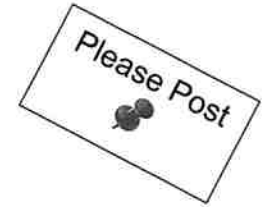


**FALL RIVER JOINT UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES REGULAR MEETING**



DATE: January 10, 2024  
 TIME: 6:00 PM  
 LOCATION: Soldier Mt. High School  
 44144 A Street  
 McArthur, Ca 96056  
 Google Meet Link  
 meet.google.com/vqr-zwzo-qfm

**AGENDA**

Individuals wishing to address the Board should register prior to the start of the meeting.

<b>1.</b>	<b>CALL TO ORDER</b>
<b>2.</b>	<b>ROLL CALL; ESTABLISH A QUORUM; SALUTE FLAG</b>
<b>3.</b>	<b>ADOPT AGENDA</b>
<b>4.</b>	<b>PUBLIC COMMENT</b> Opportunity for members of the public to address the Board. Note: 1) Individual speakers will be allowed three (3) minutes to address the Board. The maximum time allowed for each agenda item shall be 20 minutes. 2) Citizens should contact the Superintendent for complaint procedures regarding employees. 3) A school district cannot take action on a matter that has not been placed on the official agenda. (G.C. 54954.2)
<b>5.</b>	<b>CONSENT AGENDA</b> The consent agenda, if approved, will be recorded in the minutes, as if each item had been acted upon individually. Requests by members of the Board to have any item taken off the consent agenda for discussion will be honored without debate. Requests by the public to have an item taken off the consent agenda will be considered prior to the Board taking action.
	5.1 Approval of Minutes, December 13, 2023
	5.2 Approval of Personnel Report and Actions Therein
	5.3 Approval of Governing Board Commercial Warrant Report: # 6 (2023/2024) <ul style="list-style-type: none"> <li>• \$ 613,867.54 General Fund</li> <li>• \$ 29,254.19 Cafeteria Fund</li> <li>• \$ 1,062.93 Capital Facilities Fund</li> </ul>
	5.4 Approval of Williams Quarterly Report <ul style="list-style-type: none"> <li>• No complaints were filed with any school in the district from October 1, 2023 to December 31, 2023</li> </ul>
	5.5 Approval of HM&S Audit Report <ul style="list-style-type: none"> <li>• Fall River Joint Unified School District Audit Report 2022-2023</li> </ul>
	5.6 Approval of Facility Use Inspection Tool (FIT) Reports for all Sites 2023-2024
	5.7 Approval of School Accountability Report Cards (SARC) for the 2023-2024 School Year for: <b>Burney Elementary School</b> <b>Burney Jr/Sr High School</b> <b>Fall River Elementary School</b> <b>Fall River Jr/Sr High School</b> <b>Mt. View High School</b> <b>Soldier Mt. High School</b> <b>Burney Community Day School</b> <b>Fall River Community Day School</b>
	5.8 Approval of Event Center Rental Agreement between Fall River Joint Unified School District and Inter-Mountain Fairgrounds
	5.9 Approval of Shasta County Consortium Agreement with Document Tracking Services (DTS) <ul style="list-style-type: none"> <li>• Timeline – July 1, 2023 to June 30, 2024</li> </ul>
	5.10 Accept the following donations: <ul style="list-style-type: none"> <li>• <b>For Burney Elementary School – Total \$ 552.30</b></li> <li>• \$ 280.00 PG&amp;E-Company/Blackbaud Giving Fund</li> </ul>

	<ul style="list-style-type: none"> <li>\$ 272.30 Reading for Education</li> <li>• <b>For Burney Jr. Sr. High School – Total \$280.00</b> <ul style="list-style-type: none"> <li>\$ 140.00 PG&amp;E-Company/Blackbaud Giving Fund</li> <li>\$ 140.00 PG&amp;E-Company/Blackbaud Giving Fund</li> </ul> </li> <li>• <b>For Fall River Elementary School – Total \$1310.00</b> <ul style="list-style-type: none"> <li>\$ 655.00 PG&amp;E-Company/Blackbaud Giving Fund</li> <li>\$ 655.00 PG&amp;E-Company/Blackbaud Giving Fund</li> </ul> </li> </ul>
<b>6.</b>	<b>NEW BUSINESS</b>
<b>7.</b>	<b>REPORTS/ANNOUNCEMENTS</b>
<b>8.</b>	<b>FUTURE AGENDA ITEMS</b>
<b>9.</b>	<b>CLOSED SESSION</b> 10.1 Government Code 54956.9: Personnel 10.2 Government Code 54957.6: Negotiations
<b>10.</b>	<b>ADJOURNMENT</b>
	<p>Copies of the agenda, complete with backup materials, may be reviewed at the District Office. A schedule of the regular meetings, agendas and minutes can be reviewed on the District's website: <a href="http://www.frjUSD.org">www.frjUSD.org</a></p> <p><b>REASONABLE ACCOMMODATION FOR ANY INDIVIDUAL WITH A DISABILITY</b>  Pursuant to the <i>Rehabilitation Act of 1973</i> and the <i>Americans with Disabilities Act of 1990</i>, any individual with a disability who requires reasonable accommodation to attend or participate in a meeting, may request assistance by contacting the Fall River Joint Unified School District, 20375 Tamarack Ave. Burney, CA 96013; telephone 530-335-4538; fax 530-335-3115</p>

**FALL RIVER JOINT UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES MEETING**

**DATE:** December 13, 2023  
**TIME:** 6:00 PM  
**LOCATION:** Soldier Mt. High School  
 44144 A Street  
 McArthur, CA 96056  
 meet.google.com/rjt-qcfb-ony

**UNAPPROVED MINUTES**

Individuals wishing to address the Board should register prior to the start of the meeting.

1.	<b>CALL TO ORDER</b> <u>R. Dougherty</u> @ <u>6:00 PM</u>
2.	<b>ROLL CALL; ESTABLISH A QUORUM; SALUTE FLAG</b> Dougherty: <b>Present</b> Estes: <b>Present</b> Hamilton: <b>Present</b> Hathaway: <b>Present</b> Norris: <b>Present</b> Others:
3.	<b>ADOPT AGENDA</b> <b>Motion to Adopt Agenda</b> <u>M. Estes</u> /2 <sup>nd</sup> <u>J. Hamilton</u> <b>Discussion:</b> No Discussion  <b>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</b>
4.	<b>PUBLIC COMMENT</b> <b>Colene Lopez-Winn, Pit River Tribal Member –</b> <ul style="list-style-type: none"> <li>• Advocating for Native American students' rights</li> <li>• Would like the Indian Education Program to service the Alternative Education Program also</li> </ul>
5.	<b>ANNUAL ORGANIZATIONAL MEETING</b> 5.1 Elect President (turn gavel over to new President) <u>M. Estes</u> nominates <u>J. Hamilton</u> to be the new Board President. <b>Motion to seat</b> <u>J. Hamilton</u> as the new Board President by <u>M. Estes</u> /2 <sup>nd</sup> <u>R. Dougherty</u>  <b>Discussion:</b>  Dougherty: <b>Aye</b> Estes: <b>Aye</b> Hamilton: <b>Abstain</b> Hathaway: <b>Aye</b> Norris: <b>Aye</b> Other  <b>Ayes: 4 Noes: 0 Absent: 0 Abstain: 1</b>

	<p>5.2 Elect Clerk  <b>Motion to seat <u>J. Norris</u> as the new Board Clerk by <u>J. Hamilton</u> /2<sup>nd</sup> <u>M. Estes</u></b>  <b>Discussion:</b></p> <p>Dougherty: <b>Aye</b>  Estes: <b>Aye</b>  Hamilton: <b>Aye</b>  Hathaway: <b>Aye</b>  Norris: <b>Abstain</b>  Other</p> <p><b>Ayes: 4 Noes: 0 Absent: 0 Abstain: 1</b></p>
	<p>5.3 Appoint District Superintendent as the Secretary and Agent of the Board  <b>Motion to Appoint District Superintendent, Greg Hawkins, as the Secretary and Agent of the Board by <u>J. Hathaway</u> /2<sup>nd</sup> <u>J. Norris</u></b>  <b>Discussion:</b></p> <p>Dougherty: <b>Aye</b>  Estes: <b>Aye</b>  Hamilton: <b>Aye</b>  Hathaway: <b>Aye</b>  Norris: <b>Aye</b>  Other</p> <p><b>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</b></p>
	<p>5.4 Adopt Resolution # 6 - 2023/2024: Fixing Dates, Time, and Location of Regular Meetings of the Fall River Joint Unified School District Board of Trustees 2024  <b>Motion to Adopt Resolution # 6 – 2023/2024: Fixing Dates, Time and Location of Regular Meetings of the Fall River Joint Unified School District Board of Trustees 2024 School Year by <u>J. Norris</u> /2<sup>nd</sup> <u>J. Hathaway</u></b>  <b>Discussion:</b></p> <p>Dougherty: <b>Aye</b>  Estes: <b>Aye</b>  Hamilton: <b>Aye</b>  Hathaway: <b>Aye</b>  Norris: <b>Aye</b>  Other</p> <p><b>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</b></p>
	<p>5.5 Authorize designated persons to sign Warrants and Warrant Board Reports  <b>Motion to Authorize persons to sign Warrants and Warrant Board Reports by <u>M. Estes</u> /2<sup>nd</sup> <u>J. Norris</u></b>  <b>Discussion:</b></p> <p>Dougherty: <b>Aye</b>  Estes: <b>Aye</b>  Hamilton: <b>Aye</b>  Hathaway: <b>Aye</b>  Norris: <b>Aye</b>  Other</p> <p><b>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</b></p>

<p>5.6 Appoint representative to the Shasta-Trinity Regional Occupation Program Governing Board  _____ nominates _____ as the Representative to the Shasta-Trinity Regional Occupational Program Governing Board by _____ /2<sup>nd</sup> _____  <b>Discussion:</b>  Item is being pulled from the agenda. Current representative, Rick Dougherty, has a remaining year as the representative for the ROP board</p> <p>Dougherty:  Estes:  Hamilton:  Hathaway:  Norris:  Other</p> <p><b>Ayes: Noes: Absent: Abstain:</b></p>	
<p>5.7 Appoint Board Members to Negotiation Teams  <b>Motion to Appoint <u>R. Dougherty</u> and <u>J. Hamilton</u> – As Alternate to the FRTA Negotiations Team and <u>J. Norris</u> and <u>J. Hathaway</u> – As Alternate to the CSEA Negotiations team by <u>M. Estes</u> /2<sup>nd</sup> <u>J. Hathaway</u></b>  <b>Discussion:</b></p> <p>Dougherty: <b>Aye</b>  Estes: <b>Aye</b>  Hamilton: <b>Aye</b>  Hathaway: <b>Aye</b>  Norris: <b>Aye</b>  Other</p> <p><b>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</b></p>	
<p><b>6. CONSENT AGENDA</b>  <b>Motion to Adopt Consent Agenda by <u>J. Hathaway</u> /2<sup>nd</sup> <u>J. Norris</u></b>  <b>Discussion:</b>  <b>R. Dougherty, Board Trustee –</b> <ul style="list-style-type: none"> <li>• Thankful for all of the donations</li> </ul> <b>J. Hamilton, Board President –</b> <ul style="list-style-type: none"> <li>• We live in an amazing community</li> </ul> </p> <p><b>Ayes: 5 Noes: 0 Absent: 0 Abstain: 0</b></p>	
<p>6.1 Approval of Minutes, November 8, 2023</p>	
<p>6.2 Approval of Personnel Report and Actions Therein</p>	
<p>6.3 Approval of Governing Board Commercial Warrant Report: # 5 - 2023/2024</p> <ul style="list-style-type: none"> <li>• \$ 554,876.16 General Fund</li> <li>• \$ 40,106.02 Cafeteria/Food Service Fund</li> <li>• \$ 22,741.77 Payroll Clearing Fund</li> </ul>	
<p>6.4 Approval of Service Agreement between Compliance Associates Inc. and Fall River Joint Unified School District for Drug and Alcohol Testing  Term: January 1, 2023 through December 31, 2023 or until either party hereto terminates this Agreement by tendering a 30-Day written notice of cancellation</p>	
<p>6.5 Approval of First Interim</p> <ul style="list-style-type: none"> <li>• 2023 – 2024 Budget</li> </ul>	

	<p>6.6 Approve the Annual Certification Regarding Workers' Compensation</p> <ul style="list-style-type: none"> <li>Pursuant to EC 42141 each member district shall advise its Governing Board if there is an estimated unfunded liability for Workers' Compensation</li> <li>The Shasta-Trinity Schools Insurance Group JPA does have total assets sufficient to pay the Workers' Compensation self-insured claims and therefore has no unfunded liabilities</li> </ul>
	<p>6.7 Approve Agreement between Fall River Joint Unified School District and Shasta County Office of Education (SCOE) for Attendance, Behavior and Mental Health Support Services</p> <ul style="list-style-type: none"> <li>Term: July 1, 2023 to June 30, 2024</li> </ul>
	<p>6.8 Approve Side Letter of Agreement between Fall River Joint Unified School District and Jennifer Levings</p>
	<p>6.9 Approve Bid from Hanes Floor Incorporated to Purchase Materials and Installation of AHF Composed Sheet Vinyl at Fall River High School Kitchen at a Cost of \$1,885.00</p>
	<p>6.10 Approve Bid from Hanes Floor Incorporated to Purchase Materials and Installation of 6mm Birch Flooring Grade Underlayment at Fall River Elementary School Restrooms at a Cost of \$7,375.00</p>
	<p>6.11 Approve Approval of EnergIIZE Terms and Conditions for Public School Bus Set Aside Participants for Participating in the Energy Infrastructure Incentives for Zero-Emission Commercial Vehicles Project</p>
	<p>6.12 Approve the Agreement for Contract Services between Fall River Joint Unified School District and Candee Parker dba Candee's Dance Shoppe for Services Rendered</p> <ul style="list-style-type: none"> <li>Term: December 11, 2023 to May 30, 2024</li> </ul>
	<p>6.13 Approve the Data Sharing and Services Agreement between Fall River Joint Unified School District and California College Guidance Initiative</p> <ul style="list-style-type: none"> <li>Term: <i>Agreement will be deemed effective as of the date the Agreement is fully executed by all signatories to the Agreement and will continue until terminated by either party</i></li> </ul>
	<p>6.14 Approve the Consultancy Plan between Fall River Joint Unified School District and Marcy Schmidt for the 2023/2024 School Year</p>
	<p>6.15 Approval of Revision to Agreement for Contract Services between Fall River Joint Unified School District and <b>Laurel Cordova</b></p> <ul style="list-style-type: none"> <li>Term: August 17, 2023 through June 7, 2024</li> </ul>
	<p>6.16 Approval of Revision to Agreement for Contract Services between Fall River Joint Unified School District and <b>Rebecca Torgrimson</b></p> <ul style="list-style-type: none"> <li>Term: April 1, 2023 through June 30, 2024</li> </ul>
	<p>6.17 Approve to accept the following donations:</p> <ul style="list-style-type: none"> <li><b>For Burney High School - Total \$12,077.41</b> <ul style="list-style-type: none"> <li>\$ 9,905.18 Mountain Motor Parts</li> <li>\$ 72.23 Ohiopyle Prints, Inc.</li> <li>\$ 1,000.00 Shasta Green</li> <li>\$ 100.00 Schweitzer Engineering Laboratories, Inc.</li> <li>\$ 1,000.00 Kwahn Corporation</li> </ul> </li> <li><b>For Fall River Elementary School – Total \$81.73</b> <ul style="list-style-type: none"> <li>\$ 81.73 Reading for Education</li> </ul> </li> </ul>
<p><b>7.</b></p>	<p><b>NEW BUSINESS</b></p>
	<p>7.1 Consider for Approval Adoption of Regulation 3314.3 District Credit Cards for the Fall River Joint Unified School District</p> <p><b>Motion to Approve Adoption of Regulation 3314.3 District Credit Cards for the Fall River Joint Unified School District by <u>J. Norris</u> /2<sup>nd</sup> <u>R. Dougherty</u></b></p>

**Discussion:**

**T. Spooner, District CBO –**

- Highly auditable
- Teachers need to sign a usage contract
- American Express
- Want regulations in place before applying

**Ayes: 5 Noes: 0 Absent: 0 Abstain: 0**

7.2 Consider to Approve Request for Mileage Stipend of \$25.00 per Day for Certificated Substitutes Residing on the Opposite End of the District that the Substituting Occurs. Substitutes that Reside in Cassel, CA, will Receive a Standard \$12.50 Stipend for Whichever School They Substitute

**Motion to Approve Request for Mileage Stipend of \$25.00 per Day for Certificated Substitutes Residing on the Opposite End of the District that the Substituting Occurs. Substitutes that Reside in Cassel, CA will Receive a Standard \$12.50 Stipend for Whichever School They Substitute by**

R. Dougherty /2<sup>nd</sup> M. Estes

**Discussion:**

**G. Hawkins, Superintendent –**

- Subs are at a minimum
- Want to bump up sub rate plus mileage to attract subs

**T. Spooner, District CBO –**

- Will track through payroll and calculate monthly
- Retro to November 1<sup>st</sup> 2023

**M. Estes, Board Trustee –**

- Is this a reasonable increase?

**T. Spooner, District CBO –**

- Yes

**Ayes: 5 Noes: 0 Absent: 0 Abstain: 0**

7.3 Consider for Approval Arts, Music, and Instructional Materials Discretionary Block Grant 2022 Expenditure Plan

**Motion to Approve Arts, Music, and Instructional Materials Discretionary Block Grant 2022 by**

J. Hathaway /2<sup>nd</sup> J. Norris

**Discussion:**

**G. Hawkins, Superintendent –**

- Received \$635,000 for the grant

**T. Spooner, District CBO –**

- 38 new accounts since Covid

**G. Hawkins, Superintendent –**

- 3 year grant

**T. Spooner, District CBO –**

- Appreciate Greg with the balancing of the budget and spending
- Will be paying retirees for three years

**Ayes: 5 Noes: 0 Absent: 0 Abstain: 0**

## 8. REORTS/ANNOUNCEMENTS

### **FRHS Student Representative, Isabella Cordova –**

- 231 Students are currently enrolled
- Discussing expanding dual enrollment offerings beginning 24/25
- Held the 77<sup>th</sup> Annual Block F Tournament first week of December
- Tournament was dedicated to Bill and Alexis Johnson and Fiona Hickey and the FRHS Art Department
- FRHS Varsity won 1<sup>st</sup> Place
- Camden Westlund was Block F King and Jenice Hickey was crowned Block F Queen
- Girls Varsity holds a 3-3 record
- Boys Varsity holds a 7-1 record
- McArthur FFA is preparing for the Hat Creek dinner fundraiser this Saturday

### **L. Barber, Transportation Supervisor –**

- Four busses are down
- Working on grant for three new busses
- Infrastructure is not approved or completed
- Getting rid of three busses due to getting a diesel
- Have three charging stations and will be adding three more
- Currently fully-staffed
- Need a Mechanic. Hard position to fill
- Heaters are running in the electric busses but they take a long time to heat the busses

### **T. Spooner, District CBO –**

- SCOE is not using electric busses

### **L. Barber, Transportation Supervisor –**

- The electric busses do not work well in the heat

### **R. Taylor, Maintenance Supervisor –**

- Getting ready for snow
- FRE bathrooms should be complete by the end of Winter Break

### **C. Knoch, FRE Principal –**

- Thanking maintenance and custodial staff for all of their hard work
- Winter concert turned out wonderful
- Dance classes being funded by the Art/Music Instructional Materials Grant
- Reinstating RISE

### **T. Aderman, BES Principal –**

- Trimester Report Cards completed
- Seeing great success with Lexia Reading and Reflex Math
- New school-wide dance program has started
- Student artwork was on display at SCOE
- Holiday concert was well attended
- Thanks to Theresa Robbins and BHS Leadership for coordinating Santa's Workshop Stem Activities
- Chess Club has over 20 students
- Hired two Intensive Behavior Interventionists for Special Education
- Hired new Library Tech

### **R. Guerrero, BHS Principal –**

- Currently student enrollment is 238
- 11<sup>th</sup> Grade had the highest attendance percentage of 95% for the month of November
- Attended the WASC planning meeting with Mr. Romeo on December 4
- The 43<sup>rd</sup> Annual Burney Jamboree will begin on Thursday, December 14
- Deck the Halls Competition and Winter Concert will take place on Monday, December 18
- SSI will meet on Friday, December 15

### **J. Utterback, Alternative Education Principal –**

- Student enrollment is currently 50
- There are 32 student enrolled in Independent Study district-side
- Behavior issues are getting better

### **A. Tate, FRTA President –**

- Timeline for the search for the next Superintendent?



	<p><b>J. Hamilton, Board President –</b></p> <ul style="list-style-type: none"> <li>• Will start approximately February or March</li> </ul> <p><b>K. Wike, Technology Director –</b></p> <ul style="list-style-type: none"> <li>• Camera installation is complete</li> <li>• Will be operational within a month</li> </ul>
<b>9.</b>	<p><b>FUTURE AGENDA ITEMS</b></p> <p><b>Adjourn to Closed Session: <u>J. Hamilton</u> @ <u>7:19 PM</u></b></p>
<b>10.</b>	<p><b>CLOSED SESSION</b></p> <p>Government Code 54957.6 Negotiations Government Code 54956.9 Personnel</p>
<b>11.</b>	<p><b>RECONVENE TO OPEN SESSION</b></p>
<b>12.</b>	<p><b>ADJOURNMENT <u>J. Hamilton</u> @ <u>8:25 PM</u> <b>No Reportable Action</b></b></p>
	<p>Copies of the agenda, complete with backup materials, may be reviewed at the District Office. A schedule of the regular meetings, agendas and minutes can be reviewed on the District's website: <a href="http://www.frjusd.org">www.frjusd.org</a></p> <p>REASONABLE ACCOMMODATION FOR ANY INDIVIDUAL WITH A DISABILITY <i>Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in a meeting, may request assistance by contacting the Fall River Joint Unified School District, 20375 Tamarack Ave. Burney, CA 96013; telephone 530-335-4538; fax 530-335-3115</i></p>

January 10, 2024

Respectfully submitted,

Adopted and ordered entered into the records of the proceedings of the District.

\_\_\_\_\_  
Superintendent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

Fall River Joint Unified School District  
PERSONNEL REPORT NUMBER 6 – 2023/2024  
Wednesday, January 10, 2024

**CERTIFICATED**

**Effective Date**

<b>CLASSIFIED</b>		
Ronni Watson-Pearson	Resigned as 1 - 3.0 Hour Café Worker at Burney Elementary School.	1/5/2024
	Hired as 1 - 6.0 Hour Paraprofessional at Burney Jr. Sr. High School – Replacing James Cimaglia.	1/8/2024

**COACHING, EXTRA DUTY, & SUBSTITUTE ASSIGNMENTS, VOLUNTEERS**

**COACHING** – Fall River Jr. Sr. High School:

- Griffin Boyd – Jr. High Boys Basketball – Split Stipend
- Scott Conway – JV Boys Basketball – Volunteer
- Ivan Coronado – JV Boys Basketball – Volunteer
- Greg Meyer – Wrestling – Volunteer
- Matt Westlund – Varsity Boys Basketball – Volunteer
- Catie Worthan – Jr. High Girls Basketball - Stipend

Carla Tingle – Certificated Substitute

Cole Murray – Classified Substitute

Anayely Martinez – Fall River Elementary School - Volunteer

FALL RIVER JOINT UNIFIED SCHOOL DISTRICT

TO: Board of Trustees  
FROM: Teresea Spooner  
DATE: January 2, 2024

SUBJECT: ***Approval: Governing Board Commercial Warrants***

Commercial Warrant Report No. 6 (2023/24) is being submitted for your review and approval (supporting information will be available for the Board at the meeting).

Commercial Warrants

\$	613,867.54	(General Fund)
\$	29,254.19	(Cafeteria Fund)
\$	1,062.93	(Capital Facilities Fund)

**RECOMMENDATION**

It is recommended that the Board take action to approve Commercial Warrant Report No. 6 (2023/24) as prepared and submitted by the Business Office.

Checks Dated 12/05/2023 through 01/02/2024

Check Number	Check Date	Pay to the Order of	Check Amount
8010217420	12/08/2023	JAMES A. CIMAGLIA	796.41 *
	Cancelled on 12/13/2023, Cancel Register # PM231215		
9010982432	12/05/2023	BUS PARTS WAREHOUSE	104.17
9010982433	12/05/2023	CALIFORNIANS DEDICATED TO EDUC ATION FOUNDATION	345.00
9010982434	12/05/2023	CMRS-FP US POSTAL SERVICE	1,000.00
9010982435	12/05/2023	DEMCO	79.85
9010982436	12/05/2023	FP MAILING SOLUTIONS	183.40
9010982437	12/05/2023	FRONTIER	583.58
9010982438	12/05/2023	HOME DEPOT CREDIT SERV DEPT 32-2502372968	1,957.87
9010982439	12/05/2023	PACIFIC GAS AND ELECTRIC	28,710.97
9010982770	12/07/2023	ADERMAN, TARA L	139.41
9010982771	12/07/2023	ALPINE DRIVE INN	460.00
9010982772	12/07/2023	CANN- FIGEL, CASY	99.14
9010982773	12/07/2023	CROWN MOTORS	189.70
9010982774	12/07/2023	EDUCATIONAL INNOVATIONS INC	595.21
9010982775	12/07/2023	EWELL EDUCATIONAL SERVICES INC	632.00
9010982776	12/07/2023	FALL RIVER VALLEY CSD	4,553.90
9010982777	12/07/2023	FRONTIER	770.60
9010982778	12/07/2023	MCARTHUR FARM SUPPLY	103.85
9010982779	12/07/2023	SISC	198,833.60
9010982780	12/07/2023	VALLEY HARDWARE	1,145.09
9010982781	12/07/2023	ACCU-PRINT	18.00
9010982782	12/07/2023	ALBAUGH, SARAH B	178.16
9010982783	12/07/2023	ALEXIS JOHNSON	23.12
9010982784	12/07/2023	ANDERS, FORREST D	616.51
9010982785	12/07/2023	AVID CNC	4,160.38
9010982786	12/07/2023	AVILA, JUANA L	5.83
9010982787	12/07/2023	BETZ, PATRICIA L	94.32
9010982788	12/07/2023	CRANE, SUSAN	412.65
9010982789	12/07/2023	CROWN MOTORS	122.66
9010982790	12/07/2023	ED STAUB AND SONS	2,712.59
9010982791	12/07/2023	FALL RIVER JUSD (BROS)	73.00
9010982792	12/07/2023	FALL RIVER SOLAR LLC	7,672.61
9010982793	12/07/2023	GRAINGER INC	493.24
9010982794	12/07/2023	HICKEY, FIONA B	330.12
9010982795	12/07/2023	HORTON MCNULTY & SAETEURN LLP	4,210.00
9010982796	12/07/2023	HOVIS HARDWARE INC	275.75
9010982797	12/07/2023	JOSTENS INC	13.41
9010982798	12/07/2023	KNOCH, CHRISTINE	80.96
9010982799	12/07/2023	LEXIA VOYAGER SOPRIS INC	1,800.00
9010982800	12/07/2023	MCQUADE, PATRICIA	17.48
9010982801	12/07/2023	MODEL1 COM VEHICLES INC	101.53
9010982802	12/07/2023	MORTON, CATHERINE	605.92
9010982803	12/07/2023	ODP BUSINESS SOLUTIONS LLC	974.67
9010982804	12/07/2023	PACKWAY MATERIALS INC	3,165.50
9010982805	12/07/2023	PEARSON NCS PEARSON INC	445.62
9010982806	12/07/2023	ROSE, DAVID W	467.67
9010982807	12/07/2023	SANCHEZ, HEATHER R	11.00

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

Checks Dated 12/05/2023 through 01/02/2024

Check Number	Check Date	Pay to the Order of	Check Amount
9010982808	12/07/2023	SCHOLASTIC INC	943.41
9010982809	12/07/2023	SPOONER, TERESEA	22.80
9010982810	12/07/2023	STAPLES BUSINESS CREDIT	1,609.24
9010982811	12/07/2023	STEVEN HUBAUER	630.00
9010982812	12/07/2023	STILES LLC TYSON STENLUND	292.50
9010982813	12/07/2023	SUNBELT STAFFING LLC	4,439.00
9010982814	12/07/2023	SUSAN B CABRERA	6,699.00
9010982815	12/07/2023	TAYLOR MOTORS INC	1,522.21
9010982816	12/07/2023	THE BRASS REED	46,600.13
9010982817	12/07/2023	UTTERBACK, JEANNE M	345.45
9010982818	12/07/2023	VALLEY MOTOR PARTS	137.31
9010982819	12/07/2023	VON SCHALSCHA, MICHAEL P	150.55
		Unpaid Tax	10.91
		Expensed Amount	161.46
9010982820	12/07/2023	WESTHORT	5,074.69
9010983186	12/12/2023	ALSCO	366.18
9010983187	12/12/2023	BETZ, JOHN H	103.49
9010983188	12/12/2023	BURNEY WATER DISTRICT	693.75
9010983189	12/12/2023	CALIFORNIA SAFETY COMPANY INC	960.00
9010983190	12/12/2023	CENTRAL RESTAURANT PRODUCTS	1,017.80
9010983191	12/12/2023	COMER COMMUNICATIONS	88,603.29
9010983192	12/12/2023	DANIELSEN COMPANY	14,032.26
9010983193	12/12/2023	DAVIS JOINT UNIFIED SD	2,550.00
9010983194	12/12/2023	DEAVERS, AMANDA L	149.34
9010983195	12/12/2023	FALL RIVER JUSD (BROS)	20.00
9010983196	12/12/2023	GOLD STAR FOODS	2,649.79
9010983197	12/12/2023	HELENA AGRI-ENTERPRISES LLC	1,418.92
9010983198	12/12/2023	JUNIOR LIBRARY GUILD	187.77
9010983199	12/12/2023	LASSEN AIR & REFRIGERATION SRV	870.14
9010983200	12/12/2023	ODP BUSINESS SOLUTIONS LLC	261.98
9010983201	12/12/2023	OREILLY AUTOMOTIVE INC	304.73
9010983202	12/12/2023	PACIFIC GAS AND ELECTRIC	368.54
9010983203	12/12/2023	PAPEZ-FRY, ROXANNA G	55.20
9010983204	12/12/2023	SCHOOL SPECIALTY	563.30
9010983205	12/12/2023	SHASTA WELDING SUPPLY INC	1,077.06
9010983206	12/12/2023	STROUPS POWER EQUIPMENT INC	206.97
9010983207	12/12/2023	TEHAMA TIRE SERVICE INC	1,032.80
9010983208	12/12/2023	TORGRIMSON, REBECCA E	22.27
9010983209	12/12/2023	WASTE MANAGEMENT INC	10,041.10
9010983210	12/12/2023	WILL SNYDER	225.00
9010983549	12/14/2023	C & K MARKET INC	231.50
9010983550	12/14/2023	DIESEL EMISSIONS SERVICE	672.67
9010983551	12/14/2023	FLORAL DESIGN INSTITUTE INC	8,600.00
9010983552	12/14/2023	FP MAILING SOLUTIONS	173.75
9010983553	12/14/2023	FRONTIER	797.74
9010983554	12/14/2023	K & K DISTRIBUTING	7,638.96
9010983555	12/14/2023	LAKESHORE LEARNING MATERIALS	334.70
9010983556	12/14/2023	LASSEN AIR & REFRIGERATION SRV	5,942.11
9010983557	12/14/2023	MORTON, CATHERINE	14.99

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

## Checks Dated 12/05/2023 through 01/02/2024

Check Number	Check Date	Pay to the Order of	Check Amount
9010983558	12/14/2023	PEARSON NCS PEARSON INC	200.00
9010983559	12/14/2023	RIVERSIDE INSIGHTS	180.00
9010983560	12/14/2023	SHASTA COUNTY OFFICE OF EDUC	1,915.94
9010983561	12/14/2023	SHOUP, DAVID M	315.26
9010983562	12/14/2023	SMALL, SHELLY	109.77
9010983563	12/14/2023	SPORTSMENS DEN	683.98
9010983564	12/14/2023	TPx COMMUNICATIONS	2,183.39
9010983565	12/14/2023	WIKE, KENNETH R	2,541.62
9010984416	12/19/2023	CDW GOVERNMENT INC	56.37
9010984417	12/19/2023	CSM CONSULTING INC	2,375.00
9010984418	12/19/2023	DIRECTFLORAL	207.51
		Unpaid Tax	10.83
		Expensed Amount	218.34
9010984419	12/19/2023	FRONTIER	110.23
9010984420	12/19/2023	HENNESSEY, PHILIP B	413.05
9010984421	12/19/2023	HOPPER, VICTOR M	180.78
9010984422	12/19/2023	HOWARD TARAS MD	70.00
9010984423	12/19/2023	JOHN E THOMPSON	403.15
9010984424	12/19/2023	K & K DISTRIBUTING	460.06
9010984425	12/19/2023	MCI	19.43
9010984426	12/19/2023	MOUNTAIN MOTOR PARTS	4.60
9010984427	12/19/2023	ODP BUSINESS SOLUTIONS LLC	706.30
9010984428	12/19/2023	REDWOOD TOXICOLOGY LAB INC	36.34
9010984429	12/19/2023	SCHOOL OUTFITTERS	1,062.93
9010984430	12/19/2023	STERLING COMPUTER PRODUCTS	10,592.70
9010984431	12/19/2023	SYSCO FOOD SERV OF SACRAMENTO	4,099.95
9010984432	12/19/2023	TERESE SPOONER REV CASH	14.28
9010984433	12/19/2023	TOOLS4EVER	760.52
9010984434	12/19/2023	WAXIE SANITARY SUPPLY	16,411.44
9010985075	12/21/2023	ADCOCK, JANN K	795.47
		Unpaid Tax	5.11
		Expensed Amount	800.58
9010985076	12/21/2023	ASSOC CA SCHOOL ADMIN	824.72
9010985077	12/21/2023	AT & T MOBILITY	88.24
9010985078	12/21/2023	BUS PARTS WAREHOUSE	144.18
9010985079	12/21/2023	CROSS PETROLEUM	3,881.86
9010985080	12/21/2023	DEPARTMENT OF JUSTICE	96.00
9010985081	12/21/2023	ED STAUB AND SONS	2,981.53
9010985082	12/21/2023	GRAINGER INC	244.17
9010985083	12/21/2023	LASSEN AIR & REFRIGERATION SRV	700.00
9010985084	12/21/2023	LR DYNAMICS	1,401.00
		Unpaid Tax	101.57
		Expensed Amount	1,502.57
9010985085	12/21/2023	NETWORK THERMOSTAT	2,810.30
9010985086	12/21/2023	ODP BUSINESS SOLUTIONS LLC	136.82
9010985087	12/21/2023	OREILLY AUTOMOTIVE INC	57.85
9010985088	12/21/2023	PACIFIC GAS AND ELECTRIC	38.20
9010985089	12/21/2023	QUILL CORPORATION	6.41

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

Checks Dated 12/05/2023 through 01/02/2024

Check Number	Check Date	Pay to the Order of	Check Amount
9010985090	12/21/2023	SAFEWAY INC	574.72
9010985091	12/21/2023	SCHECHLA, CARLA	27.51
9010985092	12/21/2023	STANDARD INSURANCE COMPANY	1,324.47
9010985093	12/21/2023	TSACG	19,990.00
9010985094	12/21/2023	US BANK	310.33
9010985095	12/21/2023	VALLEY MOTOR PARTS	140.54
9010985096	12/21/2023	YREKA MOTORS	149.30
9010985569	01/02/2024	ALBAUGH, SARAH B	111.35
9010985570	01/02/2024	CONSOLIDATED ELECTRICAL	988.42
9010985571	01/02/2024	FREIGHTLINER NORTHWEST	8,990.31
9010985572	01/02/2024	HARVEST PRINTING COMPANY	759.57
9010985573	01/02/2024	HOME DEPOT CREDIT SERV DEPT 32-2502372968	4,402.90
9010985574	01/02/2024	MCQUADE, PATRICIA	4.98
9010985575	01/02/2024	NETWORK THERMOSTAT	178.60
		Unpaid Tax	12.95
		Expensed Amount	191.55
9010985576	01/02/2024	ODP BUSINESS SOLUTIONS LLC	64.95
9010985577	01/02/2024	PACIFIC GAS AND ELECTRIC	64,710.13
9010985578	01/02/2024	SUSAN B CABRERA	5,263.50
9010985579	01/02/2024	UTTERBACK, JEANNE M	307.06
9010985580	01/02/2024	AMBER ESTES	200.00
9010985581	01/02/2024	CRANE, SUSAN	385.14
9010985582	01/02/2024	DEMCO	66.41
9010985583	01/02/2024	FINNEY, PETER A	571.16
9010985584	01/02/2024	GRAINGER INC	74.33
9010985585	01/02/2024	HAWKINS, GREGORY F	179.47
9010985586	01/02/2024	HICKEY, FIONA B	45.02
9010985587	01/02/2024	HIWAY GARAGE INC	68.00
9010985588	01/02/2024	KEEPERS, WILLIAM C	39.45
9010985589	01/02/2024	KNOCH, CHRISTINE	71.20
9010985590	01/02/2024	MAD MOUNTAIN WIRELESS	707.88
9010985591	01/02/2024	MARTHUR FARM SUPPLY	52.09
9010985592	01/02/2024	NEUGEBAUER, THERESA L	360.12
9010985593	01/02/2024	NICOLET GLASS CENTER	99.26
9010985594	01/02/2024	ODP BUSINESS SOLUTIONS LLC	148.57
9010985595	01/02/2024	PACE SUPPLY CORP	94.28
9010985596	01/02/2024	PELLEGRINO, JUNE E	79.78
9010985597	01/02/2024	PRO TUFF DECALS	277.95
		Unpaid Tax	18.49
		Expensed Amount	296.44
9010985598	01/02/2024	SWEETWATER	916.96
9010985599	01/02/2024	US OMNI & TSACG COMP SERV	125.96
9010985600	01/02/2024	VALLEY MOTOR PARTS	71.72
9010985601	01/02/2024	VALLEY VET SUPPLY	440.63
9010985602	01/02/2024	WHEATLAND BEAR RIVER FFA	105.00
		<b>Total Number of Checks</b>	<b>177</b>
			<b>644,821.21</b>

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

Checks Dated 12/05/2023 through 01/02/2024

Check Number	Check Date	Pay to the Order of	Check Amount
Cancel	Count 1	Amount 796.41	
Net Issue		<u>644,024.80</u>	

Fund Recap

Fund	Description	Check Count	Expensed Amount
01	General	167	613,867.54
13	CafeFoodSvc	11	29,254.19
25	CapitalFacilities	1	1,062.93
	Total Number of Checks	176	644,184.66
	Less Unpaid Tax Liability		<u>159.86</u>
	Net (Check Amount)		<u><u>644,024.80</u></u>

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.



**Academic School Year 2023-2024**  
**Quarterly Report on Williams Uniform Complaints**  
 [Education Code § 35186]

District: Fall River Joint Unified School District  
 Form Completed By: S. Davis Title: Admin. Asst.

Quarterly Report Submission Date: *(Please check one)*  
 October 2023       April 2024  
 January 2024       July 2024

Date for information to be reported publicly at governing board meeting: 12/20/2023

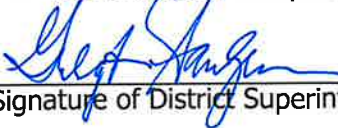
Please check the box that applies:

- No complaints were filed with any school in the district during the quarter indicated above.
- Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0	0	0
Teacher Vacancy or Misassignments	0	0	0
Facilities Conditions	0	0	0
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Greg Hawkins**

\_\_\_\_\_  
 Print Name of District Superintendent

  
 \_\_\_\_\_  
 Signature of District Superintendent

01/08/2024  
 Date

Submit by the 15th of the month to: Barbara Erlei at [berlei@shastacoe.org](mailto:berlei@shastacoe.org)

To: Board of Trustees  
Fall River Joint Unified School District

From: Teresea Spooner  
Chief Business Official

Date: January 2, 2024

Subject: June 30, 2023, Audit Report

The June 30, 2023, Audit Report from Horton McNulty & Saeteurn, LLP Certified Public Accountants is enclosed.

The district had zero compliance findings.

#### RECOMMENDATION

The Chief Business Official recommends that the Board of Trustees approve the 2022-2023 Audit Report.



**Fall River Joint Unified School District**

County of Shasta  
Burney, California

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITORS' REPORTS

June 30, 2023



# Fall River Joint Unified School District

## TABLE OF CONTENTS

June 30, 2023

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	<b>Page Number</b>
Independent Auditors' Report on the Financial Statements	1
 <b>FINANCIAL SECTION</b>	
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis	7
 <b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of Governmental Fund Balances to Government-Wide Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
Reconciliation of Net Change in Fund Balances to Change in Net Position	24
Notes to the Financial Statements	26
 <b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund	61
Notes to the Budgetary Comparison Schedule	62
Schedule of Changes in District's Total Postemployment Health Care Pension Liability and Related Ratios	63
Schedule of District's Contributions – Postemployment Health Care Pension Plan	64
Schedule of District's Proportionate Share of the Net Pension Liability – California State Teachers' Retirement System	65
Schedule of District's Contributions – California State Teachers' Retirement System	66
Schedule of District's Proportionate Share of the Net Pension Liability – California Public Employees' Retirement System	67
Schedule of District's Contributions – California Public Employees' Retirement System	68
Notes to the Required Supplementary Information	69
 <b>OTHER SUPPLEMENTARY INFORMATION SECTION</b>	
Local Educational Agency Organization Structure	71
Schedule of Charter Schools	72
Schedule of Average Daily Attendance	73
Schedule of Instructional Time	74
Schedule of Financial Trends and Analysis	75
Reconciliation of Annual Financial and Budget Report With Audited Financial Statements	76
Schedule of Expenditures of Federal Awards	77
Note to the Other Supplementary Information	79

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# Fall River Joint Unified School District

## TABLE OF CONTENTS

June 30, 2023

(Continued)

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	<b><u>Page Number</u></b>
<b>OTHER REPORTS SECTION</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	81
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	83
Independent Auditors' Report on State Compliance and on Internal Control Over Compliance for State Programs	86
<b>FINDINGS AND QUESTIONED COSTS SECTION</b>	
Schedule of Findings and Questioned Costs	92
Corrective Action Plan	94
Summary Schedule of Prior Audit Findings	95

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## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

To the Board of Trustees  
Fall River Joint Unified School District  
Burney, 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 Fall River Joint Unified School District (the District) as of and for the year ended June 30, 2023; and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

(Continued)

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

(Continued)

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedule, and the required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on pages 71 to 79, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 73 to 79 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The local educational agency organization structure and the schedule of charter schools have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



December 11, 2023  
Chico, California

## **FINANCIAL SECTION**

## **Required Supplementary Information**

# Fall River Joint Unified School District

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

### INTRODUCTION

An overview of the Fall River Joint Unified School District's (the District) financial activities for the fiscal year ended June 30, 2023, is provided in this discussion and analysis of the District's financial performance. This Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements (including notes and supplementary information).

### USING THIS ANNUAL REPORT

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. Combined, these three parts provide a comprehensive overview of the District. The basic financial statements include two kinds of financial statements that present different views of the District:

- The first two financial statements are *government-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining financial statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements. The District maintains governmental funds as follows:
  - *Governmental Funds*: Financial statements provide information on how basic services, like regular and special education, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

**Fall River Joint Unified School District**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

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**FINANCIAL HIGHLIGHTS**

Overall revenues were \$24,851,423 for the year ended June 30, 2023. Revenues from the prior year were \$21,477,423, an increase of 15.71%.

Total net position in governmental funds was \$7,877,025, an increase of 107.1% from the previous year. The General Fund reported a total fund balance of \$10,726,873.

Enrollment in the District decreased by .76%.

Capital asset balances, net of depreciation/amortization, decreased \$142,215 from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

The government-wide financial statements provide information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets owned less the liabilities owed. The statement of activities includes all of the current year's revenues and expenses regardless of when cash is received or paid. The two financial statements report the District's net position and how it has changed.

Net position, the difference between the District's assets and liabilities, 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 position is improving or deteriorating, respectively. To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of net position and the statement of activities divide the District into two kinds of activities:

*Governmental Activities:* Represent the basic services provided by the District, such as regular and special education, administration, and transportation.

*Business-Type Activities:* Represent services for which the District charges fees to help cover the cost of certain services beyond the scope of normal district operations. The District does not have any of these types of activities at this time.

**Fall River Joint Unified School District**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

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**Fund Financial Statements**

More detailed information about the District's most significant funds, not the District as a whole, is provided in the fund financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by bond covenants and by state law.
- Other funds are established by the District to control and manage money for particular purposes (such as repaying its long-term debts). Other funds may also show proper usage of certain revenues (such as federal grants).

**Governmental Funds**

Most of the District's basic services are included in governmental funds, which generally focus on:

- How cash and other financial assets can readily be converted to cash flow (in and out).
- The balances left at year end that are available for spending.

A detailed short-term view is provided by the governmental fund financial statements. These help determine whether there are more or fewer financial resources that can be spent in the near future for financing the District's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, additional information is provided at the bottom of the governmental fund financial statements that explains the differences (or relationships) between them.

**Fiduciary Funds**

For assets that belong to others, the District acts as the trustee, or fiduciary. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. A separate statement of fiduciary net position reports the District's fiduciary funds activities. These activities are excluded from the government-wide financial statements as the assets cannot be used by the District to finance its operations. The District currently has no funds of this type.

**Fall River Joint Unified School District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

**Net Position**

As shown in the following table, the District's net position as of June 30, 2023, totaled \$7,877,025. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Board of Trustees' ability to use the net position for day-to-day operations. All District net position is the result of governmental activities.

June 30	<u>Governmental Activities</u>		<u>Percentage</u>
	<u>2022</u>	<u>2023</u>	<u>Change</u>
			<u>2022-23</u>
<b>ASSETS</b>			
Cash and investments	\$ 7,688,638	\$ 11,014,584	43.26%
Receivables	2,272,978	1,540,505	-32.23%
Other assets	60,840	112,606	85.09%
Capital assets - net	11,517,731	11,375,516	-1.23%
<b>TOTAL ASSETS</b>	<b>21,540,187</b>	<b>24,043,211</b>	<b>11.62%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources for other pension	61,694	29,551	-52.10%
Deferred outflows of resources for pensions	3,729,997	5,255,978	40.91%
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,791,691</b>	<b>5,285,529</b>	<b>39.40%</b>
<b>LIABILITIES</b>			
Accounts payable and other liabilities	939,900	587,405	-37.50%
Advances from grantors	988,490	551,599	-44.20%
Long-term debt	13,195,028	18,288,743	38.60%
<b>TOTAL LIABILITIES</b>	<b>15,123,418</b>	<b>19,427,747</b>	<b>28.46%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources for pensions	6,405,052	2,023,968	-68.40%
<b>NET POSITION</b>			
Net investment in capital assets	9,158,002	9,241,983	0.92%
Restricted	1,692,519	4,223,349	149.53%
Unrestricted	(7,047,113)	(5,588,307)	20.70%
<b>TOTAL NET POSITION</b>	<b>\$ 3,803,408</b>	<b>\$ 7,877,025</b>	<b>107.10%</b>

**Fall River Joint Unified School District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**Change In Net Position**

The following table and graphs summarize the change in net position for the District.

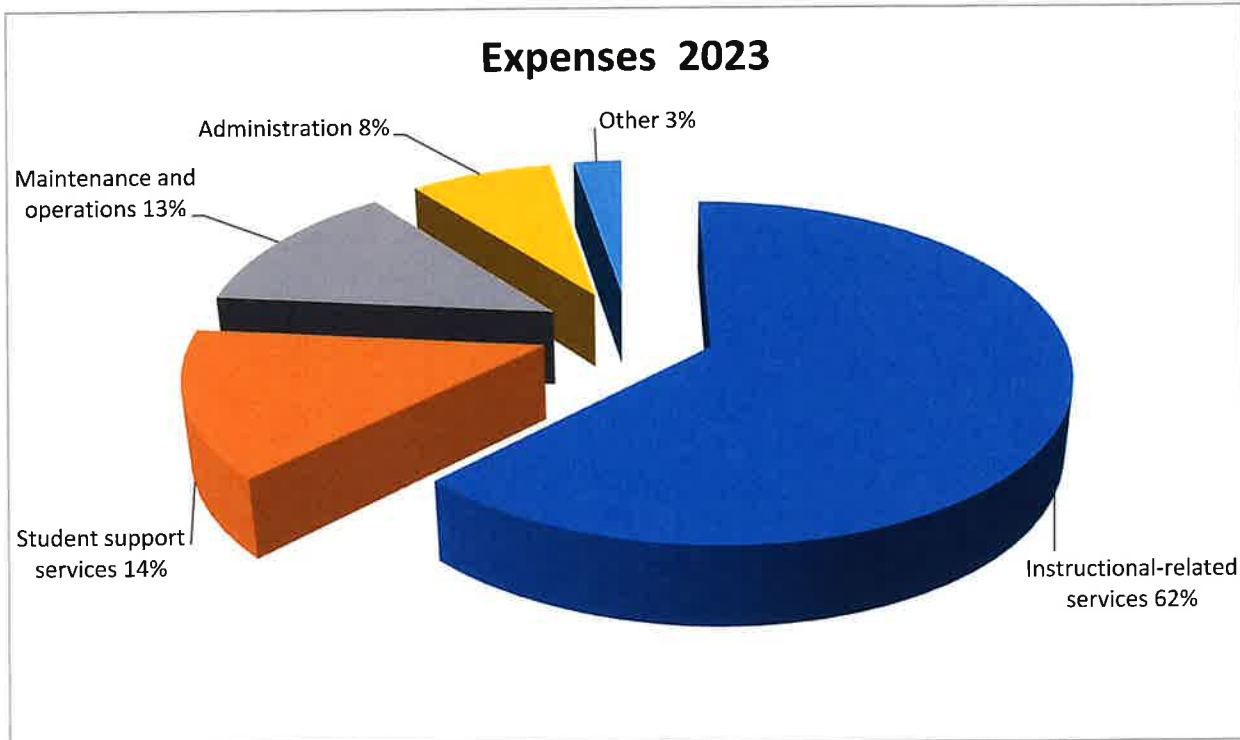
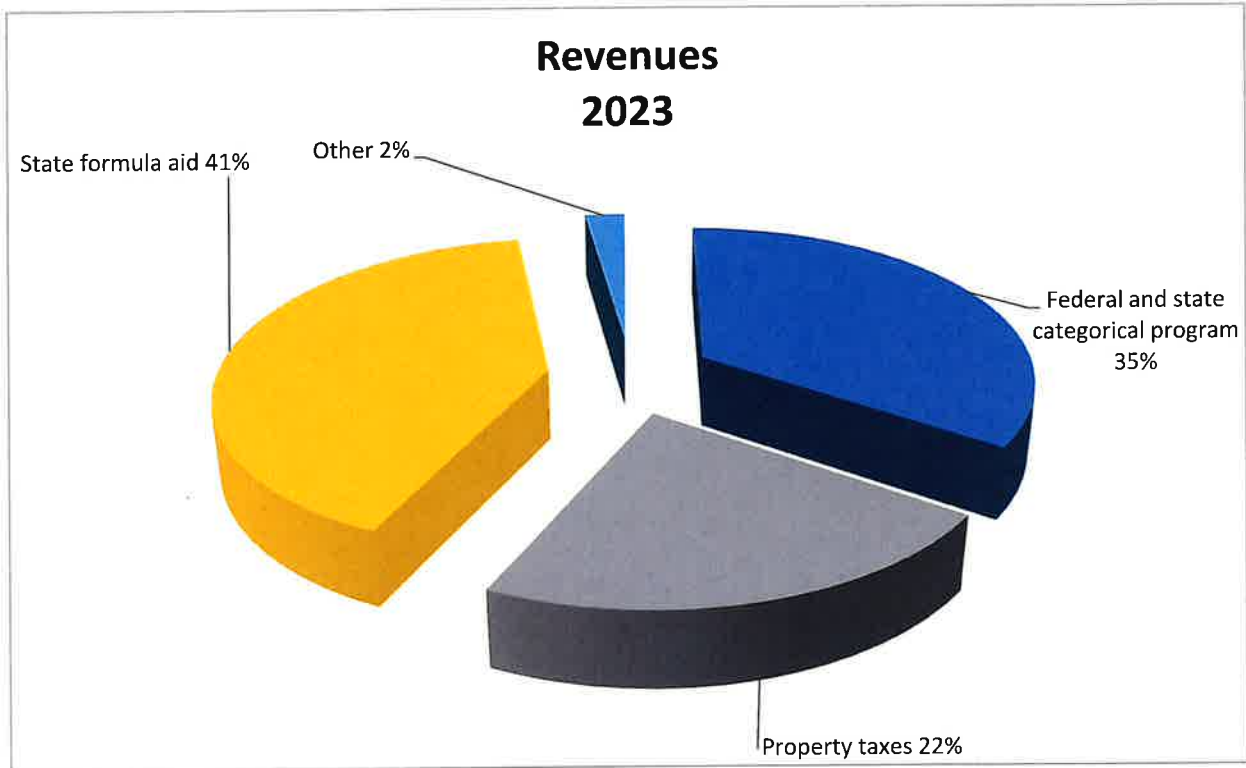
Total revenues increased by \$3,374,000 from the previous year to \$24,851,423. Property taxes and state aid funding accounted for most of the District's revenue. Of the District's revenue, 35% came from federal and state aid for specific programs.

The total cost of all programs and services increased 9.1% to \$20,777,806. Revenues exceeded the District's expenses for the year by \$4,073,617. The District's expenses are primarily related to educating and caring for students (76.8%). Administrative activities of the District accounted for 7.7% of the total costs.

Year Ended June 30	Governmental Activities		Percentage
	2022	2023	Change 2022-23
<b>REVENUES</b>			
<b>Program Revenues</b>			
Charges for services	\$ 124,057	\$ 11,618	-90.63%
Federal and state categorical programs	6,007,160	8,606,005	43.26%
<b>General Revenues</b>			
Property taxes	5,368,765	5,545,675	3.30%
State formula aid	9,322,264	10,130,068	8.67%
Other	655,177	558,057	-14.82%
<b>TOTAL REVENUES</b>	<b>21,477,423</b>	<b>24,851,423</b>	<b>15.71%</b>
<b>EXPENSES</b>			
Instructional-related services	12,288,706	13,019,338	5.95%
Student support services	2,600,803	2,938,624	12.99%
Maintenance and operations	2,375,522	2,690,909	13.28%
Administration	1,358,449	1,593,292	17.29%
Other	414,564	535,643	29.21%
<b>TOTAL EXPENSES</b>	<b>19,038,044</b>	<b>20,777,806</b>	<b>9.14%</b>
<b>Change in Net Position</b>	<b>\$ 2,439,379</b>	<b>\$ 4,073,617</b>	<b>66.99%</b>



**Fall River Joint Unified School District**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)



**Fall River Joint Unified School District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Governmental Funds**

The District's governmental funds reported a combined fund balance of \$11,552,444, an increase of \$3,431,750 from the previous year. Following is a summary of the District's fund balances.

June 30	Fund Balance		Increase (Decrease)
	2022	2023	
General	\$ 7,270,847	\$ 10,726,873	\$ 3,456,026
Student Activity Special Revenue	131,588	141,500	9,912
Cafeteria Special Revenue	163,946	219,413	55,467
Capital Facilities	133,047	52,049	(80,998)
Special Reserve Capital Projects	32,401	32,777	376
Bond Interest and Redemption	388,865	379,832	(9,033)
<b>Totals</b>	<b>\$ 8,120,694</b>	<b>\$ 11,552,444</b>	<b>\$ 3,431,750</b>

The increase in the General Fund is directly related to one-time dollars received during the fiscal year not yet fully expended: the Learning Recovery Block Grant (\$1,240,413); KIT Funds (\$144,408); Art, Music and Instructional Materials Block Grant (\$635,425); Expanded Learning Opportunities Program funds (\$648,725). As the District spends money on items allowable from the restricted funds, it is able to save the additional funds that were previously paid for from the unrestricted General Fund.

The increase in the Cafeteria Special Revenue Fund was related to the increase in carryover in Nutrition Supply Chain Assistance Funds.

The decrease in the Capital Facilities Fund is from the District expending carried over funds and not having any active construction in the area.

**General Fund Budgetary Highlights**

During the course of the year, the District revises its budget as information is available that results in changes in revenues and expenditures. The budget amendments for the year typically fell into the following categories:

- Adjustment of revenue to actual enrollment and ADA data.
- Inclusion of new grants.
- Addition of grant and entitlement funds from the prior year.
- Adjustment of revenues and expenditures to actual data.

A schedule showing the District's original and final budget amounts compared with the amounts actually paid and received for the General Fund is provided in the budgetary comparison schedule for the General Fund.

**Fall River Joint Unified School District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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The District budgeted revenues and other financing sources to exceed expenditures and other financing uses by \$2,387,040. The final results for the year reflected a surplus of \$3,456,025.

- The District budgets to fully spend restricted grant funds; however, as of June 30, 2023, there was \$3,435,879 unspent in restricted categorical programs.
- The District budgets to fully spend unrestricted funds allocated to sites and program managers; however, as of June 30, 2023, there was \$1,004,000 unspent, which will carry over to fiscal year 2023-24.
- Actual revenues were \$740,247 less than budget. This is primarily due to Local Control Funding Formula Sources projections and local revenue.
- Actual expenditures were \$1,809,232 less than budget. This is primarily due to categorical program allocations that were not expended during the year. These allocations, which are for restricted programs, have been carried forward and included in budgeted expenditures for the 2023-24 fiscal year. Unspent unrestricted monies were carried into the 2022-23 ending balance.

**CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION**

**Capital Assets**

The District has invested \$11,375,516 in capital assets including land, site improvements, buildings, and equipment. The District purchased vehicles and equipment, replaced roofs, resurfaced parking lots, repainted the District office, and purchased a bus during 2022-23. The District also has an unfinished HVAC filtration project as of 2022-23.

June 30	Governmental Activities		Percentage Change 2022-23
	2022	2023	
Land	\$ 33,418	\$ 33,418	0.00%
Construction in progress	66,130	245,044	270.55%
Buildings	21,411,325	21,469,645	0.27%
Equipment	5,082,383	5,455,553	7.34%
Improvement of sites	777,944	925,012	18.90%
<b>Totals at Historical Cost</b>	<b>27,371,200</b>	<b>28,128,672</b>	<b>2.77%</b>
<b>Total Accumulated Depreciation/Amortization</b>	<b>15,853,469</b>	<b>16,753,156</b>	<b>5.68%</b>
<b>Net Capital Assets</b>	<b>\$ 11,517,731</b>	<b>\$ 11,375,516</b>	<b>-1.23%</b>

**Fall River Joint Unified School District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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**Long-Term Debt**

At year end, the District had \$18,288,743 in outstanding long-term debt. The District made payments toward the general obligation bonds but the decrease was mitigated by the increase in the District's proportionate share of the net pension liability.

June 30	Governmental Activities		Percentage
	2022	2023	Change 2022-23
Compensated absences	\$ 312,146	\$ 248,802	-20.29%
General obligation bonds	2,131,323	1,897,519	-10.97%
Lease liability	241,052	183,994	-23.67%
Total other pension liability	1,140,073	1,150,238	0.89%
Net pension liability	9,370,434	14,808,190	58.03%
<b>Total Long-Term Debt</b>	<b>\$ 13,195,028</b>	<b>\$ 18,288,743</b>	<b>38.60%</b>

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

There are several factors that create a risk to the fiscal health of the District: health care costs are increasing each year (the District has a contracted formula with its units for increases to the health insurance cap that typically cannot keep up with the rising costs), and the ongoing increases in California's minimum wage. On a positive note, the District's enrollment has remained somewhat stable with only a slight decrease, 2021-22 and 2022-23 CBEDS were verified as 1,177 and 1,186, respectively.

Local Control Funding Formula (LCFF) has been fully funded and the District needs to be aware that increases are limited to COLA, typically around 8.22% but projected to decrease to 3.94%. Supplemental and concentration grants also are fully funded. It is doubtful that the annual COLA of the LCFF will be sufficient to fund the annual cost increases associated with step and column and the growing employer retirement system costs. Any increases to the salary schedule are challenging when attempting to balance a budget.

The District has contracts with its classified bargaining group through October 2023, and with the certificated bargaining group through June 2024.

The Board of Trustees has consistently demonstrated in the past that it is prepared to take the steps necessary to ensure the District's solvency. The District has a 5% reserve for economic uncertainty.

**Fall River Joint Unified School District**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

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**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. For questions regarding this report or for additional financial information, please contact:

Mrs. Teresea Spooner, Chief Business Official  
Fall River Joint Unified School District  
20375 Tamarack Avenue  
Burney, CA 96013

## **Basic Financial Statements**

**Fall River Joint Unified School District**  
**STATEMENT OF NET POSITION**

June 30, 2023	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 11,014,584
Accounts receivable	25,046
Due from other governments	1,515,459
Inventories	6,955
Prepaid expenses	105,651
Nondepreciated capital assets	278,462
Depreciated capital assets - net	10,918,864
Leased asset - net	178,190
<b>TOTAL ASSETS</b>	<b>24,043,211</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources for other pension	29,551
Deferred outflows of resources for pensions	5,255,978
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,285,529</b>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	344,680
Due to other governments	242,725
Advances from grantors	551,599
Long-term obligations:	
Due within one year	296,413
Due beyond one year	17,992,330
<b>TOTAL LIABILITIES</b>	<b>19,427,747</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources for pensions	2,023,968
<b>NET POSITION</b>	
Net investment in capital assets	9,241,983
Restricted for capital projects	52,049
Restricted for debt service	379,832
Restricted for educational programs	3,435,879
Restricted for other purposes	355,589
Unrestricted	(5,588,307)
<b>TOTAL NET POSITION</b>	<b>\$ 7,877,025</b>

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

**Fall River Joint Unified School District**  
**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2023	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position - Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>				
<b>Primary Government</b>				
Governmental activities:				
Instruction	\$ 10,807,015	\$ 2,205	\$ 6,083,570	\$ (4,721,240)
Instruction-related services	2,212,323	-	412,709	(1,799,614)
Pupil services	2,938,624	3,624	1,502,074	(1,432,926)
Ancillary services	448,459	-	333,970	(114,489)
General administration	1,593,292	37	16,919	(1,576,336)
Plant services	2,690,909	5,752	256,763	(2,428,394)
Other outgo	24,563	-	-	(24,563)
Interest on long-term debt	62,621	-	-	(62,621)
<b>Total Governmental Activities</b>	<b>\$ 20,777,806</b>	<b>\$ 11,618</b>	<b>\$ 8,606,005</b>	<b>(12,160,183)</b>
<b>GENERAL REVENUES</b>				
Property taxes - levied for general purposes				5,266,759
Property taxes - levied for debt service				278,916
Federal and state aid not restricted to specific purposes				10,130,068
Unrestricted investment earnings				(3,434)
Interagency revenues				46,838
Miscellaneous				514,653
<b>TOTAL GENERAL REVENUES</b>				<b>16,233,800</b>
<b>Change in Net Position</b>				<b>4,073,617</b>
<b>Net Position - Beginning of Year</b>				<b>3,803,408</b>
<b>Net Position - End of Year</b>				<b>\$ 7,877,025</b>

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



**Fall River Joint Unified School District**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**

June 30, 2023	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 10,367,354	\$ 647,230	\$ 11,014,584
Accounts receivable	25,046	-	25,046
Due from other governments	1,339,786	175,673	1,515,459
Inventories	-	6,955	6,955
Prepaid expenditures	105,651	-	105,651
<b>TOTAL ASSETS</b>	<b>\$ 11,837,837</b>	<b>\$ 829,858</b>	<b>\$ 12,667,695</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and other current liabilities	\$ 316,640	\$ 4,287	\$ 320,927
Due to other governments	242,725	-	242,725
Advances from grantors	551,599	-	551,599
<b>Total Liabilities</b>	<b>1,110,964</b>	<b>4,287</b>	<b>1,115,251</b>
<b>Fund Balances</b>			
Nonspendable	109,151	6,955	116,106
Restricted	3,435,879	785,839	4,221,718
Assigned	6,177,843	32,777	6,210,620
Unassigned	1,004,000	-	1,004,000
<b>Total Fund Balances</b>	<b>10,726,873</b>	<b>825,571</b>	<b>11,552,444</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,837,837</b>	<b>\$ 829,858</b>	<b>\$ 12,667,695</b>

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

## Fall River Joint Unified School District

### RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO GOVERNMENT-WIDE NET POSITION

June 30, 2023

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<b>Total Fund Balances - Governmental Funds</b>	\$ 11,552,444
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Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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/amortization.

Capital assets at historical cost	\$ 28,128,672
Accumulated depreciation/amortization	(16,753,156)

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<b>Total Capital Assets - Net</b>	11,375,516
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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 owed at the end of the period was:

(23,753)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds	1,897,519
Net pension liability	14,808,190
Total other pension liability	1,150,238
Compensated absences	248,802
Lease payable	183,994

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<b>Total Long-Term Liabilities</b>	(18,288,743)
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<b>Balance Forward</b>	\$ 4,615,464
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*The accompanying notes are an integral part of these financial statements.*

## Fall River Joint Unified School District

### RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO GOVERNMENT-WIDE NET POSITION

(Continued)

June 30, 2023

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<b>Balance Brought Forward</b>	\$ 4,615,464
 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 relating to pensions	5,255,978
Deferred inflows of resources relating to pensions	(2,023,968)
 Deferred outflows and inflows of resources relating to other pension: In governmental funds, deferred outflows and inflows of resources relating to other pension are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to other pension are reported:	
Deferred outflows of resources relating to other pension	29,551
<b>Total Net Position - Governmental Activities</b>	<b>\$ 7,877,025</b>

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

## Fall River Joint Unified School District

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended June 30, 2023	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 5,266,759	\$ 278,916	\$ 5,545,675
Local control funding formula sources	9,858,289	-	9,858,289
Other state revenue	4,802,497	285,237	5,087,734
Federal revenue	2,262,924	609,525	2,872,449
Other local revenue	1,327,099	351,127	1,678,226
<b>Total Revenues</b>	<b>23,517,568</b>	<b>1,524,805</b>	<b>25,042,373</b>
<b>Expenditures</b>			
Current:			
Instruction	11,055,733	-	11,055,733
Instruction-related services	2,260,614	-	2,260,614
Pupil services	2,049,140	853,759	2,902,899
Ancillary services	113,595	323,420	437,015
General administration	1,541,666	1,750	1,543,416
Plant services	2,559,237	78,595	2,637,832
Transfers between agencies	24,563	-	24,563
Debt service:			
Principal	57,058	230,000	287,058
Interest and other charges	7,743	61,557	69,300
Capital outlay	392,193	-	392,193
<b>Total Expenditures</b>	<b>20,061,542</b>	<b>1,549,081</b>	<b>21,610,623</b>
<b>Net Change in Fund Balances</b>	<b>3,456,026</b>	<b>(24,276)</b>	<b>3,431,750</b>
<b>Fund Balances - Beginning of Year</b>	<b>7,270,847</b>	<b>849,847</b>	<b>8,120,694</b>
<b>Fund Balances - End of Year</b>	<b>\$ 10,726,873</b>	<b>\$ 825,571</b>	<b>\$ 11,552,444</b>

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

**Fall River Joint Unified School District**

**RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION**

Year Ended June 30, 2023

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**Total Net Change in Fund Balances - Governmental Funds** \$ 3,431,750

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 or their lease terms, as applicable, as depreciation or amortization expense. The difference between capital outlay expenditures and depreciation/amortization expense for the period is:

Expenditures for capital outlay	\$ 805,125
Depreciation/amortization expense	(947,340)

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**Net Capital Outlay** (142,215)

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:

287,058

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

2,875

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 amounts earned. The difference between compensated absences paid and compensated absences earned was:

63,344

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**Balance Forward** \$ 3,642,812

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

## Fall River Joint Unified School District

### RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION

(Continued)

Year Ended June 30, 2023

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<b>Balance Brought Forward</b>	\$ 3,642,812
Pensions: In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:	469,309
Other pension benefits: In governmental funds, other pension expenditures are recognized when payments are made. In the statement of activities, expenses are recognized on the accrual basis. This year, the difference between other pension expenses and actual payments made was:	(42,308)
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is:	3,804
<hr/>	
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 4,073,617</b>

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

# Fall River Joint Unified School District

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The District is governed by an elected five-member board. The District operates two elementary schools, two junior-senior high schools, two community day schools, and two continuation high schools in Burney and Fall River Mills, California.

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 District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP, and used by the District, are discussed below.

#### Implementation of New Accounting Standard

The District adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, as of July 1, 2022. This statement improves financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet this definition. This statement establishes that a SBITA results in a right-to-use asset—an intangible asset—and a corresponding subscription liability. It provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*. This statement has been applied as of the beginning of the period of implementation. Upon analysis of the District's existing subscription agreements, it was determined that the resulting balances would be immaterial. As a result, the District has not recognized any initial right-to-use subscription assets or subscription liabilities during the current period.

#### Basis of Presentation

**Government-Wide Financial Statements** The statement of net position and statement of activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function; and, therefore, are clearly identifiable to a particular function. Program revenues include: (a) fees, fines, and charges paid by recipients of goods or services offered by the major programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and unrestricted grants and contributions, are presented as general revenues.

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Fund Financial Statements** Fund financial statements are organized by funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The funds of the District are described below.

**Governmental Funds**

**General Fund** The general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** Funds that are established to account for the proceeds from specific resources that are restricted to the financing of particular activities.

1. Student Activity Special Revenue Fund is used to account for the transactions of the associated student body in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*California Education Code*, Section 48930-48938).
2. Cafeteria Special Revenue Fund is used to account separately for federal, state, and local resources received to operate the District's food service program (*California Education Code*, Sections 38091 and 38100).

**Capital Projects Funds** Funds that are established to account for financial resources to be used for the acquisition or construction of major capital facilities.

1. Capital Facilities Fund is used primarily to account for funds received from fees levied on developers or others as a condition for approving development (*California Education Code*, Sections 17620-17626).
2. Special Reserve Fund is used to account for resources designated for capital outlay projects (*California Education Code*, Section 42840).



**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Debt Service Funds** Funds that are established to account for the accumulation of resources for the payment of the principal and interest on long-term debt.

1. Bond Interest and Redemption Fund is used to account for the repayment of bonds (*California Education Code*, Sections 15125-15262).

**Major and Nonmajor Funds**

The funds are further classified as major or nonmajor as follows:

Major Governmental Funds:

General Fund

Nonmajor Governmental Funds:

Student Activity Special Revenue Fund

Cafeteria Special Revenue Fund

Capital Facilities Fund

Special Reserve Capital Projects Fund

Bond Interest and Redemption Fund

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus** On the government-wide statement of net position and the statement of activities, both governmental and business-like activities are presented using the “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

In the fund financial statements, governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Basis of Accounting** In the government-wide statement of net position and statement of activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within one year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**Budgets and Budgetary Accounting**

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

These budgets are revised by the District’s Governing Board and District Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund as required supplementary information.

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

**Estimates**

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

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Cash, Cash Equivalents, and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

In accordance with *California Education Code*, Section 41001, the District maintains substantially all of its cash in the Shasta County Treasury (the County) as part of the common investment pool. The County is restricted by *California Government Code*, Section 53635 pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The fair value of the District's investment in the pool is based on 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. The pool has deposits and investments with a weighted-average maturity of more than one year. As of June 30, 2023, the fair value of the County pool is 96.74% of the carrying value and is deemed to represent a material difference. Information regarding the amount of dollars invested in derivatives with the County was not available. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by *California Government Code*, Section 27130. The District is considered to be an involuntary participant in the external investment pool.

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net decrease in the fair value of investments during the year ended June 30, 2023, was \$107,565. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at June 30, 2023, was \$366,238.

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Accounts Receivable and Due From Other Governments**

Accounts receivable represent amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed, but not received, as of June 30, 2023. Amounts due from other governments include entitlements and grants from federal, state, and local governments that the District has earned or been allocated, but has not received, as of June 30, 2023. At June 30, 2023, no allowance for doubtful accounts was deemed necessary.

**Balances Due To/From Other Funds**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Balances due to/from other funds between funds within governmental activities are eliminated in the statement of net position.

**Inventories and Prepaid Expenses**

Inventories consist of supplies and materials. Expenses are recorded as the supplies and materials are consumed. Inventories are valued on the average cost method for purchased supplies and materials. Donated commodities inventory is valued at its fair value at the time of donation. Prepaid expenses consist of operating expenses for which payment is due in advance and are expensed when the benefit is received.

**Bond Premiums**

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bond using the effective-interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. In the governmental funds, these costs are reported as an other financing source when the related liability is incurred.

**Fixed Assets**

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**Government-Wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the District as assets with an initial, individual cost of \$15,000 or more and an estimated useful life in excess of one year, except for buildings and improvements for which a higher capitalization threshold of \$50,000 or more is used. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003. Capital assets also include right-to-use leased assets, the measurement of which is described later in this section.

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Amortization of all right-to-use assets is recorded as an allocated expense in the statement of activities with accumulated amortization reflected in the statement of net position. Amortization of right-to-use assets is provided over the shorter of the lease period or the assets' estimated useful lives. The range of estimated useful lives in years by type of asset is as follows:

School buildings	50
Portable classrooms	25
Site improvements	20
Equipment	5-15
Vehicles	8
Right-to-use leased equipment	5-15

**Fund Financial Statements**

In the fund financial statements, fixed assets used in governmental fund operations, including contracts giving the District the right to use leased assets, are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Advances From Grantors**

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

**Long-Term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations, fiduciary fund operations, or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. All long-term debt to be repaid from fiduciary resources is reported as liabilities in the fiduciary fund statements.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest are reported as expenditures.

**Compensated Absences**

The liability for earned but unused vacation leave is recorded as long-term debt for compensated absences in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), which will only be recognized as an outflow of resources (expense/expenditures) in the future. District contributions subsequent to the measurement date related to pension plans, are reported as deferred outflows of resources in the government-wide statement of net position. District contributions subsequent to the measurement date will be amortized during the next fiscal year.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and would only be recognized as an inflow of resources (revenue) at that time.

Changes in proportion and differences between the District's contributions and proportionate share of pension contributions, the District's proportionate share of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the differences between the District's expected and actual experience, are reported as deferred inflows of resources or deferred outflows of resources in the government-wide statement of net position. These amounts are amortized over the estimated service lives of the pension plan participants.

Changes in assumptions and the differences between the District's expected and actual experience of the District's Postemployment Health Care Pension Plan (other pension) are reported as deferred inflows of resources or deferred outflows of resources in the government-wide statement of net position. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided other pension benefits through the other pension plan.

### **Leases**

**Lessee** The District recognizes lease liabilities for equipment with an initial, individual value of \$15,000 or more, and \$50,000 for buildings and improvements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain indirect costs. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the asset's useful life or the life of the lease.

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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Key estimates and judgments related to leases include how the District determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and the lease payments. The District uses the following key estimates and assumptions:

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt in the government-wide statement of net position.

### **Equity Classifications**

**Government-Wide Statements** Equity is classified as net position and displayed in three components:

*Net Investment in Capital Assets:* Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, leases, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position:* Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, laws or regulations of other governments, or laws through constitutional provisions or enabling legislation.

*Unrestricted Net Position:* Consists of any other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Fund Statements** Governmental fund equity is classified as fund balance. Fund balance is further classified and displayed in five components:

*Nonspendable Fund Balance:* Consists of amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted Fund Balance:* Consists of amounts that can be spent only for specific purposes because of constraints that are externally imposed by groups such as creditors, grantors, contributors, laws or regulations of other governments, or because of laws through constitutional provisions or enabling legislation.

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

*Assigned Fund Balance:* Consists of amounts that the District intends to use for specific purposes. Assignments may be established either by the District's Board of Trustees or a designee of the District's Board of Trustees.

*Unassigned Fund Balance:* Consists of the residual balance in the General Fund that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

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 at least 5% of General Fund expenditures and other financing uses. In the event that the balance drops below the established minimum level, the District's Board of Trustees will develop a plan to replenish the fund balance to the established minimum level.

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



## Fall River Joint Unified School District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### **Local Control Funding Formula Grant and Property Tax**

The District's local control funding formula (LCFF) grant is received from a combination of local property taxes and state apportionments.

Shasta County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the County. Secured property taxes attach as an enforceable lien on property as of January 1. Property taxes on the secured roll are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively.

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

Property taxes are recorded as LCFF sources by the District. The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the state's General Fund and is referred to as the state apportionment. The District's LCFF provides a base grant per average daily attendance (ADA), which varies by grade span, plus supplemental and concentration grants that reflect student demographic factors and categorical programs.

#### **Revenue – Nonexchange Transactions**

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Revenue from 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 required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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.

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Expenditures and Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental funds – by character:
  - Current (further classified by function)
  - Debt service
  - Capital outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

**Pensions**

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

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**Fall River Joint Unified School District**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

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**2. CASH AND INVESTMENTS**

The following is a summary of cash and investments:

June 30, 2023	Maturities	Fair Value
Deposits (1)		\$ 146,087
<b>Investments That Are Not Securities (2)</b>		
County treasurer's investment pool	22.4 months average	10,868,497
<b>Total Cash and Investments Per Government-Wide Statement of Net Position</b>		<b>\$ 11,014,584</b>

- (1) **Deposits** The carrying amount of deposits includes checking accounts, savings accounts, nonnegotiable certificates of deposits, and money market accounts at financial institutions, if any.
- (2) **Investments That Are Not Securities** A “security” is a transferable financial instrument that evidences ownership or creditorship, whether in physical or book-entry form. Investments that are not securities do not have custodial credit risk because they do not involve a transferable financial instrument. Thus, they are not categorized into custodial credit risk categories.

**Credit Risk – Investments**

*California Government Code*, Section 53601, limits investments in commercial paper to “prime” quality of the highest ranking or of the highest letter and numerical rating as provided by nationally recognized statistical rating organizations (NRSRO), and limits investments in medium-term notes to a rating of A or better. The District has no investment policy that would further limit its investment choices. The District’s investment in the County investment pool is unrated.

**Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2023:

- County treasurer's investment pool of \$10,868,497 is valued using quoted prices for similar instruments in active markets and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Concentration of Credit Risk – Investments**

*California Government Code*, Section 53635, places the following concentration limits on the County investment pool:

No more than 40% may be invested in eligible commercial paper and no more than 10% may be invested in the outstanding commercial paper of any single issuer.

*California Government Code*, Section 53601, places the following concentration limits on the District's investments:

No more than 10% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises and where otherwise noted; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 40% may be invested in bankers' acceptances and no more than 30% may be invested in bankers' acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% may be invested in reverse repurchase agreements; no more than 30% may be invested in medium-term notes; no more than 20% may be invested in mortgage passthrough and related securities; and no more than 30% may be invested in certain unsecured, unsubordinated obligations.

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

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**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following:

June 30, 2023	<b>General Fund</b>
Interest	\$ 305
Other	24,741
<b>Total</b>	<b>\$ 25,046</b>

**4. DUE FROM OTHER GOVERNMENTS**

Due from other governments consisted of the following:

June 30, 2023	<b>General Fund</b>	<b>Other Governmental Funds</b>
<b>Due From</b>		
Federal government	\$ 569,654	\$ 126,426
State government	638,882	46,902
Local governments	131,250	2,345
<b>Total</b>	<b>\$ 1,339,786</b>	<b>\$ 175,673</b>

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

**5. CAPITAL ASSETS**

Capital assets activity is as follows:

Year Ended June 30, 2023	Beginning Balance	Additions	Deductions	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>Nondepreciated Capital Assets</b>				
Land	\$ 33,418	\$ -	\$ -	\$ 33,418
Construction in progress	66,130	178,914	-	245,044
<b>Total Nondepreciated Capital Assets</b>	<b>99,548</b>	<b>178,914</b>	<b>-</b>	<b>278,462</b>
<b>Depreciated Capital Assets</b>				
Buildings	21,411,325	58,320	-	21,469,645
Site improvements	777,944	147,068	-	925,012
Equipment and vehicles	4,785,399	420,823	47,653	5,158,569
<b>Total Depreciated Capital Assets</b>	<b>26,974,668</b>	<b>626,211</b>	<b>47,653</b>	<b>27,553,226</b>
<b>Totals at Historical Cost</b>	<b>27,074,216</b>	<b>805,125</b>	<b>47,653</b>	<b>27,831,688</b>
<b>Less: Accumulated Depreciation</b>				
Buildings	12,410,603	501,752	-	12,912,355
Site improvements	275,348	53,807	-	329,155
Equipment and vehicles	3,108,121	332,384	47,653	3,392,852
<b>Total Accumulated Depreciation</b>	<b>15,794,072</b>	<b>887,943</b>	<b>47,653</b>	<b>16,634,362</b>
<b>Total Depreciated Capital Assets - Net</b>	<b>11,180,596</b>	<b>(261,732)</b>	<b>-</b>	<b>10,918,864</b>
<b>Leased Asset</b>				
Equipment	296,984	-	-	296,984
Less: Accumulated amortization	59,397	59,397	-	118,794
<b>Total Leased Asset - Net</b>	<b>237,587</b>	<b>(59,397)</b>	<b>-</b>	<b>178,190</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS - NET</b>	<b>\$ 11,517,731</b>	<b>\$ (142,215)</b>	<b>\$ -</b>	<b>\$ 11,375,516</b>

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

Depreciation and amortization expense was charged to governmental activities as follows:

Year Ended June 30, 2023	
<b>Governmental Activities</b>	
Instruction	\$ 509,594
Instruction-related services	36,987
Pupil services	268,419
Ancillary services	17,436
General administration	92,422
Plant services	22,482
<b>Total Depreciation/Amortization Expense - Governmental Activities</b>	<b>\$ 947,340</b>

**6. ACCOUNTS PAYABLE**

Accounts payable consisted of the following:

June 30, 2023	General Fund	Other Governmental Funds
Vendors	\$ 137,452	\$ 4,168
Salaries and benefits	175,358	119
Other	3,830	-
<b>Total</b>	<b>\$ 316,640</b>	<b>\$ 4,287</b>

**7. DUE TO OTHER GOVERNMENTS**

Due to other governments consisted of the following:

June 30, 2023	General Fund
<b>Due To</b>	
State government	\$ 242,725

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

**8. BONDED DEBT**

The outstanding general obligation bonded debt is as follows:

<b>Issue Date</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Amount of Original Issue</b>	<b>Outstanding July 1, 2022</b>	<b>Redeemed Current Year</b>	<b>Outstanding June 30, 2023</b>
2015	0.6-2.3%	2031	\$ 3,405,000	\$ 2,125,000	\$ 230,000	\$ 1,895,000

The amount of interest cost incurred during the year ended June 30, 2023, was \$57,581, all of which was charged to expenses.

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 235,000	\$ 53,481	\$ 288,481
2025	240,000	46,357	286,357
2026	245,000	39,081	284,081
2027	250,000	31,656	281,656
2028	260,000	24,006	284,006
2029-2031	665,000	26,117	691,117
<b>Total</b>	<b>\$ 1,895,000</b>	<b>\$ 220,698</b>	<b>\$ 2,115,698</b>

**9. LEASE LIABILITY**

The District entered into a lease agreement with terms in excess of one year as lessee for the acquisition and use of copiers. At June 30, 2023, the value of the lease liability was \$183,994. The District is required to make monthly principal and interest payments of \$5,400. The lease has an interest rate of 3.60%. The agreement does not contain a purchase option. Conditions of the lease do not provide for variable payments or residual value guarantees. The equipment has a five-year estimated useful life. The value of the right-to-use assets as of June 30, 2023, was \$178,190, net of accumulated amortization. The amount of interest cost incurred during the year ended June 30, 2023, was \$7,743, all of which was charged to expenses. There were no variable or other payments recognized for the year ended June 30, 2023, that were not previously included in the measurement of the lease liability.

The future lease payments are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 59,146	\$ 5,654	\$ 64,800
2025	61,311	3,489	64,800
2026	63,537	1,245	64,782
<b>Total</b>	<b>\$ 183,994</b>	<b>\$ 10,388</b>	<b>\$ 194,382</b>



**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

**10. CHANGES IN LONG-TERM DEBT**

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

Year Ended June 30, 2023	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 312,146	\$ -	\$ 63,344	\$ 248,802	\$ -
General obligation bonds	2,125,000	-	230,000	1,895,000	235,000
Bond issuance premium	6,323	-	3,804	2,519	2,267
Lease payable	241,052	-	57,058	183,994	59,146
Total other pension liability	1,140,073	10,165	-	1,150,238	-
Net pension liability	9,370,434	5,437,756	-	14,808,190	-
<b>Total</b>	<b>\$ 13,195,028</b>	<b>\$ 5,447,921</b>	<b>\$ 354,206</b>	<b>\$ 18,288,743</b>	<b>\$ 296,413</b>

**11. FUND BALANCES COMPONENTS**

Fund balances are composed of the following:

June 30, 2023	General Fund	Other Governmental Funds
<b>Nonspendable</b>		
Reserved for:		
Revolving cash	\$ 3,500	\$ -
Inventories	-	6,955
Prepaid expenditures	105,651	-
<b>Total Nonspendable</b>	<b>\$ 109,151</b>	<b>\$ 6,955</b>
<b>Restricted</b>		
Restricted for:		
Capital projects	\$ -	\$ 52,049
Debt service	-	379,832
Student activities	-	141,500
Federal and state categoricals	3,435,879	212,458
<b>Total Restricted</b>	<b>\$ 3,435,879</b>	<b>\$ 785,839</b>
<b>Assigned</b>		
Assigned for:		
Capital projects	\$ -	\$ 32,777
Other	6,177,843	-
<b>Total Assigned</b>	<b>\$ 6,177,843</b>	<b>\$ 32,777</b>
<b>Unassigned</b>		
Designated for economic uncertainties	\$ 1,004,000	\$ -

## Fall River Joint Unified School District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### 12. JOINT POWERS AUTHORITIES

The District participates in joint ventures under joint powers agreements with the following joint powers authorities (JPAs): Northern California Schools Insurance Group (NCSIG), Shasta-Trinity Schools Insurance Group (STSIG), Schools Excess Liability Fund (SELF), and Self-Insured Schools of California – Health and Welfare Benefits Program (SISC III). The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs arrange for and provide property, liability, workers' compensation, health care, and excess liability coverage for their members. Each JPA is governed by a board consisting of representatives from the members. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. The District's share of year-end assets, liabilities, or fund equity is not calculated by the JPAs. Separately issued financial statements can be requested from each JPA.

#### 13. COMMITMENTS AND CONTINGENCIES

##### Federal and State Allowances, Awards, and Grants

The District received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

##### Construction Project Commitment

Construction project commitments are as follows:

	<b>Remaining Construction Commitment</b>
June 30, 2023	
AB841 HVAC and plumbing	\$ 85,604

#### 14. RISK MANAGEMENT

The District is exposed to various risks, including loss or damage to property, general liability, and injuries to employees. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. No significant reductions in insurance coverage from the prior year have been made. As described above, the District participates in risk pools under joint powers agreements for property, liability, workers' compensation, health care, and excess liability coverage.

**Fall River Joint Unified School District**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

**15. EMPLOYEE RETIREMENT SYSTEMS**

Qualified employees are covered under cost-sharing multiple-employer defined benefit pension plans maintained by agencies of the state of California. Certificated employees are members of CalSTRS, and classified employees are members of CalPERS.

**Summary**

Net pension liability, deferred outflows or resources, deferred inflows of resources, and pension expense are reported as follows:

June 30, 2023	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS State Teachers' Retirement Plan	\$ 7,035,366	\$ 2,135,646	\$ 1,828,379	\$ 508,013
CalPERS School Employer Pool	7,772,824	3,120,332	195,589	1,230,903
<b>Total</b>	<b>\$ 14,808,190</b>	<b>\$ 5,255,978</b>	<b>\$ 2,023,968</b>	<b>\$ 1,738,916</b>

Net pension liability, deferred outflows of resources, and deferred inflows of resources are reported in the accompanying statement of net position; pension expense is reported in the accompanying statement of activities.

**California State Teachers' Retirement System**

**Plan Description** Certificated employees of the District participate in STRP, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. Benefit provisions are established by state statute, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues publicly available financial reports that can be obtained at [www.calstrs.com](http://www.calstrs.com).

**Benefits Provided** STRP provides retirement, disability, and survivor benefits to beneficiaries. The defined benefit program provides retirement benefits based on members' final compensation, age, and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. The program has two benefit formulas:

- **CalSTRS 2% at 60** 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% of final compensation multiplied by the number of years of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to a maximum of 2.4% at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2% to the age factor, up to the 2.4% maximum.

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

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- **CalSTRS 2% at 62** 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% of final compensation multiplied by the number of years 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% at age 65 or older.

**Contributions** Required member, employer, and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Active plan members of the CalSTRS 2% at 60 formula are required to contribute 10.25% of their salary. Active plan members of the CalSTRS 2% at 62 formula are required to contribute 10.205% of their salary. The required employer contribution rate for fiscal year 2022-23 was 19.10% of annual payroll. The District's contributions to CalSTRS for the fiscal year ended June 30, 2023, were \$1,214,618.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** At June 30, 2023, the District reported a net pension 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:

June 30, 2023

District's proportionate share of the net pension liability	\$ 7,035,366
State's proportionate share of the net pension liability associated with the District	3,523,332
<b>Total</b>	<b>\$ 10,558,698</b>

The District's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2023, the District's proportion was 0.010%.

## Fall River Joint Unified School District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

State Teachers' Retirement Law also requires the state to contribute 10.828% of the members' creditable earnings from the fiscal year ending in the prior calendar year. For the year ended June 30, 2023, the District recognized pension expense of \$374,245 and revenue of \$374,425 for support provided by the state. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 5,771	\$ 527,419
Net difference between projected and actual earnings on pension plan investments	-	344,266
Change in assumptions	348,643	-
Changes in proportion and differences between District contributions and proportionate share of contributions	566,614	956,694
District contributions subsequent to the measurement date	1,214,618	-
<b>Total</b>	<b>\$ 2,135,646</b>	<b>\$ 1,828,379</b>

The \$1,214,618 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	
2024	\$ (20,328)
2025	(336,187)
2026	(610,200)
2027	421,571
2028	(178,560)
Thereafter	(183,647)
<b>Total</b>	<b>\$ (907,351)</b>

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

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**Actuarial Assumptions** The total pension liability in the June 30, 2021, actuarial valuation for CalSTRS was determined using the following actuarial assumptions and applied to all periods included in the measurement:

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Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
<b>Actuarial assumptions:</b>	
Investment rate of return	7.10%
Interest on accounts	3.00%
Wage growth	3.50%
Consumer price inflation	2.75%
Post-retirement benefit increases	2.00% simple

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

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2018.

## Fall River Joint Unified School District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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 investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 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	42%	4.80%
Private equity	13%	6.30%
Real estate	15%	3.60%
Inflation sensitive	6%	3.30%
Fixed income	12%	1.30%
Risk mitigating strategies	10%	1.80%
Cash/liquidity	2%	-0.40%
<b>Total</b>	<b>100%</b>	

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

**Fall River Joint Unified School District**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

**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%, as well as the District's proportionate share of the net pension liability if it was calculated using a discount rate that is one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

June 30, 2023	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 11,948,661	\$ 7,035,366	\$ 2,955,854

**Pension Plan Fiduciary Net Position** Detailed information about the pension plan's fiduciary net position is available in CalSTRS' separately issued *Annual Comprehensive Financial Report* (ACFR).

**California Public Employees' Retirement System**

**Plan Description** Classified employees of the District participate in the School Employer Pool (the Plan) under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by state statute, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a publicly available financial report that can be obtained at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Benefits Provided** The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The benefits are based on members' years of service, age, final compensation, and benefit formula. Members become fully vested in their retirement benefits earned to date after five years of credited service.

**Contributions** Member contribution rates are defined by law. Employer contribution rates are determined by periodic actuarial valuations. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. Active plan members that met the definition of a new member under the Public Employees' Pension Reform Act are required to contribute 8.00% of their salary. Classic employees are required to contribute 7.00% of their salary. The required employer contribution rate for the 2022-23 fiscal year was 25.37%. The District's contributions to CalPERS for the fiscal year ended June 30, 2023, were \$993,607.



**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** At June 30, 2023, the District reported a net pension liability of \$7,772,824 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.0226%.

For the year ended June 30, 2023, the District recognized pension expense of \$1,230,903. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 35,129	\$ 193,398
Net difference between projected and actual earnings on pension plan investments	917,759	-
Change in assumptions	574,989	-
Changes in proportion and differences between District contributions and proportionate share of contributions	598,848	2,191
District contributions subsequent to the measurement date	993,607	-
<b>Total</b>	<b>\$ 3,120,332</b>	<b>\$ 195,589</b>

The \$993,607 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	
2024	\$ 576,128
2025	471,409
2026	323,982
2027	559,617
<b>Total</b>	<b>\$ 1,931,136</b>

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

**Actuarial Assumptions** The total pension liability in the June 30, 2021, actuarial valuation for CalPERS was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%

Post-retirement mortality rates are based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period June 30, 2000, through June 30, 2019.

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

The tables below reflect long-term expected real rates of return by asset class.

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Rate of Return</b>
Global equity - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	-5%	-0.59%
<b>Total</b>	<b>100%</b>	

**Fall River Joint Unified School District**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

**Discount Rate** The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the 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%, as well as the District's proportionate share of the net pension liability if it was calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

June 30, 2023	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 11,228,238	\$ 7,772,824	\$ 4,917,051

**Pension Plan Fiduciary Net Position** Detailed information about the pension plan's fiduciary net position is available in CalPERS' separately issued ACFR.

**16. EARLY RETIREMENT INCENTIVE PROGRAM**

The District did not enter into any early retirement incentive agreements during 2022-23, pursuant to *California Education Code*, Sections 22714 and 44929, whereby the service credit to eligible employees is increased by two years.

**17. POSTEMPLOYMENT HEALTH CARE PENSION PLAN**

**Plan Description and Benefits Provided**

The District provides postemployment health care benefits to qualifying employees through a single employer defined benefit health care plan administered by the District. The District provides postemployment health care benefits to all certificated employees and their dependents. Employees who retire from the District on or after attaining the age of 55 with at least 15 years of consecutive service in the District will receive a cash payment of \$8,062, or a pro-rated amount based on the employee's FTE at the time of retirement, to be paid annually for three years. Employees who retire from the District on or after attaining the age of 55 with at least 15 years of full-time service in the District also have the option to sign a consultant agreement to perform mutually agreed-upon services to the District at a maximum of 160 hours each year in exchange for up to \$4,000 of District contribution toward the purchase of medical, dental, and/or vision insurance premiums for a maximum of five years.

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

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The District also provides postemployment health care benefits to all classified employees and their dependents. Employees who retire from the District on or after attaining the age of 55 with at least 15 years of service and were working 6-8 hours per day in the District will receive a cash payment of 13% of their current annual salary for the position held at the time of retirement, to be paid annually for five years. The plan does not issue a separate stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

**Employees Covered**

Employees covered by the benefit terms of the plan consisted of:

<u>June 30, 2023</u>	
Inactive plan members or beneficiaries currently receiving benefit payments	20
Active plan members	174
<b>Total</b>	<b>194</b>

**Contributions**

The District’s agreement with employees is for annual payments to members who meet the eligibility criteria of their collective bargaining agreement and who retire during the term of the contract. The payment requirements of plan members and the District are established and may be amended by the District’s Board of Trustees through the collective bargaining process.

Currently, the District’s policy is to contribute to the plan on a pay-as-you-go basis. For the fiscal year ended June 30, 2023, the District paid benefits of \$92,899, representing cash payments to retired employees.

**Total Other Pension Liability**

The District’s total other pension liability for the plan is measured as the total pension liability, less the plan’s fiduciary net position. The total other pension liability of the plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard rollforward procedures. The June 30, 2023, total other pension liability was based on the actuarial methods and assumptions as shown below.

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

**Actuarial Assumptions**

The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry age
Actuarial assumptions:	
Salary increases	2.75%
Consumer price inflation	2.50%
Discount rate	3.65%

The mortality assumptions used in the June 30, 2022, valuation are as follows:

2020 CalSTRS Mortality	The mortality assumptions are based on the 2020 CalSTRS Mortality table created by CalSTRS. CalSTRS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalSTRS analysis.
2017 CalPERS Active Mortality for Miscellaneous and Schools Employees	The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.
2017 CalPERS Retiree Mortality for Miscellaneous and Schools Employees	The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

**Fall River Joint Unified School District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

**Discount Rate**

The discount rate used to measure the total other pension liability was 3.65%. The discount rate is based on the Bond Buyer 20 Bond Index.

**Changes in the Total Other Pension Liability**

The changes in the total other pension liability for the plan are as follows:

Year Ended June 30, 2023

<b>Total Other Pension Liability</b>		
Service cost	\$	71,736
Interest		39,984
Changes of assumptions		(8,656)
Benefit payments - including refunds of employee contributions		(92,899)
<b>Net Change in Total Other Pension Liability</b>		10,165
<b>Total Other Pension Liability - Beginning of Year</b>		1,140,073
<b>Total Other Pension Liability - End of Year</b>	\$	1,150,238
Covered-employee payroll	\$	10,229,471
District's total other pension liability as a percentage of covered-employee payroll		11.24%

**Sensitivity of the Total Other Pension Liability to Changes in the Discount Rate**

The following presents the District's total other pension liability calculated using the discount rate of 3.65%, as well as the District's total other pension liability if it was calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
June 30, 2023			
Total other pension liability	\$ 1,222,541	\$ 1,150,238	\$ 1,083,341

**Fall River Joint Unified School District**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

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

For the year ended June 30, 2023, the District recognized other pension expense of \$135,207, related to the health care plan. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to other pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 7,547	\$ -
Change in assumptions	22,004	-
<b>Total</b>	<b>\$ 29,551</b>	<b>\$ -</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to other pensions will be recognized in other pension expense as follows:

<b>Year Ending June 30</b>	
2024	\$ 23,487
2025	23,487
2026	23,487
2027	23,487
2028	23,487
Thereafter	(87,884)
<b>Total</b>	<b>\$ 29,551</b>

**Fall River Joint Unified School District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**18. FUTURE GASB IMPLEMENTATION**

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement enhances 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. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2023, will have on the District's financial statements, if any.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement outlines a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2024, will have on the District's financial statements, if any.



## **Required Supplementary Information**

**Fall River Joint Unified School District**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**

Year Ended June 30, 2023	Budgeted Amounts		Actual Amounts - GAAP Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 5,548,095	\$ 5,393,595	\$ 5,266,759	\$ (126,836)
Local control funding formula sources	8,216,504	9,996,440	9,858,289	(138,151)
Other state revenue	1,861,534	5,250,305	4,802,497	(447,808)
Federal revenue	2,395,009	2,635,536	2,262,924	(372,612)
Other local revenue	847,962	981,939	1,327,099	345,160
<b>Total Revenues</b>	<b>18,869,104</b>	<b>24,257,815</b>	<b>23,517,568</b>	<b>(740,247)</b>
<b>Expenditures</b>				
Certificated salaries	6,719,593	6,944,070	6,934,447	9,623
Classified salaries	3,454,537	3,773,365	3,732,587	40,778
Employee benefits	5,148,570	5,328,497	5,053,841	274,656
Books and supplies	1,420,823	2,191,322	1,360,207	831,115
Services and other operating	1,655,899	2,755,489	2,085,971	669,518
Capital outlay	201,741	852,955	805,125	47,830
Other outgo	-	25,077	24,563	514
Debt service:				
Principal	-	-	57,058	(57,058)
Interest and other charges	-	-	7,743	(7,743)
<b>Total Expenditures</b>	<b>18,601,163</b>	<b>21,870,775</b>	<b>20,061,542</b>	<b>1,809,233</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>267,941</b>	<b>2,387,040</b>	<b>3,456,026</b>	<b>1,068,986</b>
<b>Other Financing Sources (Uses)</b>				
Interfund transfers out	239,351	-	-	-
<b>Net Change in Fund Balances</b>	<b>507,292</b>	<b>2,387,040</b>	<b>3,456,026</b>	<b>1,068,986</b>
<b>Fund Balances - Beginning of Year</b>	<b>7,270,847</b>	<b>7,270,847</b>	<b>7,270,847</b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ 7,778,139</b>	<b>\$ 9,657,887</b>	<b>\$ 10,726,873</b>	<b>\$ 1,068,986</b>

See the accompanying notes to this budgetary comparison schedule.

**Fall River Joint Unified School District**  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District's Governing Board annually adopts a budget for the General Fund of the District. The budget is presented on the modified accrual basis of accounting. Accordingly, the accompanying budgetary comparison schedule of the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budget, as amended. Unexpended appropriations on the annual budget lapse at the end of each fiscal year.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Expenditures exceeded appropriations by the following amounts:

<u>June 30, 2023</u>	<u>General Fund</u>
Debt service - principal	\$ 57,058
Debt service - interest and other charges	\$ 7,743

## Fall River Joint Unified School District

### SCHEDULE OF CHANGES IN DISTRICT'S TOTAL POSTEMPLOYMENT HEALTH CARE PENSION LIABILITY AND RELATED RATIOS

Years Ended June 30	2023	2022	2021	2020	2019	2018
<b>Total Other Pension Liability</b>						
Service cost	\$ 71,736	\$ 69,908	\$ 67,615	\$ 61,989	\$ 57,486	\$ 55,947
Interest	39,984	31,474	33,278	37,955	37,723	41,660
Changes of benefit terms	-	-	-	312,515	(3,667)	-
Difference between expected and actual experience	-	(214,419)	-	-	-	-
Changes of assumptions	(8,656)	(95,318)	5,106	154,236	24,459	-
Benefit payments - including refunds of employee contributions	(92,899)	(147,462)	(177,905)	(104,672)	(122,218)	(109,448)
<b>Net Change In Total Other Pension Liability</b>	<b>10,165</b>	<b>(355,817)</b>	<b>(71,906)</b>	<b>462,023</b>	<b>(6,217)</b>	<b>(11,841)</b>
<b>Total Other Pension Liability - Beginning of Year</b>	<b>1,140,073</b>	<b>1,495,890</b>	<b>1,567,796</b>	<b>1,105,773</b>	<b>1,111,990</b>	<b>1,123,831</b>
<b>Total Other Pension Liability - End of Year</b>	<b>\$ 1,150,238</b>	<b>\$ 1,140,073</b>	<b>\$ 1,495,890</b>	<b>\$ 1,567,796</b>	<b>\$ 1,105,773</b>	<b>\$ 1,111,990</b>
Covered-employee payroll	\$ 10,229,471	\$ 9,431,218	\$ 9,073,558	\$ 8,994,143	\$ 8,421,905	\$ 8,903,653
District's total other pension liability as a percentage of covered-employee payroll	11.24%	12.09%	16.49%	17.43%	13.13%	12.49%

See the accompanying notes to the required supplementary information.

**Fall River Joint Unified School District**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS – POSTEMPLOYMENT HEALTH CARE PENSION PLAN**

Years Ended June 30	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 92,899	\$ 147,462	\$ 177,905	\$ 104,672	\$ 122,218	\$ 109,448
Contributions in relation to the contractually required contribution	(92,899)	(147,462)	(177,905)	(104,672)	(122,218)	(109,448)
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 10,229,471	\$ 9,431,218	\$ 9,073,558	\$ 8,994,143	\$ 8,421,905	\$ 8,903,653
Contributions as a percentage of covered-employee payroll	0.91%	1.56%	1.96%	1.16%	1.45%	1.23%

See the accompanying notes to the required supplementary information.

**Fall River Joint Unified School District**  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**

Years Ended June 30	2023	2022	2021	2020
District's proportion of the net pension liability (asset)	0.010%	0.011%	0.011%	0.011%
District's proportionate share of the net pension liability (asset)	\$ 7,035,366	\$ 5,195,836	\$ 10,698,114	\$ 9,934,760
State's proportionate share of the net pension liability (asset) associated with the District	3,523,332	2,614,398	5,514,834	5,420,119
<b>Total</b>	<b>\$ 10,558,698</b>	<b>\$ 7,810,234</b>	<b>\$ 16,212,948</b>	<b>\$ 15,354,879</b>
District's covered-employee payroll	\$ 6,012,996	\$ 6,141,362	\$ 5,963,269	\$ 5,886,843
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	117.00%	84.60%	179.40%	168.76%
Plan fiduciary net position as a percentage of the total pension liability	81.20%	87.20%	71.80%	72.60%
<b>Years Ended June 30</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
District's proportion of the net pension liability (asset)	0.011%	0.010%	0.010%	0.011%
District's proportionate share of the net pension liability (asset)	\$ 10,109,770	\$ 9,248,000	\$ 8,088,100	\$ 7,405,640
State's proportionate share of the net pension liability (asset) associated with the District	5,788,345	5,471,083	4,605,089	3,916,757
<b>Total</b>	<b>\$ 15,898,115</b>	<b>\$ 14,719,083</b>	<b>\$ 12,693,189</b>	<b>\$ 11,322,397</b>
District's covered-employee payroll	\$ 5,825,946	\$ 5,421,161	\$ 5,130,979	\$ 5,095,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.53%	170.59%	157.63%	145.35%
Plan fiduciary net position as a percentage of the total pension liability	71.00%	69.00%	70.00%	74.00%

See the accompanying notes to the required supplementary information.

**Fall River Joint Unified School District**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS – CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**

Years Ended June 30	2023	2022	2021	2020
Contractually required contribution	\$ 1,214,618	\$ 1,017,399	\$ 991,830	\$ 1,019,719
Contributions in relation to the contractually required contribution	(1,214,618)	(1,017,399)	(991,830)	(1,019,719)
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,012,996	\$ 6,141,362	\$ 5,963,269	\$ 5,886,843
Contributions as a percentage of covered-employee payroll	20.20%	16.57%	16.63%	17.32%
<b>Years Ended June 30</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 958,378	\$ 840,684	\$ 681,982	\$ 550,554
Contributions in relation to the contractually required contribution	(958,378)	(840,684)	(681,982)	(550,554)
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,825,946	\$ 5,421,161	\$ 5,130,979	\$ 4,785,151
Contributions as a percentage of covered-employee payroll	16.45%	15.51%	13.29%	10.81%

See the accompanying notes to the required supplementary information.

**Fall River Joint Unified School District**  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Years Ended June 30	2023	2022	2021	2020
District's proportion of the net pension liability (asset)	0.0226%	0.0205%	0.0199%	0.0190%
District's proportionate share of the net pension liability (asset)	\$ 7,772,824	\$ 4,174,598	\$ 6,110,204	\$ 5,535,368
District's covered-employee payroll	\$ 3,469,127	\$ 2,960,879	\$ 2,868,283	\$ 2,635,871
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	224.06%	140.99%	213.03%	210.00%
Plan fiduciary net position as a percentage of the total pension liability	69.80%	81.00%	70.00%	70.00%
<b>Years Ended June 30</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
District's proportion of the net pension liability (asset)	0.0193%	0.0188%	0.0189%	0.0188%
District's proportionate share of the net pension liability (asset)	\$ 5,153,987	\$ 4,492,831	\$ 3,732,762	\$ 2,771,139
District's covered-employee payroll	\$ 2,555,141	\$ 2,393,505	\$ 2,273,242	\$ 2,079,662
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	201.71%	187.71%	164.20%	133.25%
Plan fiduciary net position as a percentage of the total pension liability	70.80%	71.90%	73.90%	79.40%
				115.01%
				83.50%

See the accompanying notes to the required supplementary information.



**Fall River Joint Unified School District**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS – CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Years Ended June 30	2023	2022	2021	2020
Contractually required contribution	\$ 993,607	\$ 794,777	\$ 612,902	\$ 565,654
Contributions in relation to the contractually required contribution	(993,607)	(794,777)	(612,902)	(565,654)
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,469,127	\$ 2,960,879	\$ 2,868,283	\$ 2,635,871
Contributions as a percentage of covered-employee payroll	28.64%	26.84%	21.37%	21.46%
<b>Years Ended June 30</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 476,091	\$ 396,839	\$ 332,410	\$ 269,311
Contributions in relation to the contractually required contribution	(476,091)	(396,839)	(332,410)	(269,311)
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,555,141	\$ 2,393,505	\$ 2,273,242	\$ 2,079,662
Contributions as a percentage of covered-employee payroll	18.63%	16.58%	14.62%	12.95%

See the accompanying notes to the required supplementary information.

**1. TOTAL OTHER PENSION LIABILITY**

**Changes in Benefit Terms**

There were no significant changes in benefit terms during the measurement period ended June 30, 2023.

**Changes in Assumptions**

For the measurement period ended June 30, 2023, the discount rate changed from 3.54% to 3.65% due to changes in the Bond Buyer 20 Bond Index.

**Assets to Pay Related Benefits**

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 as of June 30, 2023.

**2. PENSION – CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**

**Changes in Benefit Terms**

There were no significant changes of benefit terms during the measurement period ended June 30, 2022.

**Changes in Assumptions**

There were no significant changes in assumptions during the measurement period ended June 30, 2022.

**3. PENSION – CALIFORNIA STATE PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**Changes in Benefit Terms**

There were no significant changes of benefit terms during the measurement period ended June 30, 2022.

**Changes in Assumptions**

On November 17, 2021, the CalPERS board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumptions. The discount rate and investment rate of return decreased from 7.15% to 6.90%. The inflation rate decrease from 2.50% to 2.30%. These new assumptions are incorporated into the June 30, 2021, valuation. In addition, the CalPERS board adopted new asset portfolios as part of its Asset Liability Management process.

## **OTHER SUPPLEMENTARY INFORMATION SECTION**

**Fall River Joint Unified School District**  
LOCAL EDUCATIONAL AGENCY ORGANIZATION STRUCTURE  
June 30, 2023

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The Fall River Joint Unified School District (the District) is located in Shasta County and was established in 1911. There were no changes in the boundaries of the District during the current year. The District is currently operating two elementary schools, two junior-senior high schools, two community day schools, and two continuation high schools.

**GOVERNING BOARD**

<b>Name</b>	<b>Office</b>	<b>Term Expires</b>
Rick Dougherty	President	2026
Megan Estes	Clerk	2024
John Hamilton	Trustee	2026
Jack Hathaway	Trustee	2024
Jeanne Norris	Trustee	2026

**ADMINISTRATION**

Merrill M. Grant, Ed.D.  
Superintendent

Teresea Spooner  
Chief Business Official

**Fall River Joint Unified School District**  
SCHEDULE OF CHARTER SCHOOLS  
Year Ended June 30, 2023

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The District is not the sponsoring local educational agency for any charter schools.

*See the accompanying note to the other supplementary information.*

**Fall River Joint Unified School District**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE**  
**Year Ended June 30, 2023**

	<b>Originally Reported</b>		<b>Final</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>	<b>Second Period Report</b>	<b>Annual Report</b>
<b>ELEMENTARY</b>				
<b>Regular ADA*</b>				
Transitional kindergarten/ kindergarten through grade 3	345.76	345.52	345.76	345.52
Grades 4 through 6	222.12	221.90	222.12	221.90
Grades 7 through 8	167.34	166.13	167.34	166.13
<b>Extended-Year Special Education</b>				
Transitional kindergarten/ kindergarten through grade 3	3.00	3.00	3.00	3.00
Grades 4 through 6	0.44	0.44	0.44	0.44
Grades 7 through 8	0.47	0.47	0.47	0.47
<b>Community Day School</b>				
Grades 7 through 8	3.49	4.21	3.49	4.21
<b>ELEMENTARY TOTALS</b>	<b>742.62</b>	<b>741.67</b>	<b>742.62</b>	<b>741.67</b>
<b>HIGH SCHOOL</b>				
<b>Regular ADA**</b>				
Grades 9 through 12	315.85	312.80	315.85	312.80
<b>Extended-Year Special Education</b>				
Grades 9 through 12	0.47	0.47	0.47	0.47
<b>Community Day School</b>				
Grades 9 through 12	5.47	5.35	5.47	5.35
<b>HIGH SCHOOL TOTALS</b>	<b>321.79</b>	<b>318.62</b>	<b>321.79</b>	<b>318.62</b>
<b>ADA Totals</b>	<b>1,064.41</b>	<b>1,060.29</b>	<b>1,064.41</b>	<b>1,060.29</b>

\* Includes opportunity classes, home and hospital, and special day classes.

\*\* Includes opportunity classes, home and hospital, special day classes, and continuation education.

See the accompanying note to the other supplementary information.

# Fall River Joint Unified School District

## SCHEDULE OF INSTRUCTIONAL TIME

Year Ended June 30, 2023

	Minutes		Actual		Approved		Approved		Total		Total		Status
	Requirement	Requirement	Days	Minutes	Actual J-13A Credited	Approved J-13A Credited	Approved J-13A Credited	Approved J-13A Credited	Traditional Calendar	Traditional Calendar	Multitrack Calendar	Multitrack Calendar	
	Minutes	Days	Offered	Offered	Days Offered	Days Offered	Days Offered	Days Offered	Minutes	Days	Days	Days	
Kindergarten	36,000	180	52,000	180	-	-	-	-	52,000	180	N/A	N/A	Complied
Grade 1	50,400	180	52,000	180	-	-	-	-	52,000	180	N/A	N/A	Complied
Grade 2	50,400	180	52,000	180	-	-	-	-	52,000	180	N/A	N/A	Complied
Grade 3	50,400	180	52,000	180	-	-	-	-	52,000	180	N/A	N/A	Complied
Grade 4	54,000	180	54,100	180	-	-	-	-	54,100	180	N/A	N/A	Complied
Grade 5	54,000	180	54,100	180	-	-	-	-	54,100	180	N/A	N/A	Complied
Grade 6	54,000	180	54,100	180	-	-	-	-	54,100	180	N/A	N/A	Complied
Grade 7	54,000	180	65,020	180	-	-	-	-	65,020	180	N/A	N/A	Complied
Grade 8	54,000	180	65,020	180	-	-	-	-	65,020	180	N/A	N/A	Complied
Grade 9	64,800	180	65,020	180	-	-	-	-	65,020	180	N/A	N/A	Complied
Grade 10	64,800	180	65,020	180	-	-	-	-	65,020	180	N/A	N/A	Complied
Grade 11	64,800	180	65,020	180	-	-	-	-	65,020	180	N/A	N/A	Complied
Grade 12	64,800	180	65,020	180	-	-	-	-	65,020	180	N/A	N/A	Complied

\*The District did not apply for any Form J-13A emergency closure days.

See the accompanying note to the other supplementary information.

**Fall River Joint Unified School District**  
**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**

Years Ended June 30	(Budget) 2024	2023	2022	2021
<b>General Fund</b>				
Revenues and other financial sources	\$ 20,003,141	\$ 23,517,568	\$ 20,375,969	\$ 18,584,692
Expenditures	18,793,696	20,061,542	18,561,109	17,977,000
Other uses and transfers out	-	-	139,000	151,500
<b>Total Outgo</b>	<b>18,793,696</b>	<b>20,061,542</b>	<b>18,700,109</b>	<b>18,128,500</b>
<b>Change in Fund Balance</b>	<b>1,209,445</b>	<b>3,456,026</b>	<b>1,675,860</b>	<b>456,192</b>
<b>Ending Fund Balance</b>	<b>\$ 11,936,318</b>	<b>\$ 10,726,873</b>	<b>\$ 7,270,847</b>	<b>\$ 5,594,987</b>
Available reserves	\$ 939,685	\$ 1,004,000	\$ 935,000	\$ 906,426
Designated for economic uncertainties	\$ 939,685	\$ 1,004,000	\$ 935,000	\$ 906,426
Undesignated fund balance	\$ -	\$ -	\$ -	\$ -
Available reserves as a percentage of total outgo	5%	5%	5%	5%
Total long-term debt	\$ 17,992,330	\$ 18,288,743	\$ 13,195,028	\$ 20,920,093
Average daily attendance at P-2	1,041	1,064	994	1,115

The General Fund balance has increased by \$5,131,886 over the past two years. The fiscal year 2023-24 budget projects an increase of \$1,209,445 (11.27%). For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has not incurred an operating deficit in any of the past three years and anticipates incurring an operating surplus during the 2023-24 fiscal year. Total long-term debt has decreased by \$2,631,350 over the past two years.

Average daily attendance has decreased by 51 over the past two years. The District anticipates ADA to decline by 23 during fiscal year 2023-24.

*See the accompanying note to the other supplementary information.*



**Fall River Joint Unified School District**  
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT  
 WITH AUDITED FINANCIAL STATEMENTS  
 Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Cafeteria Revenue Fund	Capital Facilities Fund	Special Reserve for Capital Projects Fund	Bond Interest and Redemption Fund
<b>Annual Financial and Budget Report Fund Balance</b>	\$ 10,211,350	\$ 217,424	\$ 49,460	\$ 31,146	\$ 360,938	
<b>Adjustments Increasing the Fund Balance</b>						
Understatement of cash and investments	515,523	1,989	2,589	1,631	18,894	
<b>Audited Financial Statements Fund Balance</b>	\$ 10,726,873	\$ 219,413	\$ 52,049	\$ 32,777	\$ 379,832	

*See the accompanying note to the other supplementary information.*

**Fall River Joint Unified School District**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2023

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>FEDERAL PROGRAMS</b>			
<b>U.S. Department of Education</b>			
<b>Passed Through California Department of Education</b>			
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER) Fund	84.425D	15547	\$ 167,077
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER) Fund	84.425D	15559	862,940
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER) Fund: Learning Loss Mitigator	84.425U	10155	145,957
COVID-19 - Expanded Learning Opportunities (ELO) Grant ESSER II State Reserves	84.425D	15618	65,934
COVID-19 - Expanded Learning Opportunities (ELO) Grant ESSER III Reserves, Learning Loss	84.425U	15621	154,163
COVID-19 - American Rescue Plan Homeless Children and Youth II	84.425	15566	2,568
<b>Total Education Stabilization Fund</b>			<b>1,398,639</b>
ESEA - Title I, Part A, Basic Grants Low-Income and Neglected	84.010A	14329	240,864
ESEA - School Improvement Funding for LEAs	84.010	15438	101,875
<b>Total Title I</b>			<b>342,739</b>
Special Education - IDEA Basic Local Assistance	84.027	13379	302,727
Vocational Programs - Vocational and Applied Technical Secondary IC, Section 131	84.048	14894	1,967
ESEA - Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	41,113
ESEA - Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	33,388
<b>Direct Program</b>			
Indian Education - Grants to Local Educational Agencies	84.060		34,572
<b>Total U.S. Department of Education</b>			<b>2,155,145</b>
<b>Subtotal Forward</b>			<b>\$ 2,155,145</b>

*See the accompanying note to the other supplementary information.*

**Fall River Joint Unified School District**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2023  
(Continued)

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>Subtotal Brought Forward</b>			<b>\$ 2,155,145</b>
<b>U.S. Department of Agriculture</b>			
<b>Passed Through California Department of Education</b>			
<b>Child Nutrition Cluster</b>			
School Breakfast	10.553	13390	104,819
National School Lunch	10.555	13391	406,059
Child Nutrition: Supply Chain Assistance (SCA) Funds	10.555	15655	42,273
<b>Nonmonetary Assistance</b>			
Food Donation	10.555		56,373
<b>Total Child Nutrition Cluster</b>			<b>609,524</b>
<b>Passed Through Shasta County Office of Education</b>			
Schools and Roads - Grants to Counties	10.666	10044	81,208
<b>Passed Through Modoc County Office of Education</b>			
Schools and Roads - Grants to Counties	10.666	10044	7,644
<b>Passed Through Lassen County Office of Education</b>			
Schools and Roads - Grants to Counties	10.666	10044	18,927
<b>Total U.S. Department of Agriculture</b>			<b>717,303</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 2,872,448</b>

*See the accompanying note to the other supplementary information.*

## **Fall River Joint Unified School District**

### **NOTE TO THE OTHER SUPPLEMENTARY INFORMATION**

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#### **PURPOSE OF SCHEDULES**

##### **Schedule of Charter Schools**

This schedule lists all charter schools sponsored by the District and indicates whether or not the charter school is included in the audit of the District.

##### **Schedule of Average Daily Attendance**

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

##### **Schedule of Instructional Time**

The District received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District met or exceeded its local funding formula target. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *California Education Code*, Sections 46200 through 46208.

##### **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.

##### **Reconciliation of Annual Financial and Budget Report With Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of each fund, as reported in the annual financial and budget report, to the audited financial statements.

##### **Schedule of Expenditures of Federal Awards**

This schedule includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

Expenditures reported on this schedule are reported on the modified basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

## **OTHER REPORTS SECTION**



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

To the Board of Trustees  
Fall River Joint Unified School District  
Burney, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fall River Joint Unified School District (the District) as of and for the year ended June 30, 2023; and the related notes to the financial statements, which collectively comprise the District's basic financial statements; and have issued our report thereon dated December 11, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control over financial reporting 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 may exist that have not been identified.

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

(Continued)

***Report on Compliance and Other Matters***

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

**Purpose of This Report**

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

*Horton McNulty & Gieteman, LLP*

December 11, 2023  
Chico, California



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

To the Board of Trustees  
Fall River Joint Unified School District  
Burney, California

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

#### ***Opinion on Each Major Federal Program***

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

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



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

(Continued)

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

(Continued)

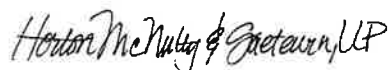
**Report on Internal Control Over Compliance**

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

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

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

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



December 11, 2023  
Chico, California



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

To the Board of Trustees  
Fall River Joint Unified School District  
Burney, California

### **Report on State Compliance**

#### ***Opinion on State Compliance***

We have audited the Fall River Joint Unified School District's (the District) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel as prescribed by Title 5, *California Code of Regulations*, Section 19810, applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, the District complied, in all material respects, with the laws and regulations of the state programs noted in the table on pages 88 and 89 for the year ended June 30, 2023.

#### ***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our 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 the District's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

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

(Continued)

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our compliance audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such procedures as we considered necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

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

(Continued)

June 30, 2023		Procedures Performed
<b>Local Education Agencies Other than Charter Schools:</b>		
A.	Attendance	Yes
B.	Teacher certification and misassignments	Yes
C.	Kindergarten continuance	Yes
D.	Independent study	No
E.	Continuation education	Yes
F.	Instructional time	Yes
G.	Instructional materials	Yes
H.	Ratios of administrative employees to teachers	Yes
I.	Classroom teacher salaries	Yes
J.	Early retirement incentive	No
K.	Gann limit calculation	Yes
L.	School accountability report card	Yes
M.	Juvenile court schools	Not Applicable
N.	Middle and early college high schools	No
O.	K-3 grade span adjustment	Yes
P.	Transportation maintenance of effort	Yes
Q.	Apprenticeship: Related and supplemental instruction	No
R.	Comprehensive school safety plan	Yes
S.	District of choice	No
TT.	Home to school transportation reimbursement	Yes
UU.	Independent study certification for ADA loss mitigation	Yes
<b>School Districts, County Offices of Education, and Charter Schools:</b>		
T.	California Clean Energy Jobs Act	No
U.	After/Before school education and safety program:	
	After school	No
	Before school	No
	General requirements	No
V.	Proper expenditure of education protection account funds	Yes
W.	Unduplicated local control funding formula pupil counts	Yes
X.	Local control and accountability plan	Yes
Y.	Independent study-course based	No
Z.	Immunizations	Yes
AZ.	Educator effectiveness	Yes
BZ.	Expanded learning opportunities grant (ELO-G)	Yes
CZ.	Career technical education incentive grant	Yes
EZ.	Transitional kindergarten	Yes

**INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON  
INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS**  
(Continued)

June 30, 2023		Procedures Performed
<b>Charter schools:</b>		
AA.	Attendance	No
BB.	Mode of instruction	No
CC.	Nonclassroom-based instruction/independent study	No
DD.	Determination of funding for nonclassroom-based instruction	No
EE.	Annual instructional minutes – classroom based	No
FF.	Charter school facility grant program	No

Testing was not performed for independent study (D) because the ADA for this program was below the level which requires testing.

District of choice (S) steps 2 and 3 were not performed because the board of the District did not elect to operate as a school district of choice. California Clean Energy Jobs Act steps 1 and 2 were not performed because the District did not have any expenditures during 2022-23 from California Clean Energy Jobs Act funds. California Clean Energy Jobs Act (T) step 4 was not performed because the District had no final completion reports due during 2022-23.

Since the District did not participate in the following programs during 2022-23 or the program is not applicable to school districts, all steps related to them were not performed:

- J. Early retirement incentive
- M. Juvenile court schools
- N. Middle and early college high schools
- Q. Apprenticeship: Related and supplemental instruction
- U. After/Before school education and safety program
- Y. Independent study-course based

Since the District did not sponsor any charter schools during 2022-23, all steps related to the following were not performed:

- AA. Attendance
- BB. Mode of instruction
- CC. Nonclassroom-based instruction/independent study
- DD. Determination of funding for nonclassroom-based instruction
- EE. Annual instructional minutes - classroom based
- FF. Charter school facility grant program

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

(Continued)

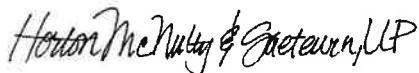
**Report on Internal Control Over Compliance for State Programs**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



December 11, 2023  
Chico, California

## **FINDINGS AND QUESTIONED COSTS SECTION**



**Fall River Joint Unified School District**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2023

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**SECTION I**  
**SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Is any noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major programs:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
AL No. 84.425 COVID-19 – Education Stabilization Fund (ESF)	
Threshold for distinguishing types A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**STATE AWARDS**

Internal control over state programs:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for state programs:	Unmodified

**Fall River Joint Unified School District**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2023  
(Continued)

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**SECTION II FINDINGS**  
**FINANCIAL STATEMENTS AUDIT**

None.

**SECTION III FINDINGS**  
**FEDERAL AWARDS AUDIT**

None.

**SECTION IV FINDINGS**  
**STATE AWARDS AUDIT**

None.

Not applicable: there are no current-year findings related to federal awards.

**Fall River Joint Unified School District**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2023

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**STATE COMPLIANCE (Independent Study)**  
40000 (2022-001)

**State Compliance**

**Condition** Four of six long-term independent study agreements selected for testing did not include all the required elements; the learning agreements were not signed or dated by all required parties. Upon further review of 100% of the long-term independent study agreements, it was discovered that 37 of 45 learning agreements were not signed and dated by either the student, parent, or educator (or combination thereof).

**Criteria** *California Education Code*, Section 51747 requires that learning agreements and supporting documents must be completely filled out, and be signed and dated by the required parties within the required timeframes.

**Effect** As a result of the missing signatures, average daily attendance (ADA) in the Second Period Report of Attendance (P-2) was overstated by 10.62 and ADA in the Annual Report of Attendance was overstated by 11.04. The P-2 and Annual Reports of Attendance will be amended to remove the disallowed ADA. There was no fiscal impact to these changes as the prior-year Second Period ADA was greater than the current-year ADA; therefore, pursuant to *California Education Code*, Section 42238.5, prior year Second Period ADA was utilized in calculating the entitlement under the Local Control Funding Formula.

Grade Span	TK/K-3	4-6	7-8	9-12	Totals
Second Period Report	1.83	2.85	1.58	4.36	10.62
Annual Report	1.61	2.44	1.91	5.08	11.04
Derived value of ADA by grade span	\$ 10,346.95	\$ 9,513.18	\$ 9,794.58	\$ 11,646.26	
Calculated derived value of ADA	\$ 18,935	\$ 27,113	\$ 15,475	\$ 50,778	\$ 112,301

**Cause** Lack of signatures was due to a misunderstanding of the requirement.

**Context** The disallowance noted above relates to testing 100% of the population. Based on the prevalence of the noncompliance, this appears to be a systematic issue due to the misunderstanding of the requirement.

**Repeat Finding** No, this is not a repeat finding.

**Recommendation** We recommend that the District amend the P-2 and Annual Attendance School District reports to exclude the ADA noted above, and implement policies and procedures to comply with the provisions of *California Education Code*, Section 51747.

**Current Status** Fully implemented.

**Fall River Joint Unified School District**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2023  
(Continued)

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**LOCAL CONTROL ACCOUNTABILITY PLAN**  
62000 (2022-002)

**State Compliance**

**Condition** The District did not maintain supporting documents that the local control and accountability plan or approved annual update was presented to the parent advisory committee in accordance with *California Education Code*, Section 52062(a)(1) nor was it presented to the English learner parent advisory committee in accordance with *California Education Code*, Section 52062(a)(2).

**Criteria** *California Education Code*, Section 52062(a)(1) and 52062(a)(2) requires that the school district shall present the local control and accountability plan or approved annual update to the parent advisory and the English learner parent advisory committee, respectively, for review and comment.

**Effect** The District is not in compliance with the requirements established by *California Education Code*, Section 52062(a)(1) nor 52062(a)(2).

**Cause** The District could not locate meeting minutes or other supporting documents for the presentation to the parent advisory committee nor the English learner parent advisory committee.

**Repeat Finding** No, this is not a repeat finding.

**Recommendation** We recommend that the District maintain documentation to support the presentation of the local control and accountability plan or approved annual update to both the parent advisory committee and the English learner parent advisory committee to support compliance with *California Education Code*, Section 52062(a)(1) and Section 52062(a)(2), respectively.

**Current Status** Fully implemented.

**Fall River Joint Unified School District**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2023  
(Continued)

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**STATE COMPLIANCE (Expanded Learning Opportunities Grant: ELO-G)**  
40000 (2022-003)

**State Compliance**

**Condition** The District's Board of Directors approved the Expanded Learning Opportunities Grant (ELO-G) plan on May 12, 2021. The plan was submitted to the Shasta County Office of Education on May 21, 2021.

**Criteria** Pursuant to *California Education Code*, Section 43522(e), the District is required to submit the ELO-G plan to the county office of education within five days of adoption.

**Effect** The District was not in compliance with the provisions of *California Education Code*, Section 43522(e).

**Cause** The District inadvertently missed the five day timeline to submit the ELO-G plan.

**Context** As this was a one-time requirement, there are no on-going implications.

**Repeat Finding** No, this is not a repeat finding.

**Recommendation** No action is required as the District has already submitted the ELO-G plan, albeit a few days late. We recommend that the District closely monitor compliance requirements, particularly with new funding sources.

**Current Status** The provisions of *California Education Code*, Section 43522(e) applied only to the 2021-22 fiscal year, therefore, no follow up is applicable.