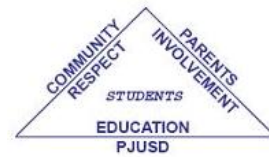


# Pierce Joint Unified School District

P.O. Box 239 • Arbuckle CA 95912 • (530) 476-2892 • Fax (530) 476-2289

Carol Geyer, Superintendent



17-18:

DATE POSTED: December 14, 2017

## PIERCE JOINT UNIFIED SCHOOL DISTRICT Citizens' Bond Oversight Committee for Measure B

Information Technology Building, Pierce High School 960 Wildwood Road, Arbuckle CA 95912  
Monday, December 18, 2017  
8:30 AM

1. **CALL TO ORDER** Time: \_\_\_\_\_

2. **ROLL CALL FOR**

	Present	Absent
Mike Doherty (Chair)	_____	_____
Barbara Scheimer	_____	_____
Chuck Wayman	_____	_____
Ariel Alonso	_____	_____
Joh Lauwerijssen	_____	_____
Ellen Voorhees	_____	_____
Edella Maldonado	_____	_____

3. **PLEDGE OF ALLEGIANCE**

4. **APPROVAL OF AGENDA**

Motion by \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_ Abstentions \_\_\_\_\_

5. **COMMUNITY INPUT/PRESENTATIONS/PUBLIC HEARING**

This is the time for members of the public to address the Citizens' Oversight Committee on any matters of general interest within the Committee's jurisdiction that are not on the agenda. In accordance with the provisions of the Ralph M. Brown Act, the Committee may refer to the Administration on any matters that are brought before them at this time, and the matter may be placed on future agenda. Please note that the Committee Members may ask limited questions for clarification on a subject not on the agenda, but may not discuss the subject or take any action. All remarks must be kept to a maximum of five minutes per person on a given topic (Government Code 54954.2)

6. **DISCUSSION ITEMS**

- Quarterly Progress Report – Executive Summary** – George Parker
- Attachment A - Draft Meeting Minutes for September 18, 2017**
- Attachment B - 2017 Bond Audit Report** – James Marta & Company LLP
- Attachments C & D - Program Updates**

Board of Trustees: Abel Gomez • John Friel • Nadine High • George Green • Amy Charter  
*President Vice-President Clerk Member Member*

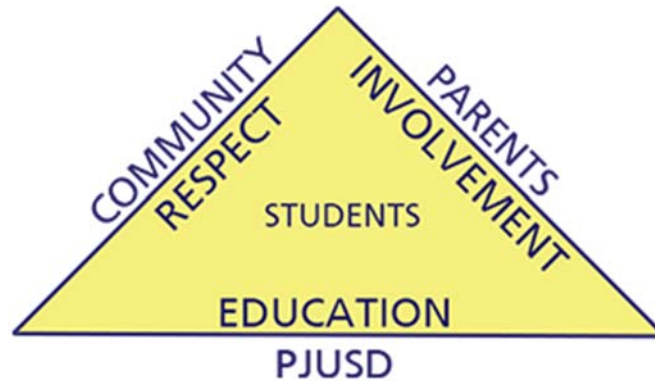
7. **FUTURE BUSINESS**

- a. Next COC Meeting Date

8. **ADJOURNEMENT**

Motion by\_\_\_\_\_ Second \_\_\_\_\_ Vote\_\_\_\_\_ Abstentions \_\_\_\_\_

# PIERCE JOINT UNIFIED SCHOOL DISTRICT



## Measure B Bond Quarterly Program Progress Report

Reporting Period:  
June 30 through November 30, 2017

Prepared by: G. Parker – Capital Projects Manager

## TABLE OF CONTENTS

- Executive Summary Pages 3-5
- Program Updates: Pages 6-9
  - Pierce High School
  - Lloyd Johnson Middle School
  - Arbuckle Elementary School
  - Grand Island Elementary School
- Attachments:
  - Previous Meeting Minutes Attachment A
  - 2017 Bond Audit Report Attachment B
  - Program Cost Summary Attachment C
  - Project Listing Matrix Attachment D

The information contained herein is effective as of November 30, 2017, and only includes projects in “Active” status. All information is subject to change and/or revision by the Measure B Bond Program requirements.



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## EXECUTIVE SUMMARY

### I. Executive Summary

Since the last progress update report to the Measure B Citizens' Oversight Committee held on September 18, 2017, the District added a new staff member to the Measure B Bond Program. George Parker has been hired to assist in the day to day management and execution of the District's Capital Bond Projects. Mr. Parker began working with the District on October 18<sup>th</sup> and has made quick work on learning the elements of the Measure B Program. Mr. Parker has provided an overview of his experiences in managing General Obligation Bonds for your information.

On November 16, 2017, a representative from James Marta & Company LLP provided the Governing Board information relating to the independent audit and report of the Measure B General Obligation Bond Series 2016 expenditures through Fiscal Year ending June 30, 2017. On May 4, 2017 the District issued Measure B Series A General Obligation Bonds in the principal amount of \$ 7,000,000. The report provides information to the examination of all Bond expenditures of these funds in accordance with the voter approved Bond language and other governmental accounting standards. As part of the Proposition 39 voter initiative (*Education Code 15278*), the Citizens' Oversight Committee is established to provide accountability for the expenditures (*CBOC Bylaws, 3.2*) of bond proceeds that were approved by the voters (Measure B) on November 8, 2016. The full report is provided as Attachment B.

Work continues on Pierce High School's new multi-purpose building with the majority of rough framing completed. Work is on schedule in spite of recent inclement weather. The contractor (Simile Construction) expected that by the end of this calendar year the building will be "dried -in" with work continuing with all other trade work inside without fear of weather delays. The project has an expected completion date of June 30<sup>th</sup> of 2018.

Other projects for the Pierce High School Campus continue through the design development phases with programming meetings with stakeholders. These projects include; Girls locker room addition in Bldg. B, Main Gym Lobby and Weight Room Additions and the modernization of the existing kitchen and cafeteria into a New Culinary Arts space. Discussions continue around the State Career Technical Grant Program to see if any of the District's vocational education (Agricultural Sciences) programs may benefit from a combined project submission.



---

## EXECUTIVE SUMMARY

Staff has conducted a Districtwide roof survey and identified three buildings requiring expedited replacement. These roofs are at Pierce HS, Johnson MS and Arbuckle ES.

At Arbuckle Elementary, the District's Architect (Sommers Architects) has produced 50% Construction Documents for the District's review and comment. The District has seen a recent increased cost escalation in the building industry due to numerous natural disasters, additional consideration of pre-manufactured classroom buildings are underway. The District took a field trip to a nearby District to observe a few of these types of classrooms and to inquire from instructors on how they like the teaching spaces. The District will decide on the best option to pursue based on "best value" to the students and community. Work is still being targeted for summer of 2018 with an expected completion of December 2018.

## II. Contracts and Procurement

During this period the District continued the process of finalizing contracts and agreements for various professional services as approved by the Board of Trustees.

### Agreements for Architect/Engineer Services:

- No agreements or Modifications were executed during the reporting period.

### Professional Services Agreement (PSA)

As required pursuant to the CA Public Contract Code and District Policies, the District has or may subsequently, enter into more than one agreement with individual firms for separate and related services. This is the result of specifically distinct solicitation and procurement efforts being undertaken by the District for each particular service or scope of work. This process has continued during this reporting period. The District has entered into professional services for those listed below during this reporting period and is provided for information of expected Measure B Bond expenditures.

- *Terracon Consultants, Inc.* – P.O. Agreement – Geotechnical Engineering Services – AES-01, Classroom Additions and Portable Relocations at Arbuckle Elementary School
- *B&B Locating, Inc.* – Professional Services Agreement – Underground utility locating services – AES-01, Classroom Additions and Portable Relocations at Arbuckle Elementary School



## EXECUTIVE SUMMARY

- *Terracon Consultants, Inc.* – P.O. Agreement - Geotechnical Engineering Services – PHS-03 & PHS-06, Second Locker Room (Girls) and Weight Room Modernization at Pierce High School
- *ESS Environmental* - Professional Services Agreement – Hazardous Materials Survey & Sampling – PN 17-04, Roof Replacement at (3) District Sites

### Solicitations:

- Invitation for Bids, PN 17-04, Roof Replacement at (3) District Sites, presented for award to Governing Board on December 14, 2017 - \$559,237  
Contractor: Rua & Son Mechanical of Rocklin CA (*Non Bond Funded Project*)

### III. Planning/Design/Pre-Construction:

*District Stakeholder Group Committees* – Meetings continue each month to maintain active stakeholder participation for each project. Below are the listings of the various user planning groups and the associated projects:

Pierce HS – PHS - 03, Girls Locker Room Addition & Gym Lobby/Restroom Modernization  
PHS - 04, Modernization of Existing Kitchen and Cafeteria (Culinary Arts)  
PHS – 06, Weight Room Modernization  
PHS – 08, Farm Expansion  
PHS – 09, Agricultural Education Center

Arbuckle ES – AES - 01, Classroom Additions & Portable Building Relocations  
AES – 02, Kitchen Modernization

District Wide - DM – 01, Deferred Maintenance at All Sites  
DM – 02, Infrastructure Upgrades at AES & PHS  
Standards Development (Paint Color, Instructional Technology, etc.)

### IV. Program Controls:

**Cost Report** – Program Cost Summary Report (Attachment C) was created using the District Cost Report dated November 30, 2017, and is reflective of all bond costs expended to date through November 30, 2017.

**Scheduling** – The attached schedule (Master Summary Schedule and Detailed Program Schedule) will be updated periodically, per Measure B Bond Program requirements.

**Project Listing** – The attached Project Listing Matrix (Attachment D) provides an at-a-glance look at the current status, by phase, for all projects.

**Budgets** - Total Project Budgets reflect the Board of Trustees approved Bond Program Budget Update as presented on December 14, 2017.



**PROJECT UPDATES**

**PIERCE HIGH SCHOOL – Multi-purpose Bldg.**



*Rough Framing*

**Project Description:**

The intent of this project is to provide a permanent expanded facilities for student dining and multi-use needs. The new 8,875 S.F. multi-purpose building began construction in August of 2017. Within this facility a 2,600 S.F. Commercial kitchen is being planned that will be able to prepare sufficient meals for the entire District. The building, situated in the center of campus, has deep architectural ties to the surrounding campus structures. The main multi-use room is 4,485 S.F. which can comfortably accommodate approximately 300 students (non-seated using 15 SF/person ratio).

As of this report:

Completed This Period	Activity Planned for Next Period
<ul style="list-style-type: none"><li>* Foundation Placed</li><li>* Underground/Site Work</li><li>* Rough Framing Begins</li><li>* Rough-in for Fire Sprinklers Begins</li><li>* Rough-in Mechanical Systems Begins</li><li>* Roofing System Begins</li></ul>	<ul style="list-style-type: none"><li>* Roofing Completed</li><li>* Rough MEP/Completed</li><li>* Building Envelop Started</li></ul>





**PROJECT UPDATES**

**PHS, LJMS & AES – Roof Replacement Project (Non Measure B Bond Project)**

**Project Description:**

The intent of this project is to provide immediate roof replacement to three District Buildings located at Pierce HS (Bldg. B), Lloyd Johnson MS (Bldg. 300,500, 600 & 800) and Arbuckle ES (Bldg. 300). The total areas planned of replacement equals 34,000 S.F. and will provide additional service life for these structures. District has merged with TREMCO Manufacturing in developing roofing criteria that will be utilized as a District Standard bringing a 20-year minimum service life for all roofs.

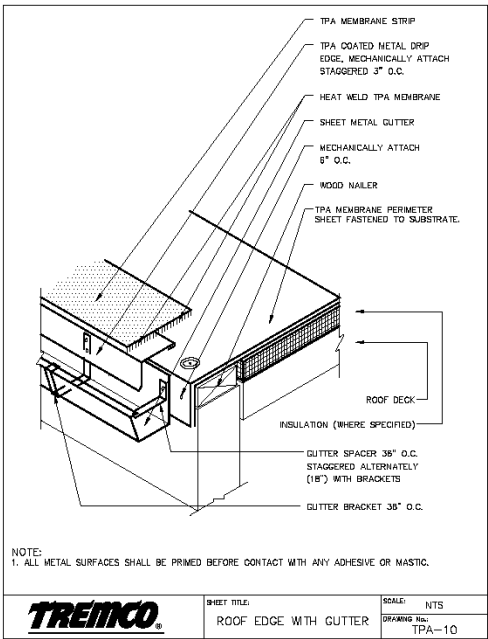
As of this report:

**Completed This Period**

- \* Roof Survey Analysis Completed
- \* Project Design Completed
- \* Procurement Bidding Completed
- \* Award of Contract
- \* Contractor Begins Mobilization
- \* Re-Roofing Begins

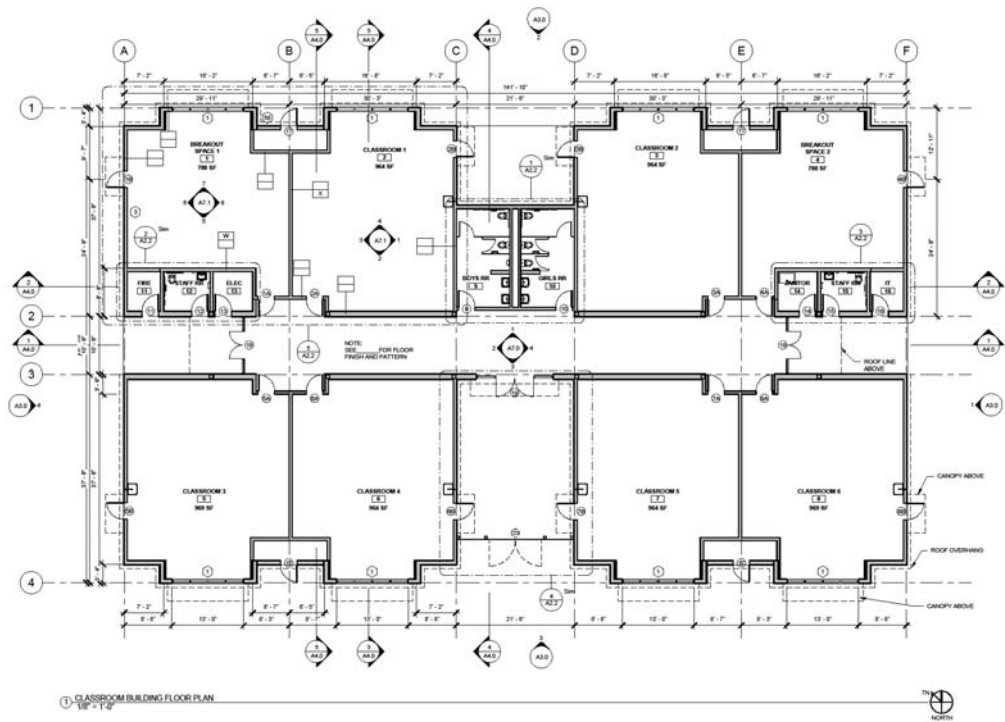
**Activity Planned for Next Period**

- \* Roofing Completed at Bldg. B - PHS
- \* Roofing Continuing at LJMS
- \* Roofing Continuing at AES



**PROJECT UPDATES**

**ARBUCKLE ELEMENTARY SCHOOL – New Classroom Additions & Portable Relocations**



*Architect's Conceptual Floor Plan*

**Project Description:**

The intent of this project is to replace 8 existing portable classroom buildings with one single building with 8 classrooms. This project will provide permanent instructional facilities for students and create a connected environment for these new spaces. The proposed 9,500 S.F new facility will be located along the East edge of campus and be self-contained with its own restroom facilities.

As of this report:

Completed This Period	Activity Planned for Next Period
<ul style="list-style-type: none"><li>* Program Planning for Interior Spaces</li><li>* Underground Utility Located</li><li>* 50% Construction Documents</li><li>* Field Trip to Corning USD (Gen 7 Bldgs.)</li><li>* Final Site Plan Planning</li></ul>	<ul style="list-style-type: none"><li>* Construction Documents Completed</li><li>* Increment 1, Site Work – DSA Submittal</li><li>* Increment 2, Bldg. Plans – DSA Submittal</li></ul>



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**PROJECT UPDATES**

**ARBUCKLE ELEMENTARY SCHOOL -**

AES 02 - Kitchen Remodel/Modernization

Project Schematic Design Completed, Design Development Continuing

AES 03 - Joint Use w/County Library

Project Development on hold

**GRAND ISLAND ELEMENTARY SCHOOL -**

GIES 01 - Roof Replacement Project

Project Schematic Design not yet begun

**PIERCE HIGH SCHOOL –**

PHS 03 - Second Locker Room Addition (Bldg. B)

Schematic Design Completed, Design Development Continuing

PHS 04 – Modernization of Existing Cafeteria (Bldg. A)

Schematic Design Completed, Design Development Continuing

PHS 05 – Replacement of Existing Portable Classrooms

Project Development on hold

PHS 06 – Weight Room Modernization

Schematic Design Completed, Design Development Continuing

PHS 07 – Career Center Addition at Small Gym

Project Development on hold

PHS 08 – Farm Expansion

Program Needs Assessment On-going

PHS 09 – Agricultural Education Center

Program Needs Assessment On-going

PHS 10 – Modernization of Historic Main Bldg. (Bldg. A)

Project Development on hold



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**ATTACHMENTS**

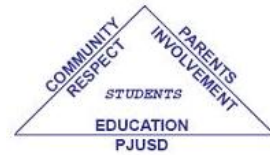
- Attachments:
  - Previous Meeting Minutes Attachment A
  - 2017 Bond Audit Report Attachment B
  - Program Cost Summary Attachment C
  - Project Listing Matrix Attachment D



# *Pierce Joint Unified School District*

P.O. Box 239 • Arbuckle CA 95912 • (530) 476-2892 • Fax (530) 476-2289

Carol Geyer, Superintendent



Pierce Joint Unified School District  
Citizens' Bond Oversight Committee for Measure B Meeting Minutes  
Monday, September 18, 2017

Members Present: Mike Doherty, Barbara Scheimer, Chuck Wayman, Ariel Alonso, Joh Lauwerijssen, Ellen Voorhees, and Edella Maldonado

Others Present: Carol Geyer, Daena Meras

1. Meeting was called to order by chairman, Mike Doherty at 8:33 a.m. in the Pierce Technology Building at 940A Wildwood Road, Arbuckle
2. Approval of the Agenda – Chuck Wayman made a motion to approve the agenda, Edella Maldonado seconded the motion. Voting Aye: Mr. Lauwerijssen, Ms. Alonso, Mr. Wayman, Ms. Scheimer, Mr. Doherty, Ms. Maldonado and Ms. Voorhees. Voting No: None Absent: None
3. Hearing of the Public – none
4. Approval of June 19, 2017 Citizens' Bond Oversight Committee Meeting Minutes. Motion made by Joh Lauwerijssen and seconded by Ariel Alonso. Voting Aye: Mr. Lauwerijssen, Ms. Alonso, Mr. Wayman, Ms. Scheimer, Mr. Doherty, Ms. Maldonado and Ms. Voorhees. Voting No: None Absent: None
5. Current Bond Projects – Carol Geyer reported that the remodeling of the junior high school was complete. This project was not funded through the bond. She went on to talk about the progress of the new Pierce High School Multi-purpose Room construction which is a bond funded project. Daena Meras talked about the payment structure and that payments toward the project are made about once a month.

Carol explained about the future projects that the district is working on including building a new classroom wing at Arbuckle Elementary and modernizing the existing cafeteria at Pierce High School. Both of these projects are slated to begin in June of 2018. The district is still awaiting the release of state bond funds that can be used toward these projects.

Other bond projects slated for the district include building a new locker room at Pierce High School. This would entail tearing down the existing locker room and building both a male and female locker room in its place. Modernizing the lobby of the existing gym would be planned for this same project including remodeling of the bathrooms in that area. A PE classroom is part of the planned projects too. These projects could possibly begin in the Spring of 2019.

6. The meeting was adjourned at 9:00 a.m. by chairman, Mike Doherty

The next meeting is scheduled for December 18 at 8:30 a.m. in the Technology Building

**Board of Trustees:** **Abel Gomez** • **John Friel** • **Nadine High** • **George Green** • **Amy Charter**  
*President Vice-President Clerk Member Member*



# **ATTACHMENT B**

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**

**MEASURE B  
GENERAL OBLIGATION BONDS  
SERIES 2016  
BUILDING FUND**

**COUNTY OF COLUSA  
ARBUCKLE, CALIFORNIA**

**FINANCIAL AND PERFORMANCE AUDIT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

**JAMES MARTA & COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

**701 HOWE AVENUE, E3  
SACRAMENTO, CA**

**(916) 993-9494  
(916) 993-9489 FAX  
WWW.JPMCPA.COM**

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
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**James Marta & Company LLP**  
***Certified Public Accountants***

***Accounting, Auditing, Consulting, and Tax***

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**INDEPENDENT AUDITOR'S REPORT**

Citizen's Oversight Committee  
and Governing Board  
Pierce Joint Unified School District  
Arbuckle, California

**Report on the Financial Statements**

We have audited the accompanying Balance Sheet of Pierce Joint Unified School District (the District), Measure B General Obligation Bonds Series 2016 Building Fund (the Fund), and the related statement of revenues, expenditures, and changes in fund balance as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements.

**Managements Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

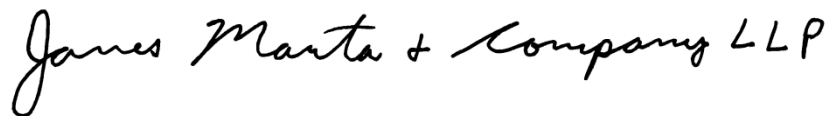
In our opinion, the fund financial statements referred to above present fairly, in all material respects, the financial position of the Pierce Joint Unified School District Measure B General Obligation Bonds Series 2016 Building Fund as of June 30, 2017 and the results of its operations the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

As discussed in Note 1, the financial statements referred to above present only the individual Measure B General Obligation Bonds Series 2016 Building Fund and are not intended to present fairly the financial position and results of operations of the District in conformity with generally accepted accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2017 on our consideration of the fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

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

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 8, 2017

## **BASIC FINANCIAL STATEMENTS**

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**BALANCE SHEET**  
**JUNE 30, 2017**

---

**ASSETS**

Cash and cash equivalents	\$ 6,723,837
Accounts receivable	7,511
Due from other funds	<u>16,740</u>
Total Assets	<u>\$ 6,748,088</u>

**LIABILITIES AND  
FUND BALANCES**

Liabilities	
Accounts payable	<u>\$ 25,853</u>
Total Liabilities	<u>25,853</u>
Fund balances	
Restricted for Measure B projects	<u>6,722,235</u>
Total Fund Balances	<u>6,722,235</u>
Total liabilities and fund balances	<u>\$ 6,748,088</u>

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

---

**REVENUES**

Other local revenues	\$ 7,511
Total revenues	<u>7,511</u>

**EXPENDITURES**

Services and other operating expenditures	228,813
Capital outlay	<u>56,463</u>
Total expenditures	<u>285,276</u>

Excess (deficiency) of revenues over expenditures	(277,765)
--	-----------

**OTHER FINANCING SOURCES (USES)**

Proceeds from Sale of Bonds	<u>7,000,000</u>
Total other financing sources (uses)	<u>7,000,000</u>

Net change in fund balances	6,722,235
-----------------------------	-----------

Fund balances, July 1, 2016	<u>-</u>
-----------------------------	----------

Fund balances, June 30, 2017	<u><u>\$ 6,722,235</u></u>
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**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The accounting policies of the Measure B General Obligation Bonds Series 2016 Building Fund (the Fund) of Pierce Joint Unified School District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

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

On May 4, 2017, the District issued Measure B Series A General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$7,000,000 for the purpose of financing the renovation, construction and improvement of school facilities and to pay certain costs of issuance associated therewith. The Series A bonds were the first series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. Subsequent to the issuance of the Series A bonds, \$8,000,000 aggregate principal amount of bonds will remain for issuance pursuant to the Authorization.

The Bonds were authorized at an election within the District held on November 8, 2016 (the "Election") at which at least fifty-five percent of the registered voters voting on the proposition voted to authorize the issuance and sale of \$15,000,000 aggregate principal amount of general obligation bonds of the District (the "Authorization"). Because the Bond required only 55% of the vote in accordance with Proposition 39 (Article XIII of the California State Constitution), the District was required to establish a citizen's bond oversight committee and to conduct a financial and performance audit.

The Committee's oversight goals include ensuring expenditures are within the language of the ballot measure and advising the District's Governing Board on various projects. The citizens' oversight committee must include, among others, representation of a bona fide taxpayers association, a business organization and a senior citizens organization. No district employees or vendors are allowed to serve on the citizens' oversight committee.

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**A. REPORTING ENTITY(CONTINUED)**

The fund financial statements presented are for the Measure B General Obligation Bonds Series 2016 Building Fund. Since this is just one component of the District these financial statements are not intended to be a complete presentation of the District's financial position or results of operations. Accordingly, these fund statements do not include a government wide financial statement, management discussion and analysis or related organizational disclosures. The audited financial statements of Pierce Joint Unified School District include the Measure B General Obligation Bond Building Fund activities, related debt and disclosures as well as the management discussion and analysis.

**B. FUND ACCOUNTING**

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

The proceeds from the sale of general obligation bonds and the subsequent expenditure of the bond funds are accounted for in the Building fund of the District. Any premium received from the sale of the bonds is deposited in the Bond Interest and Redemption Fund of the District.

**C. ACCOUNTING POLICIES**

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

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)**

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

**E. BUDGETS AND BUDGETARY ACCOUNTING**

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

**F. ENCUMBRANCES**

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

**G. DEPOSITS AND INVESTMENTS**

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

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq.

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

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

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**H. CAPITAL AND LONG-TERM DEBT**

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the General Obligation Bond Building Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and liabilities are generally included on the balance sheet.

The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Measure B General Obligation Bond Building Fund are accounted for in the basic financial statements of the District.

**I. FUND BALANCE – GOVERNMENTAL FUNDS**

As of June 30, 2017, fund balances of the Measure B General Obligation Bond Building Fund are classified as restricted. Restricted funds can only be spent for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**J. USE OF ESTIMATES**

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



**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2017 consist of \$6,723,837 cash in the county treasury.

**A. Policies and Practices**

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

**B. Cash in County Treasury**

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

Cash in County Treasury consists of District cash held by the Colusa County Treasury that is invested in the county investment pool. The Treasury permits negative cash balances so long as the District's total cash in county treasury has a positive balance.

The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The weighted average maturity of the pool is 371 days. The pool is rated AAA by Standard and Poor's.

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
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**BUILDING FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**2. CASH AND INVESTMENTS (CONTINUED)**

**B. Cash in County Treasury (Continued)**

Investments' fair value measurements at June 30, 2017 are as follows:

Description	Level 1	Level 2	Level 3	Total
US Agency, Treasury & Municipal Notes (USATM):				
US Treasury Notes:	\$ 792,295	\$ -	\$ -	\$ 792,295
LAIF	3,499,610	2,431,932	-	5,931,542
Total	4,291,905	2,431,932	-	6,723,837

**C. Investment Risks**

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

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**3. MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**

The authorized issuance amount of the bonds is \$15,000,000. On May 4, 2017, the District issued Measure B Series A General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$7,000,000 for the purpose of financing the renovation, construction and improvement of school facilities and to pay certain costs of issuance associated therewith. See table below of how the proceeds of the bond were applied.

Series A

The proceeds of the Bonds were applied as follows:

*Sources of Funds*

Principal Amount of Bonds	\$ 7,000,000
Net Original Issue Premium	559,431
Total Sources	<u>\$ 7,559,431</u>

*Uses of Funds*

Deposited to Building Fund	\$ 6,850,000
Deposited to Debt Service Fund	480,618
Cost of Issuance	228,813
	<u>\$ 7,559,431</u>

The Bonds are payable from the proceeds of *ad valorem* property taxes which the Board of Supervisors of the Colusa County are obligated to levy and collect on all taxable property in the District for the payment of principal and interest on the Bonds when due. The bonds consist of serial bonds bearing various fixed interest rates from 2% to 5% and mature in staggered amounts each year starting in August 1, 2017 up through August 1, 2046.

**4. COMMITMENTS AND CONTINGENCIES**

As of June 30, 2017, the Building Fund had the following commitments with respect to unfinished capital projects:

<b>Project Name</b>	<b>Initial Committed Balance</b>	<b>Expenditures to Date</b>	<b>Committed Balance at June 30, 2017</b>
Pierce High School-Multi-Purpose Room	\$ 3,880,000	\$ -	\$ 3,880,000

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**5. SUBSEQUENT EVENTS**

District management evaluated its June 30, 2017 financial statements for subsequent events through November 8, 2017, the date these financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

## **SUPPLEMENTARY INFORMATION**

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**FULL TEXT OF BOND MEASURE**

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Upon the passage of Measure B, the Pierce Joint Unified School District (the “District”) shall be authorized to issue bonds in the aggregate amount of \$15,000,000, bearing interest at rates not exceeding the statutory limit, for the purpose of funding the school facilities projects listed below under the heading “Bond Project List”.

**Bond Project List**

The Bond Project List below describes the specific projects the Pierce Joint Unified School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Trustees cannot determine the amount of bond proceeds available to be not spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals or appropriation by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed.

Unless otherwise noted, the projects in the Bond Project List are authorized to be completed at each or any of the District's sites, as shall be approved by the Board of Trustees:

- Replace outdated heating, ventilation and air-conditioning systems
- Make health, safety and handicapped accessibility improvements
- Modernize, construct, and or renovate classrooms, restrooms, and school facilities
- Repair or replace leaky roofs
- Replace deteriorating plumbing and sewer systems
- Upgrade inadequate electrical systems
- Improve student access to computers and modern technology
- Construct a new Agriculture and Education Center
- Upgrade playgrounds, play structures and P.E./athletic fields and facilities for school and community use
- Make energy efficiency improvements to reduce utility costs, including windows and lighting
- Replace existing wiring systems to meet current electrical and accessibility codes and increased capacity
- Replace temporary portables with permanent classrooms
- Upgrade, construct and or equip labs, multipurpose rooms, food service facilities, cafeterias and other school facilities

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**

**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**

**BUILDING FUND**

**FULL TEXT OF BOND MEASURE**

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- Federal and State-mandated Occupational Safety & Health Administration (OSHA) Safety upgrades including playground equipment replacement
- All Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades including site access, parking, staff and student restrooms, relocation of some existing electrical devices, drinking fountains, playground equipment, etc.
- Upgrade school site parking, roadways, utilities and grounds
- Improve student safety at drop-off and pick-up areas
- Abate and remove hazardous materials identified prior or during construction
- Repair, replace and/or upgrade paved surfaces, turf, and other grounds to eliminate safety hazards

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the list also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; repair and replacement of heating and ventilation systems; upgrade of facilities for energy efficiencies; repair and replacement of worn- out and leaky roofs, windows, walls, doors and drinking fountains; installation wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrades or construction of support facilities, including administrative, physical education/athletic facilities and performing arts buildings and maintenance yards; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing of hard courts, pools, turf and irrigation systems and campus landscaping and play fields; expand parking; install interior and exterior painting and floor covering; demolition; and construction of various forms of storage and support spaces, upgrade classrooms, bleachers, kitchens, repair, upgrade and install interior and exterior lighting systems; replace outdated security fences and security systems. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment and software. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District will not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District, such as gyms, fields and performing arts facilities, may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as

**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**FULL TEXT OF BOND MEASURE**

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plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects and the costs of issuing the bonds. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

**Accountability Safeguards**

The provisions in this section are specifically included in this proposition in order that the District's voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Limitation on Use of Bond Proceeds. The State of California does not have the power to take locally approved school district bond funds for any State purposes. The Constitution allows proceeds from the sale of bonds authorized by this proposition to be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities listed in this proposition, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff only when performing work on or necessary and incidental to the bond projects.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an independent Citizens' Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date on which the Board of Trustees enters the election results on its minutes.

Annual Performance Audits. The Board of Trustees shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Bond Project List.



**PIERCE JOINT UNIFIED SCHOOL DISTRICT**  
**MEASURE B GENERAL OBLIGATION BONDS SERIES 2016**  
**BUILDING FUND**  
**FULL TEXT OF BOND MEASURE**

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Annual Financial Audits. The Board of Trustees shall conduct an annual, independent financial audit of the bond proceeds (which shall be separate from the District's regular annual financial audit) until all of those proceeds have been spent for the school facilities projects listed in the Bond Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Trustees shall take actions necessary pursuant to Government Code Section 53410 and following to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent or the Chief Business Official of the District (or such other employee as may perform substantially similar duties) shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31 of the year in which bonds are first issued, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as such officer shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

**Further Specifications**

Specific Purposes. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and shall constitute the specific purposes of the bonds, and proceeds of the bonds shall be spent only for such purposes, pursuant to Government Code Section 53410.

Joint Use. The District may enter into agreements with the County of Colusa, County of Yolo, or other public agencies or nonprofit organizations for joint use of school facilities financed with the proceeds of the bonds in accordance with Education Code Section 17077.42 (or any successor provision). The District may seek State grant funds for eligible joint-use projects as permitted by law, and this proposition hereby specifies and acknowledges that bond funds will or may be used to fund all or a portion of the local share for any eligible joint-use projects identified in the Bond Project List or as otherwise permitted by California State regulations, as the Board of Trustees shall determine.

Rate of Interest. The bonds shall bear interest at a rate per annum not exceeding the statutory maximum, payable at the time or times permitted by law.

Term of Bonds. The number of years the whole or any part of the bonds are to run shall not exceed the legal limit, though this shall not preclude bonds from being sold which mature prior to the legal limit.

## **OTHER INDEPENDENT AUDITOR'S REPORTS**



**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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

**INDEPENDENT AUDITOR'S REPORT**

Citizen's Oversight Committee  
and Governing Board  
Pierce Joint Unified School District  
Arbuckle, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the Measure B General Obligation Bonds Series 2016 Building Fund of Pierce Joint Unified School District (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Measure B General Obligation Bonds Series 2016 Building Fund financial statements, and have issued our report thereon dated November 8, 2017.

**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) to determine the 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 Measure B General Obligation Bond Series 2016 Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Measure B General Obligation Bond Series 2016 Building Fund internal control.

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

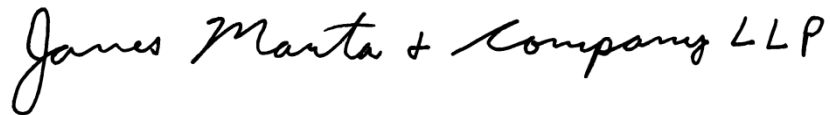
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Measure B General Obligation Bond Series 2016 Building Fund financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

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

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 8, 2017



**INDEPENDENT AUDITOR'S REPORT  
ON MEASURE B BOND PERFORMANCE**

Citizen's Oversight Committee  
and Governing Board Measure B  
General Obligation Bonds Building Fund  
Pierce Joint Unified School District  
Arbuckle, California

We have audited the financial statements of the Measure B General Obligation Bonds Building Fund of the Pierce Joint Unified School District (the "District") as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated November 8, 2017. Our audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we also performed an audit for compliance as required in the performance requirements for the District's Measure B general obligation bonds for the fiscal year ended June 30, 2017. We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion.

Accordingly, we do not express an opinion on the effectiveness of the District's Measure B Building Fund internal control.

The objective of the examination of compliance applicable to the District is to determine with reasonable assurance that:

- The proceeds of the sale of the Measure B general obligation bonds were only used for the purposes set forth in the ballot language and not for any other purpose.

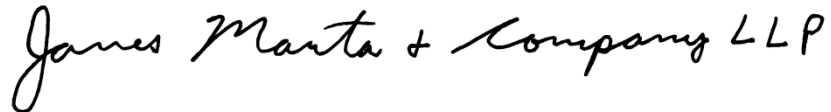
To meet our objectives, audit tests were performed and included, but were not limited to, the following:

1. We reviewed the bond sale transactions and determined all bond proceeds were deposited into the appropriate District funds and/or bond trustee accounts.
2. We reviewed expenditures made from the bond proceeds and determined that the bond funds were spent only on projects identified in the ballot measure.
3. We reviewed expenditures made from the bond proceeds and determined that the bond funds were used only for the purpose of funding the school facilities projects listed in the full text of the measure under the heading "School Facilities Projects to Be Funded with Proceeds of Bonds" (the "Bond Project List").
4. We reviewed the accounting system and account codes used by the District, and determined that they provided an adequate system for tracking bond fund expenditures by project.

Our audit of compliance was made for the purposes set forth in the preceding paragraph and would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied with the requirements of the Measure B General Obligation Bonds Building Fund proceeds listed and tested above.

This report is intended solely for the information and use of the Governing Board, the Citizen's Oversight Committee, and management of the District, and is not intended to be and should not be used by anyone other than these specified users.

A handwritten signature in black ink that reads "James Marta & Company LLP". The script is fluid and cursive, with the "J" and "M" being particularly large and stylized.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 8, 2017

PIERCE JOINT UNIFIED SCHOOL DISTRICT  
MEASURE B BOND PROGRAM  
COST SUMMARY

PROJECT NO.	PROJECT	Current Project Budget	State Share (Unfunded)	Total Estimated Construction Costs	Obligations/ Commitments to Date	Paid to Date	Open Encumbrance	% Obligated	% Complete	Notes
	<b>STARTING BOND VALUE (Series A - \$7,000,000)</b>	<b>\$ 7,559,430.85</b>			<b>\$ 559,430.85</b>					Excess Funds Moved to Debt Service Account (Fund 51)
Issuance	Issuance, Underwriting and Insurance Costs				\$ 228,812.83	\$ 228,812.83		100%	100%	
AES-01	Classroom Addition & Portable Bldg. Relocation	\$ 4,875,000.00	\$ 1,208,000.00			\$ 118,874.50		0.05%	1%	
AES-02	Kitchen Modernization	\$ -								
<del>AES-03</del>	<del>Joint Use Project w/County Library</del>	<del>\$ -</del>								
<del>LMS-01</del>	<del>Classroom Reconfiguration (Removal of Tech Areas)</del>	<del>\$ -</del>								
PHS-01	New Multi-Purpose Bldg.	\$ 4,800,000.00	\$ 1,149,000.00	\$ 4,300,000.00	\$ 4,034,187.00	\$ 1,316,055.12	\$ 3,400,000.00	80%	32%	Incl. Const. & Soft Costs
<del>PHS-02</del>	<del>Modernize Snack Bar Bldg. - Football Field</del>	<del>\$ -</del>								
PHS-03	Construct Second Locker Room (Girls)	\$ 1,014,000.00				\$ 48,562.00				*(1,920 SF New Const)
PHS-04	Modernize Existing Cafeteria into (N) Culinary Classroom	\$ 780,000.00	\$ 468,000.00							Possible State CTE Funding
<del>PHS-05</del>	<del>Portable Classroom Replacement w/New CR Bldg.</del>	<del>\$ -</del>								
PHS-06	Construct New Weight Room	\$ 789,750.00	\$ 473,850.00							
PHS-07	Constr. Career Center at Small Gym	\$ -								
PHS-08	Farm Expansion - Upgrades to Existing Barn	\$ -								
PHS-09	Agricultural Education Center	\$ 1,105,000.00								Possible State CTE Funding
PHS-10	Modernization of Historic Main Bldg.	\$ -								
PHS-11	Improvements to Atheltic Complex	\$ 500,000.00								
DM-01	Deferred Maintenance Project - All Sites	\$ -								
DM-02	Infrastructure Upgrades at AES & PHS	\$ -								
<del>PN17-04</del>	<del>Roof Replacement at (3) Sites</del>	<del>\$ -</del>		<del>\$ 559,237.00</del>						Fund 41-Capital Outlay-\$576K Budget
PC	Program Contingency	\$ 676,000.00								
Totals		\$ 14,539,750.00	\$ 3,298,850.00	\$ 4,300,000.00	\$ 4,262,999.83	\$ 1,712,304.45	\$ 3,400,000.00			

Notes:  
Bond Sale yielded excess revenue of \$559,430.85 and placed into Debt Service Account.  
Total expenditures through 6/30/17 total \$285,275.38  
As of 11/30/17 total expended to date is \$1,712,304.45  
Estimated State Matching Funds - Not assumed to be Released Soon  
Locker Rm Project Still Undergoing Review for Size & Budget

PIERCE JOINT UNIFIED SCHOOL DISTRICT  
MEASURE B BOND PROGRAM  
PROJECT MATRIX

PROJECT		Initial Planning Pre-Design	A/E Selection	Programming	Schematic Design	Design Development	Construction Documents	DSA	Bid & Award	Construction	Close-out	REMARKS
AES-01	Classroom Addition & Portable Bldg. Relocation					◆						
AES-02	Kitchen Modernization	◆										Project Pending Programming
<del>AES-03</del>	<del>Joint Use Project w/County Library</del>											Project on Hold due to Budget Constraints
<del>LJMS-01</del>	<del>Classroom Reconfiguration (Removal of Tech Areas)</del>										◆	Non-Bond Project
PHS-01	New Multi-Purpose Bldg.									◆		Expect Completion by June 2018
<del>PHS-02</del>	<del>Modernize Snack Bar Bldg. – Football Field</del>											Non-Bond Project
PHS-03	Construct Second Locker Room (Girls)				◆							
PHS-04	Modernize Existing Cafeteria into (N) Culinary Classroom		◆									
<del>PHS-05</del>	<del>Portable Classroom Replacement w/New CR Bldg.</del>											Project on Hold due to Budget Constraints
PHS-06	Construct New Weight Room				◆							
PHS-07	Constr. Career Center at Small Gym	◆										Project on Hold due to Budget Constraints
PHS-08	Farm Expansion - Upgrades to Existing Barn	◆										
PHS-09	Agricultural Education Center	◆										
PHS-10	Modernization of Historic Main Bldg.											Project on Hold due to Budget Constraints
PHS-11	Improvements to Atheltic Complex											Project on Hold due to Budget Constraints
DM-01	Deferred Maintenance Project - All Sites	◆										
DM-02	Infrastructure Upgrades at AES & PHS	◆										
<del>PN17-04</del>	<del>Roof Replacement at (3) Sites</del>								◆			<b>Non Measure B Bond Project</b>

Notes: