11 – PENSION PLANS**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
CalSTRS Pension	\$ 26,419,583	\$ 9,011,541	\$ 1,526,669	\$ 4,451,990
CalPERS Pension	15,946,888	6,775,429	250,730	1,677,823
<b>Total</b>	<u>\$ 42,366,471</u>	<u>\$ 15,786,970</u>	<u>\$ 1,777,399</u>	<u>\$ 6,129,813</u>

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

**Benefits Provided**

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**Contributions**

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2024, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$4,024,608 for the year ended June 30, 2024.

**On-Behalf Payments**

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$2,024,737 to CalSTRS.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Pension Liabilities, Pension Expense, and 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	\$ 26,419,583
State's proportionate share of the net pension liability associated with the District	12,658,594
<b>Total</b>	<b>\$ 39,078,177</b>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to 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. At June 30, 2023, the District’s proportion was 0.035 percent, which did not change from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$4,451,990. In addition, the District recognized pension expense and revenue of \$(183,826) 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 113,087
Differences between expected and actual experience	2,076,144	1,413,582
Changes in assumptions	152,979	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,757,810	-
District contributions subsequent to the measurement date	4,024,608	-
<b>Total</b>	<b>\$ 9,011,541</b>	<b>\$ 1,526,669</b>

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

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

The \$4,024,608 reported as 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 year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 991,391	\$ 1,226,607
2026	991,391	1,691,442
2027	991,388	(1,844,421)
2028	937,313	370,133
2029	720,038	82,908
2030	355,412	-
<b>Total</b>	<b>\$ 4,986,933</b>	<b>\$ 1,526,669</b>

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

\* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2018.

The long-term expected rate of return on pension plan investments 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 general investment consultant (Pension Consulting Alliance–PCA) as an input to the process.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Actuarial Assumptions (continued)**

The actuarial investment rate of return assumption was adopted by the board in January 2023 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
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%	

\*Real return is 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 that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. 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 occur midyear. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
District’s proportionate share of the net pension liability	\$ 44,316,743	\$ 26,419,583	\$ 11,553,906

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.



**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California Public Employees' Retirement System (CalPERS)**

**Plan Description**

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

**Benefits Provided**

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

**Contributions**

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2024 was 26.68% of annual payroll. Contributions to the plan from the District were \$2,031,550 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$15,946,888 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to 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. At June 30, 2023, the District's proportion was 0.044 percent, which did not change from its proportion measured as of June 30, 2022.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

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

For the year ended June 30, 2024, the District recognized pension expense of \$1,677,823. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 1,703,356	\$ -
Differences between expected and actual experience	581,947	244,921
Changes in assumptions	734,667	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,723,909	5,809
District contributions subsequent to the measurement date	2,031,550	-
<b>Total</b>	<u>\$ 6,775,429</u>	<u>\$ 250,730</u>

The \$2,031,550 reported as 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 year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 1,641,917	\$ 138,049
2026	1,412,649	112,681
2027	1,636,302	-
2028	53,011	-
<b>Total</b>	<u>\$ 4,743,879</u>	<u>\$ 250,730</u>

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Discount Rate	6.90%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

The long-term expected rate of return on pension plan investments 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. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+-years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

**Actuarial Assumptions (continued)**

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 – 10*</b>
Global Equity – cap-weighted	30.0%	4.54%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	<u>100.0%</u>	

\*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<b>1% Decrease (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
District’s proportionate share of the net pension liability	\$ 23,055,078	\$ 15,946,888	\$ 10,072,131

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. 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.

**B. 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.

**C. Construction Commitments**

As of June 30, 2024, the District had commitments with respect to unfinished capital projects of \$2,118,566.

**NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES**

The District is a member of the Alameda County Schools Insurance Group (ACSIG), public entity risk pool. The District pays an annual premium to the applicable entity for its health, workers' compensation, and property liability coverage. Payments for workers compensation and property liability coverages are paid to ACSIG. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

The District participates as a board member on the governing board of ACSIG.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

---

**NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

**A. Refunded Debt**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2024, total deferred outflows related to refunding was \$1,143,917 and total deferred inflows related to refunding was \$270,000.

**B. Pension Plans**

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2024, total deferred outflows related to pensions was \$15,786,970 and total deferred inflows related to pensions was \$1,777,399.

**C. Other Postemployment Benefits**

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2024, total deferred outflows related to other postemployment benefits was \$1,133,168 and total deferred inflows related to other postemployment benefits was \$2,062,234.

---

## **REQUIRED SUPPLEMENTARY INFORMATION**

---

**PIEDMONT UNIFIED 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		
<b>REVENUES</b>				
LCFF sources	\$ 26,553,314	\$ 26,613,423	\$ 26,581,944	\$ (31,479)
Federal sources	575,523	655,595	618,421	(37,174)
Other state sources	3,410,363	3,837,647	4,002,158	164,511
Other local sources	20,004,640	21,079,428	21,498,338	418,910
<b>Total Revenues</b>	<b>50,543,840</b>	<b>52,186,093</b>	<b>52,700,861</b>	<b>514,768</b>
<b>EXPENDITURES</b>				
Certificated salaries	20,925,407	20,977,053	21,771,042	(793,989)
Classified salaries	7,643,526	7,650,177	7,897,800	(247,623)
Employee benefits	13,964,980	13,642,800	13,624,140	18,660
Books and supplies	1,118,380	1,753,891	1,260,247	493,644
Services and other operating expenditures	6,234,675	7,216,078	6,818,039	398,039
Capital outlay	348,517	356,183	255,944	100,239
Other outgo				
Excluding transfers of indirect costs	79,359	80,702	56,357	24,345
Transfers of indirect costs	(20,649)	(20,649)	(21,347)	698
<b>Total Expenditures</b>	<b>50,294,195</b>	<b>51,656,235</b>	<b>51,662,222</b>	<b>(5,987)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>249,645</b>	<b>529,858</b>	<b>1,038,639</b>	<b>508,781</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	8,757	3,141	3,141	-
Transfers out	(60,000)	(63,768)	(63,768)	-
<b>Net Financing Sources (Uses)</b>	<b>(51,243)</b>	<b>(60,627)</b>	<b>(60,627)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>				
<b>Fund Balance - Beginning</b>	<b>2,736,151</b>	<b>3,549,277</b>	<b>3,549,277</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 2,934,553</b>	<b>\$ 4,018,508</b>	<b>\$ 4,527,289</b>	<b>\$ 508,781</b>

\*Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Adult Education Fund, Deferred Maintenance Fund, and Special Reserve Fund for Other than Capital Outlay Projects in accordance with the fund type definitions promulgated by GASB Statement No. 54.



**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Total OPEB Liability</b>							
Service cost	\$ 236,549	\$ 286,212	\$ 303,301	\$ 242,328	\$ 238,650	\$ 243,037	\$ 236,532
Interest on total OPEB liability	225,514	153,466	192,274	269,120	257,122	261,793	238,886
Difference between expected and actual experience	(283,772)	(28,457)	(1,076,270)	(69,830)	647,449	-	-
Changes of assumptions	3,117	(771,233)	(641,168)	990,523	191,767	(192,365)	-
Benefits payments	<u>(376,664)</u>	<u>(358,443)</u>	<u>(437,666)</u>	<u>(440,512)</u>	<u>(379,014)</u>	<u>(426,142)</u>	<u>(409,752)</u>
Net change in total OPEB liability	(195,256)	(718,455)	(1,659,529)	991,629	955,974	(113,677)	65,666
Total OPEB liability - beginning	6,436,794	7,155,249	8,814,778	7,823,149	6,867,175	6,980,852	6,915,186
Total OPEB liability - ending	<u>\$ 6,241,538</u>	<u>\$ 6,436,794</u>	<u>\$ 7,155,249</u>	<u>\$ 8,814,778</u>	<u>\$ 7,823,149</u>	<u>\$ 6,867,175</u>	<u>\$ 6,980,852</u>
Covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's total OPEB liability as a percentage of covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*

\*The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.035%	0.035%	0.035%	0.034%	0.033%	0.033%	0.034%	0.034%	0.037%	0.035%
District's proportionate share of the net pension liability	\$ 26,419,583	\$ 24,059,777	\$ 16,085,635	\$ 32,534,237	\$ 30,180,577	\$ 30,628,046	\$ 31,365,687	\$ 27,718,731	\$ 25,023,490	\$ 20,224,335
State's proportionate share of the net pension liability associated with the District	<u>12,658,594</u>	<u>12,049,207</u>	<u>8,093,836</u>	<u>16,771,403</u>	<u>16,465,520</u>	<u>17,535,989</u>	<u>18,555,675</u>	<u>15,779,779</u>	<u>13,234,668</u>	<u>12,212,327</u>
<b>Total</b>	<b>\$ 39,078,177</b>	<b>\$ 36,108,984</b>	<b>\$ 24,179,471</b>	<b>\$ 49,305,640</b>	<b>\$ 46,646,097</b>	<b>\$ 48,164,035</b>	<b>\$ 49,921,362</b>	<b>\$ 43,498,510</b>	<b>\$ 38,258,158</b>	<b>\$ 32,436,662</b>
District's covered payroll	\$ 21,380,141	\$ 20,838,133	\$ 19,578,334	\$ 18,439,322	\$ 18,277,807	\$ 17,817,221	\$ 17,682,472	\$ 17,019,823	\$ 15,329,223	\$ 15,958,129
District's proportionate share of the net pension liability as a percentage of its covered payroll	123.6%	115.5%	82.2%	176.4%	165.1%	171.9%	177.4%	162.9%	163.2%	126.7%
Plan fiduciary net position as a percentage of the total pension liability	80.6%	81.2%	87.2%	71.8%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.044%	0.044%	0.039%	0.039%	0.040%	0.043%	0.043%	0.044%	0.046%	0.044%
District's proportionate share of the net pension liability	\$ 15,946,888	\$ 15,060,028	\$ 7,933,956	\$ 11,886,343	\$ 11,586,393	\$ 11,356,219	\$ 10,298,363	\$ 8,682,037	\$ 6,705,041	\$ 4,955,168
District's covered payroll	\$ 7,706,151	\$ 7,000,666	\$ 5,744,899	\$ 5,576,528	\$ 5,224,842	\$ 5,604,468	\$ 5,408,432	\$ 5,255,541	\$ 4,936,259	\$ 5,800,301
District's proportionate share of the net pension liability as a percentage of its covered payroll	206.9%	215.1%	138.1%	213.1%	221.8%	202.6%	190.4%	165.2%	135.8%	85.4%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	69.8%	81.0%	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 4,024,608	\$ 4,001,701	\$ 3,305,382	\$ 3,161,901	\$ 3,153,124	\$ 2,975,627	\$ 2,571,025	\$ 2,224,455	\$ 1,826,227	\$ 1,361,235
Contributions in relation to the contractually required contribution*	(4,024,608)	(4,001,701)	(3,305,382)	(3,161,901)	(3,153,124)	(2,975,627)	(2,571,025)	(2,224,455)	(1,826,227)	(1,361,235)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 21,071,246	\$ 21,380,141	\$ 20,838,133	\$ 19,578,334	\$ 18,439,322	\$ 18,277,807	\$ 17,817,221	\$ 17,682,472	\$ 17,019,823	\$ 15,329,223
Contributions as a percentage of covered payroll	19.10%	18.72%	15.86%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%

\*Amounts do not include on-behalf contributions

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,031,550	\$ 1,934,667	\$ 1,556,707	\$ 1,189,194	\$ 1,099,747	\$ 943,711	\$ 870,430	\$ 751,123	\$ 622,624	\$ 581,047
Contributions in relation to the contractually required contribution*	(2,031,550)	(1,934,667)	(1,556,707)	(1,189,194)	(1,099,747)	(943,711)	(870,430)	(751,123)	(622,624)	(581,047)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,614,505	\$ 7,706,151	\$ 7,000,666	\$ 5,744,899	\$ 5,576,528	\$ 5,224,842	\$ 5,604,468	\$ 5,408,432	\$ 5,255,541	\$ 4,936,259
Contributions as a percentage of covered payroll	26.68%	25.11%	22.24%	20.70%	19.72%	18.06%	15.53%	13.89%	11.85%	11.77%

\*Amounts do not include on-behalf contributions

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024**

---

**NOTE 1 – PURPOSE OF SCHEDULES**

**Budgetary Comparison Schedule**

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

**Schedule of Changes in Total OPEB Liability and Related Ratios**

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios and the total OPEB liability as a percentage of covered-employee payroll.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuation.

**Changes in Assumptions**

The discount rate changed to 3.65% from 3.54% in the previous valuation.

**Schedule of the District's Proportionate Share of the Net Pension Liability**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

**Changes in Benefit Terms**

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

**Changes in Assumptions**

There were no changes in economic assumptions since the previous valuations for CalSTRS or CalPERS.

**Schedule of District Contributions**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued  
 FOR THE YEAR ENDED 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 individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	<b>Expenditures and Other Uses</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Excess</b>
General Fund			
Certificated salaries	\$ 20,977,053	\$ 21,771,042	\$ 793,989
Classified salaries	\$ 7,650,177	\$ 7,897,800	\$ 247,623

---

## **SUPPLEMENTARY INFORMATION**

---



**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster</b>	<b>AL Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 10,028
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	23,015
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	545,861
ARP IDEA Part B, Sec 611, Local Assistance Entitlement	84.027	15638	212
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	28,262
ARP IDEA Part B, Sec 619, Preschool Grants	84.173	15639	539
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	10,275
Subtotal Special Education Cluster			<u>585,149</u>
<b>Total U. S. Department of Education</b>			<u>618,192</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Basic	10.553	13525	37,880
National School Lunch Program	10.555	13391	119,255
USDA Commodities	10.555	*	77,713
Subtotal Child Nutrition Cluster			<u>234,848</u>
<b>Total U. S. Department of Agriculture</b>			<u>234,848</u>
<b>Total Federal Expenditures</b>			<u>\$ 853,040</u>

\* - Pass-Through Entity Identifying Number not available or not applicable

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
FOR THE YEAR ENDED JUNE 30, 2024**

---

	<b>Second Period Report</b>	<b>Annual Report</b>
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	635.38	637.65
Extended Year Special Education	1.30	1.30
Special Education - Nonpublic Schools	1.51	1.38
Extended Year Special Education - Nonpublic Schools	0.41	0.41
Total TK/K through Third	638.60	640.74
Fourth through Sixth		
Regular ADA	477.43	478.32
Extended Year Special Education	0.74	0.74
Special Education - Nonpublic Schools	0.38	0.55
Total Fourth through Sixth	478.55	479.61
Seventh through Eighth		
Regular ADA	340.70	341.30
Extended Year Special Education	0.19	0.19
Special Education - Nonpublic Schools	0.94	1.00
Extended Year Special Education - Nonpublic Schools	0.13	0.13
Total Seventh through Eighth	341.96	342.62
Ninth through Twelfth		
Regular ADA	755.44	754.36
Extended Year Special Education	0.19	0.19
Special Education - Nonpublic Schools	7.75	7.79
Extended Year Special Education - Nonpublic Schools	0.85	0.85
Total Ninth through Twelfth	764.23	763.19
TOTAL SCHOOL DISTRICT	2,223.34	2,226.16

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2024**

---

<b>Grade Level</b>	<b>Minutes Requirement</b>	<b>2023-24 Actual Minutes</b>	<b>Number of Days</b>	<b>Status</b>
Kindergarten	36,000	46,545	180	Complied
Grade 1	50,400	52,545	180	Complied
Grade 2	50,400	52,545	180	Complied
Grade 3	50,400	52,545	180	Complied
Grade 4	54,000	54,645	180	Complied
Grade 5	54,000	54,645	180	Complied
Grade 6	54,000	54,000	180	Complied
Grade 7	54,000	54,000	180	Complied
Grade 8	54,000	54,000	180	Complied
Grade 9	64,800	64,800	180	Complied
Grade 10	64,800	64,800	180	Complied
Grade 11	64,800	64,800	180	Complied
Grade 12	64,800	64,800	180	Complied

See accompanying note to supplementary information.

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

	<b>2025 (Budget)</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 51,950,552	\$ 52,704,002	\$ 52,680,647	\$ 48,995,231
Expenditures And Other Financing Uses	52,233,701	51,725,990	54,019,667	48,822,529
Net change in Fund Balance	<u>\$ (283,149)</u>	<u>\$ 978,012</u>	<u>\$ (1,339,020)</u>	<u>\$ 172,702</u>
Ending Fund Balance	<u>\$ 4,244,140</u>	<u>\$ 4,527,289</u>	<u>\$ 3,549,277</u>	<u>\$ 4,888,297</u>
Available Reserves*	<u>\$ 1,689,954</u>	<u>\$ 1,840,428</u>	<u>\$ 2,012,787</u>	<u>\$ 2,434,768</u>
Available Reserves As A Percentage Of Outgo	<u>3.24%</u>	<u>3.56%</u>	<u>3.73%</u>	<u>4.99%</u>
Long-term Liabilities	<u>\$ 178,256,471</u>	<u>\$ 180,337,438</u>	<u>\$ 203,222,892</u>	<u>\$ 189,525,829</u>
Average Daily Attendance At P-2	<u>2,308</u>	<u>2,223</u>	<u>2,213</u>	<u>2,258</u>

The General Fund ending fund balance has decreased by \$361,008 over the past two years. The fiscal year 2024-25 budget projects a further decrease of \$283,149. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2024-25 fiscal year. Total long-term obligations have decreased by \$9,188,391 over the past two years.

Average daily attendance has decreased by 35 ADA over the past two years. An increase of 85 ADA is anticipated during the 2024-25 fiscal year.

\*Available reserves consist of all unassigned fund balance within the General Fund.

\*\*The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Adult Education Fund, Deferred Maintenance Fund, and Special Reserve Fund for Other than Capital Outlay Projects, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

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

---

	<b>General Fund</b>	<b>Adult Education Fund</b>	<b>Deferred Maintenance Fund</b>	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>
June 30, 2024, annual financial and budget report fund balance	\$ 4,527,289	\$ 33,679	\$ 272,432	\$ 109,068
Adjustments and reclassifications:				
Increase (decrease) in total fund balances:				
Fund balance transfer (GASB 54)	415,179	(33,679)	(272,432)	(109,068)
Net adjustments and reclassifications	415,179	(33,679)	(272,432)	(109,068)
June 30, 2024, audited financial statement fund balance	<u>\$ 4,942,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to supplementary information.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

There are no charter schools within the District's boundaries.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
JUNE 30, 2024**

---

	Student Activity Fund	Cafeteria Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 283,726	\$ 118,022	\$ 165,626	\$ 567,374
Accounts receivable	10,520	152,563	204,566	367,649
Due from other funds	4,160	-	-	4,160
Prepaid expenditures	4,492	-	-	4,492
<b>Total Assets</b>	<b>\$ 302,898</b>	<b>\$ 270,585</b>	<b>\$ 370,192</b>	<b>\$ 943,675</b>
<b>LIABILITIES</b>				
Accrued liabilities	\$ 22,952	\$ 52,930	\$ 202,282	\$ 278,164
Due to other funds	-	100,000	-	100,000
Unearned revenue	-	39,516	-	39,516
<b>Total Liabilities</b>	<b>22,952</b>	<b>192,446</b>	<b>202,282</b>	<b>417,680</b>
<b>FUND BALANCES</b>				
Non-spendable	5,992	-	-	5,992
Restricted	273,954	78,139	167,910	520,003
<b>Total Fund Balances</b>	<b>279,946</b>	<b>78,139</b>	<b>167,910</b>	<b>525,995</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 302,898</b>	<b>\$ 270,585</b>	<b>\$ 370,192</b>	<b>\$ 943,675</b>

See accompanying note to supplementary information.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2024**

	Student Activity Fund	Cafeteria Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
<b>REVENUES</b>				
Federal sources	\$ -	\$ 234,848	\$ -	\$ 234,848
Other state sources	-	1,201,229	-	1,201,229
Other local sources	388,685	126,530	718,908	1,234,123
<b>Total Revenues</b>	<u>388,685</u>	<u>1,562,607</u>	<u>718,908</u>	<u>2,670,200</u>
<b>EXPENDITURES</b>				
Current				
Pupil services				
Food services	-	1,672,182	-	1,672,182
General administration				
Plant services	-	-	23,164	23,164
Facilities acquisition and construction	-	-	685,436	685,436
Ancillary services	422,129	-	-	422,129
<b>Total Expenditures</b>	<u>422,129</u>	<u>1,672,182</u>	<u>708,600</u>	<u>2,802,911</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(33,444)</u>	<u>(109,575)</u>	<u>10,308</u>	<u>(132,711)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	2,892	-	2,892
<b>Net Financing Sources (Uses)</b>	<u>-</u>	<u>2,892</u>	<u>-</u>	<u>2,892</u>
<b>NET CHANGE IN FUND BALANCE</b>	(33,444)	(106,683)	10,308	(129,819)
<b>Fund Balance - Beginning</b>	313,390	184,822	157,602	655,814
<b>Fund Balance - Ending</b>	<u>\$ 279,946</u>	<u>\$ 78,139</u>	<u>\$ 167,910</u>	<u>\$ 525,995</u>

See accompanying note to supplementary information.



**PIEDMONT UNIFIED SCHOOL DISTRICT  
 NOTES TO SUPPLEMENTARY INFORMATION  
 JUNE 30, 2024**

---

**NOTE 1 – PURPOSE OF SCHEDULES**

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2024 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2024.

	<b>AL</b>	
	<b>Number</b>	<b>Amount</b>
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 1,349,058
Federal Interest Subsidy	*	<u>(496,018)</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 853,040</u>

\* - AL Number not applicable

The District has not elected to use the 10 percent de minimis indirect cost rate.

**Schedule of Average Daily Attendance (ADA)**

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 amount of instructional time offered by the District and whether the District complied with the article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

**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.

**PIEDMONT UNIFIED SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION, continued  
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 Annual Financial and Budget Report Unaudited Actuals 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 District audit.

**Combining Statements – Non-Major Funds**

These statements provide information on the District's non-major funds.

---

## **OTHER INFORMATION**

---

**PIEDMONT UNIFIED SCHOOL DISTRICT  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 JUNE 30, 2024**

---

The Piedmont Unified School District was established on July 1, 1936 and consists of an area comprising approximately 1.7 square miles located in Alameda County. There were no changes in the boundaries of the District during the current year. The District operates three elementary schools, one middle school, one high school, one alternative high school, and an adult school.

**GOVERNING BOARD**

<b>Member</b>	<b>Office</b>	<b>Term Expires</b>
Veronica Anderson Thigpen	President	2024
Lindsay Thomasson	Vice President	2026
Hilary Cooper	Member	2024
Ruchi Medhekar	Member	2026
Cory Smegal	Member	2024

**DISTRICT ADMINISTRATORS**

Jennifer Hawn, Ed.D.  
*Superintendent*

Ruth Alahydroian  
*Chief Business Officer*

Ariel Dolowich  
*Assistant Superintendent,  
 Educational Services*

---

**OTHER INDEPENDENT AUDITORS' REPORTS**

---

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

Independent Auditors' Report

Governing Board  
Piedmont Unified School District  
Piedmont, 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, each major fund, and the aggregate remaining fund information of Piedmont Unified School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Piedmont Unified School District's basic financial statements, and have issued our report thereon dated December 13, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California  
December 13, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board  
Piedmont Unified School District  
Piedmont, California

**Report on Compliance for Each Major Federal Program*****Opinion on Each Major Federal Program***

We have audited Piedmont Unified School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Piedmont Unified School District's major federal programs for the year ended June 30, 2024. Piedmont Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Piedmont Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Piedmont Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of Piedmont Unified School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Piedmont Unified School District's federal programs.



## ***Auditor's Responsibilities for the Audit for 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 Piedmont Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Piedmont Unified School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *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 Piedmont Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Piedmont Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Piedmont Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

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

**Report on Internal Control Over Compliance (continued)**

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.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California  
December 13, 2024

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER  
COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

Governing Board  
Piedmont Unified School District  
Piedmont, California

**Report on State Compliance*****Opinion on State Compliance***

We have audited Piedmont Unified School District's compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Piedmont Unified School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2024.

In our opinion, Piedmont Unified School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2024.

***Basis for Opinion on State Compliance***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Piedmont Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Piedmont Unified School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Piedmont Unified School District's state programs.

**Auditor’s Responsibilities for the Audit of State Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Piedmont Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide 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 Piedmont Unified School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, 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 Piedmont Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of Piedmont Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Piedmont Unified School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Piedmont Unified School District's compliance with the state laws and regulations applicable to the following items:

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>Local Education Agencies Other Than Charter Schools</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Not Applicable
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

**Auditor’s Responsibilities for the Audit of State Compliance (continued)**

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>School Districts, County Offices of Education, and Charter Schools</b>	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
<b>Charter Schools</b>	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
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, the District did not participate in 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 and material weaknesses in internal control over compliance that we identify during the audit.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, 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 Piedmont Unified School District’s response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Piedmont Unified School District’s response was not subjected to the 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 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 by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section 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 K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California  
December 13, 2024

---

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

---

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

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

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>	
84.027, 84.027A, 84.173	Special Education Cluster	
Dollar threshold used to distinguish between Type A and Type B programs:		\$ <u>750,000</u>
Auditee qualified as low-risk auditee?		<u>Yes</u>

**STATE AWARDS**

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with 2023-24 Guide for Annual Audits of California K-12 Local Education Agencies ?	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>



**PIEDMONT UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

**FIVE DIGIT CODE**

20000  
30000

**AB 3627 FINDING TYPE**

Inventory of Equipment  
Internal Control

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

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

---

**FIVE DIGIT CODE**

50000

**AB 3627 FINDING TYPE**

Federal Compliance

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

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

---

**FIVE DIGIT CODE**

10000  
40000  
42000  
43000  
60000  
61000  
62000  
70000  
71000  
72000

**AB 3627 FINDING TYPE**

Attendance  
State Compliance  
Charter School Facilities Programs  
Apprenticeship: Related and Supplemental Instruction  
Miscellaneous  
Classroom Teacher Salaries  
Local Control Accountability Plan  
Instructional Materials  
Teacher Misassignments  
School Accountability Report Card

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

**PIEDMONT UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

---

There were no findings or questioned costs for the year ended June 30, 2023.