

**PLUMAS UNIFIED SCHOOL DISTRICT
PLUMAS COUNTY
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2022**

NIGRO & NIGRO^{PC}

PLUMAS UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2022

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PLUMAS UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2022

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Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Plumas Unified School District
Quincy, 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 Plumas Unified School District, as of and for the fiscal year ended June 30, 2022, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Plumas Unified School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2021-22 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 the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District has implemented the provisions of GASB Statement No. 87, *Leases*. Accordingly, the beginning balances of capital assets and long-term debt on the Statement of Net Position has been restated to adopt this standard. Our opinion is not modified with respect to this matter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information 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.

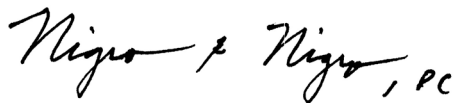
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the LEA Organization Structure and the Schedule of Charter Schools, 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 Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents, except for the LEA Organization Structure and the Schedule of Charter Schools, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The LEA Organization Structure and the Schedule of Charter Schools has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California
July 20, 2023

PLUMAS UNIFIED SCHOOL DISTRICT
Management’s Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

This discussion and analysis of Plumas Unified School District’s financial performance provides an overview of the District’s financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the District’s financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

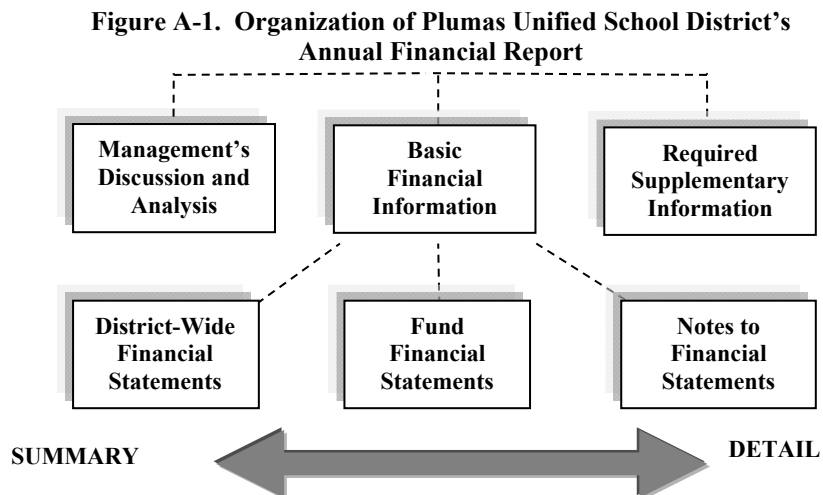
- The District’s overall financial status increased from last year as the net position increased by 30.9% to \$12.1 million.
- Total governmental revenues were \$39.7 million, \$2.9 million more than expenses.
- The total cost of basic programs was \$36.8 million. Because a portion of these costs was paid for with charges, fees, and intergovernmental aid, the net cost that required taxpayer funding was \$25.2 million.
- Governmental funds decreased by \$5.3 million, or 12.6%.
- Reserves for the General Fund increased by \$251,265. Revenues and other sources were \$36.2 million, and expenditures were \$35.9 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *District-wide financial* statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the District, reporting the District’s operations in more detail than the District-wide statements.
 - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
 - Short and long-term financial information about the activities of the District that operate like businesses (self-insurance funds) are provided in the *proprietary funds* statements.
 - The *fiduciary funds* statement provides information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others to whom the resources belong.

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



PLUMAS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

District-Wide Statements

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.
- *Proprietary funds* – When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the District-wide statements but provide more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured program for workers' compensation claims.

PLUMAS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2022, than it was the year before – increasing 30.9% to \$12.1 million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		
	2022	2021*	Net Change
Assets			
Current assets	\$ 41,402,616	\$ 44,721,718	\$ (3,319,102)
Capital assets	54,761,963	49,375,635	5,386,328
Total assets	96,164,579	94,097,353	2,067,226
Total Deferred outflows of resources	6,952,647	8,797,395	(1,844,748)
Liabilities			
Current liabilities	4,735,052	2,704,463	2,030,589
Long-term liabilities	73,479,737	87,872,419	(14,392,682)
Total liabilities	78,214,789	90,576,882	(12,362,093)
Total Deferred inflows of resources	12,765,026	3,042,587	9,722,439
Net position			
Net investment in capital assets	14,386,835	15,863,924	(1,477,089)
Restricted	#VALUE!	9,913,311	#VALUE!
Unrestricted	#VALUE!	(16,501,956)	#VALUE!
Total net position	#VALUE!	\$ 9,275,279	#VALUE!

* As restated for GASB 87

Changes in net position, governmental activities. The District's total revenues increased 14.0% to \$39.7 million (See Table A-2). The increase is due primarily to an increase in capital grants.

The total cost of all programs and services increased 8.9% to \$36.8 million. The District's expenses are predominantly related to educating and caring for students, 60.4%. The purely administrative activities of the District accounted for just 7.5% of total costs. A significant contributor to the increase in costs was increased spending from federal and state grant funds.

PLUMAS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Table A-2: Statement of Activities

	Governmental Activities		
	2022	2021	Net Change
Revenues			
Program Revenues:			
Charges for services	\$ 595,859	\$ 519,130	\$ 76,729
Operating grants and contributions	8,949,415	8,430,005	519,410
Capital grants and contributions	2,123,489	16,332	2,107,157
General Revenues:			
Property taxes	26,000,300	25,911,223	89,077
Federal and state aid not restricted	278,210	(736,446)	1,014,656
Other general revenues	1,737,408	657,713	1,079,695
Total Revenues	39,684,681	34,797,957	4,886,724
Expenses			
Instruction-related	17,072,549	17,969,223	(896,674)
Pupil services	5,170,502	4,794,338	376,164
Administration	2,760,910	2,170,130	590,780
Plant services	6,123,466	4,370,431	1,753,035
All other activities	5,695,122	4,503,391	1,191,731
Total Expenses	36,822,549	33,807,513	3,015,036
Increase (decrease) in net position	\$ 2,862,132	\$ 990,444	\$ 1,871,688
Total Net Position	#VALUE!	\$ 9,275,279	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$36.9 million, which is below last year's ending fund balance of \$42.2 million. The primary cause of the decreased fund balance is capital outlay spending from Measure C Bond funds.

Table A-3: The District's Fund Balances

Fund	Fund Balances				
	July 1, 2021	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2022
General Fund	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Student Activities Fund	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Adult Education Fund	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Deferred Maintenance Fund	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Special Reserve Fund (Other Than Capital Outlay)	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Special Reserve Fund (Postemployment Benefits)	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Building Fund	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
County School Facilities Fund	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Bond Interest and Redemption Fund	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Totals	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

PLUMAS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights

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

- Revenues – increased \$4.1 million primarily to reflect revised funding estimates.
- Salaries and benefits costs – increased \$2.1 million due to an increase in expected benefits costs.
- Other service costs – increased by about \$4.2 million due to an increase in books and supplies costs.

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by about \$107,152, the actual results for the year show that expenditures exceeded revenues by \$1,612,681. Actual revenues were \$1.6 million less than anticipated, and expenditures were \$72,152 less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021-22 the District had acquired \$8.6 million in new capital assets, related to the District's ongoing modernization program. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$2.9 million.

Table A-4: Capital Assets at Year End, Net of Depreciation

	Governmental Activities		
	2022	2021*	Net Change
Land	\$ 154,198	\$ 154,198	\$ -
Site improvements	3,463,236	3,880,655	(417,419)
Buildings	37,609,199	35,046,754	2,562,445
Equipment	711,365	928,887	(217,522)
Construction in progress	12,266,192	8,482,120	3,784,072
Leased assets	557,773	883,021	(325,248)
Totals	<u>\$ 54,761,963</u>	<u>\$ 49,375,635</u>	<u>\$ 5,386,328</u>

* As restated for GASB 87

Long-Term Debt

At year-end the District had \$73.5 million in long-term liabilities – a decrease of 16.4% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

PLUMAS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		
	2022	2021*	Net Change
General obligation bonds	\$ 52,099,731	\$ 54,192,616	\$ (2,092,885)
Certificates of participation	2,779,788	3,085,506	(305,718)
Lease liability	558,330	883,021	(324,691)
Energy equipment purchase financing	1,671,492	-	1,671,492
Compensated absences	101,551	113,966	(12,415)
Early retirement incentive	242,895	435,554	(192,659)
Supplemental employee retirement plan	734,259	-	734,259
Other postemployment benefits	934,213	1,401,861	(467,648)
Net pension liability	14,357,478	27,759,895	(13,402,417)
Total	\$ 73,479,737	\$ 87,872,419	\$ (14,392,682)

* As restated for GASB 87

FACTORS BEARING ON THE DISTRICT'S FUTURE

State Budget

The Legislature passed a final budget package on June 29, 2022. The budget package assumes that 2022-23 will end with nearly \$28 billion in total reserves. This consists of: (1) \$23.3 billion in the Budget Stabilization Account; (2) \$3.5 billion in the Special Fund for Economic Uncertainties (SFEU); and (3) \$900 million in the Safety Net Reserve, which is available for spending on the State's safety net programs, like Medi-Cal. In addition to the general-purpose reserves described above, the Proposition 98 Reserve (dedicated to school and community college spending) would reach \$9.5 billion under the spending plan.

Federal Funds Expected to Decline Significantly Between 2021-22 and 2022-23

In the budget federal funds decline \$175 billion, or 55 percent, between 2021-22 and 2022-23. This decline is the result of several significant federal programs enacted in response to COVID-19 expiring in 2022-23. For example, the enhanced Federal Medical Assistance Percentage for the State's Medicaid program (which the administration assumes will expire in December 2022) and \$27 billion in fiscal relief funding from the American Rescue Plan. However, there are also some increases in federal funds in 2022-23 related to the Infrastructure Investment and Jobs Act.

Significant Increase in School and Community College Funding

The Proposition 98 minimum guarantee depends upon various formulas that adjust for several factors, including changes in State General Fund revenue. For 2021-22, the guarantee is up \$16.5 billion (17.6 percent) compared with the estimates made in June 2021. This increase represents one of the largest upward revisions since the adoption of Proposition 98 and is due to higher General Fund revenue estimates. For 2022-23, the guarantee increases by an additional \$117 million (0.1 percent) relative to the revised 2021-22 level.

Makes Required Reserve Deposit and Funds New Programs

When the minimum funding requirement is growing quickly, the Constitution requires the State to deposit some of the available funding into a statewide reserve account for schools and community colleges. Under the adopted budget plan, the State deposits a total of \$9.5 billion into this account across the 2020-21 through 2022-23 period—an increase of \$4.5 billion compared with the estimates made in June 2021. The budget allocates the remaining funds for significant one-time and ongoing program increases. For schools, the largest ongoing augmentation is

PLUMAS UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2022

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Makes Required Reserve Deposit and Funds New Programs (continued)

\$7.9 billion to provide a 13 percent increase to the Local Control Funding Formula and provide greater fiscal stability to school districts experiencing declining attendance. The budget plan also includes \$12.1 billion in one-time funding for two K-12 block grants—\$7.9 billion focused on learning recovery and \$3.6 billion intended for arts, music, and instructional materials. In addition, the budget plan includes \$841 million one time for facilities maintenance and instructional equipment and \$650 million one time for a COVID-19 block grant.

Adjusts Guarantee Upwards for Expansion of Transitional Kindergarten

The June 2021 budget plan established a plan to expand eligibility for transitional kindergarten beginning in 2022-23. Under the plan, all four-year old children will be eligible by 2025-26. (Previously, only children born between September 2 and December 2 were eligible.) The Legislature and Governor also agreed the State would cover the associated costs by adjusting the Proposition 98 formulas to increase the share of General Fund revenue allocated to schools. Consistent with this agreement, the budget plan includes an increase in the 2022-23 guarantee of \$614 million related to the first-year costs of the expansion.

School Facilities Grants

The budget allocates \$1.4 billion (non-Proposition 98 General Fund) attributable to 2021-22 for school facilities grants. Of this total, \$1.3 billion is to cover the State share for new construction and modernization projects under the School Facilities Program. These funds supplement existing funds from Proposition 51, the State school bond approved by voters in 2016. (Funding from Proposition 51 will likely be exhausted in 2022-23.) The remaining \$100 million is for schools to construct or renovate State Preschool, transitional kindergarten, and full-day kindergarten classrooms.

Reserve Cap Triggered

As a result of the balance in the Public School System Stabilization Account, the statutory limitation on school district reserves has been triggered for the 2022-23 budget period, pursuant to Education Code (EC) Section 42127.01(e). Beginning with the 2022-23 fiscal year, the district reserve cap requires that a school district's adopted or revised budget pursuant to EC Section 42127 shall not contain a combined assigned or unassigned ending general fund balance of more than 10 percent of those funds. Assigned and unassigned balances within the Special Fund for Other than Capital Outlay shall also be included within the 10 percent reserve cap. The reserve cap requirement does not apply to small school districts or basic aid school districts pursuant to EC Section 42127.01(c).

All of these factors were considered in preparing the Plumas Unified School District budget for the 2022-23 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact Mallory Marin, Interim Chief Business Official at Plumas Unified School District, 50 Church Street, Quincy, California 95971, (530) 283-6500.

PLUMAS UNIFIED SCHOOL DISTRICT

Statement of Net Position

June 30, 2022

	Governmental Activities
ASSETS	
Deposits and investments	\$ 35,887,942
Accounts receivable	5,105,946
Prepaid expenses	59,079
Inventories	349,649
Capital assets:	
Non-depreciable capital assets	12,420,390
Depreciable capital assets	87,951,005
Less accumulated depreciation	(46,167,205)
Lease assets:	883,021
Less accumulated amortization	(325,248)
Total assets	<u>96,164,579</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	76,772
Deferred outflows related to pensions	6,875,875
Total deferred outflows of resources	<u>6,952,647</u>
LIABILITIES	
Accounts payable	3,456,965
Accrued interest payable	685,872
Unearned revenue	592,215
Noncurrent liabilities:	
Due or payable within one year	2,216,433
Due in more than one year:	
Other than OPEB and pensions	55,971,613
Total OPEB liability	934,213
Net pension liability	14,357,478
Total liabilities	<u>78,214,789</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts on refunding	57,036
Deferred inflows related to OPEB	613,344
Deferred inflows related to pensions	12,094,646
Total deferred inflows of resources	<u>12,765,026</u>
NET POSITION	
Net investment in capital assets	14,386,835
Restricted for:	
Capital projects	2,838,891
Debt service	8,321,070
Student activities	243,376
Self-insurance programs	#VALUE!
Categorical programs	1,790,311
Unrestricted	#VALUE!
Total net position	<u>\$ 12,137,411</u>

PLUMAS UNIFIED SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					Governmental Activities
Instruction	\$ 13,934,666	\$ 15,251	\$ 3,766,703	\$ 2,123,489	\$ (8,029,223)
Instruction-Related Services:					
Supervision of instruction	885,047	9,029	426,109	-	(449,909)
Instructional library, media and technology	140,593	-	65,930	-	(74,663)
School site administration	2,112,243	59	471,897	-	(1,640,287)
Pupil Support Services:					
Home-to-school transportation	1,344,028	1,036	50,598	-	(1,292,394)
Food services	1,701,876	-	1,709,349	-	7,473
All other pupil services	2,124,598	22,814	1,066,603	-	(1,035,181)
General Administration Services:					
Data processing services	667,856	133	145,763	-	(521,960)
Other general administration	2,093,054	965	392,888	-	(1,699,201)
Plant services	6,123,466	6,110	276,634	-	(5,840,722)
Ancillary services	586,606	150,855	73,943	-	(361,808)
Interest on long-term debt	1,850,862	-	-	-	(1,850,862)
Other outgo	35,500	389,607	502,998	-	857,105
Depreciation (unallocated)	2,896,906	-	-	-	(2,896,906)
Amortization (unallocated)	325,248	-	-	-	(325,248)
Total Governmental Activities	<u>\$ 36,822,549</u>	<u>\$ 595,859</u>	<u>\$ 8,949,415</u>	<u>\$ 2,123,489</u>	<u>(25,153,786)</u>
General Revenues:					
Property taxes					26,000,300
Federal and state aid not restricted to specific purpose					278,210
Interest and investment earnings					7,840
Interagency revenues					446,710
Miscellaneous					1,282,858
Subtotal general revenues					<u>28,015,918</u>
Change in net position					2,862,132
Net position - July 1, 2021					<u>9,275,279</u>
Net position - June 30, 2022					<u>\$ 12,137,411</u>

PLUMAS UNIFIED SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2022

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	\$ 12,233,947	\$ 13,525,763	\$ 8,319,728	\$ 1,296,358	\$ 35,375,796
Accounts receivable	5,073,083	5,167	1,342	26,237	5,105,829
Due from other funds	164,725	3,000,843	-	2,143,980	5,309,548
Stores inventories	349,649	-	-	-	349,649
Prepaid expenditures	59,079	-	-	-	59,079
Total Assets	<u>\$ 17,880,483</u>	<u>\$ 16,531,773</u>	<u>\$ 8,321,070</u>	<u>\$ 3,466,575</u>	<u>\$ 46,199,901</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,052,856	\$ 1,360,344	\$ -	\$ 5,972	\$ 3,419,172
Due to other funds	5,144,823	1,750	-	162,975	5,309,548
Unearned revenue	592,215	-	-	-	592,215
Total Liabilities	<u>7,789,894</u>	<u>1,362,094</u>	<u>-</u>	<u>168,947</u>	<u>9,320,935</u>
Fund Balances					
Nonspendable	412,172	-	-	3,097	415,269
Restricted	1,574,950	15,169,679	8,321,070	3,294,531	28,360,230
Assigned	2,129,063	-	-	-	2,129,063
Unassigned	5,974,404	-	-	-	5,974,404
Total Fund Balances	<u>10,090,589</u>	<u>15,169,679</u>	<u>8,321,070</u>	<u>3,297,628</u>	<u>36,878,966</u>
Total Liabilities and Fund Balances	<u>\$ 17,880,483</u>	<u>\$ 16,531,773</u>	<u>\$ 8,321,070</u>	<u>\$ 3,466,575</u>	<u>\$ 46,199,901</u>

PLUMAS UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2022

Total fund balances - governmental funds		#VALUE!
<p>In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets less accumulated depreciation and lease assets less accumulated amortization.</p>		
	Capital assets at historical cost:	100,371,395
	Accumulated depreciation:	<u>(46,167,205)</u>
	Net:	54,204,190
	Lease assets at historical cost:	883,021
	Accumulated amortization:	<u>(325,248)</u>
	Net:	557,773
<p>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 unmatured interest owing at the end of the period was:</p>		
		(685,872)
<p>Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as a deferred outflow. The remaining deferred amounts on refunding at the end of the period were:</p>		
		(57,036)
<p>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:</p>		
	General obligation bonds payable	52,099,731
	Certificates of participation payable	2,779,788
	Lease liability	558,330
	Energy equipment purchase financing	1,671,492
	Compensated absences payable	101,551
	Early retirement incentive	242,895
	Supplemental employee retirement plan	734,259
	Other postemployment benefits	934,213
	Net pension liability	<u>14,357,478</u>
	Total	(73,479,737)
<p>In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported. Deferred outflows and inflows relating to OPEB for the period were:</p>		
	Deferred outflows of resources	76,772
	Deferred inflows of resources	<u>(613,344)</u>
	Total	(536,572)
<p>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 inflows and outflows relating to pensions for the period were:</p>		
	Deferred outflows of resources	6,875,875
	Deferred inflows of resources	<u>(12,094,646)</u>
	Total	(5,218,771)
<p>Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:</p>		
		#VALUE!
Total net position - governmental activities		#VALUE!

PLUMAS UNIFIED SCHOOL DISTRICT

*Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
For the Fiscal Year Ended June 30, 2022*

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Federal sources	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Other state sources	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Other local sources	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Total Revenues	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
EXPENDITURES					
Current:					
Instruction	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Instruction-Related Services:					
Supervision of instruction	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Instructional library, media and technology	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
School site administration	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Pupil Support Services:					
Home-to-school transportation	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Food services	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
All other pupil services	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Ancillary services	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
General Administration Services:					
Data processing services	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Other general administration	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Transfers of indirect costs	(15,295)	-	-	15,295	-
Plant services	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Capital outlay	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Debt service:					
Issuance costs	#VALUE!	#VALUE!	-	#VALUE!	#VALUE!
Principal	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Interest	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Total Expenditures	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Excess (Deficiency) of Revenues Over (Under) Expenditures	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Interfund transfers out	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Proceeds from equipment purchase financing	#VALUE!	#VALUE!	-	-	#VALUE!
Proceeds from disposal of capital assets	#VALUE!	#VALUE!	#VALUE!	-	#VALUE!
Total Other Financing Sources and Uses	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Net Change in Fund Balances	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Fund Balances, July 1, 2021	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Fund Balances, June 30, 2022	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

PLUMAS UNIFIED SCHOOL DISTRICT

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2022*

Total net change in fund balances - governmental funds	#VALUE!
Amounts reported for governmental <i>activities</i> in the statement of activities are different because:	
In governmental funds, the costs of capital assets and lease assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets and lease assets are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense, respectively. the difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:	
Expenditures for capital outlay	8,608,482
Depreciation expense	(2,896,906)
Amortization expense	<u>(325,248)</u>
	5,386,328
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 a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	
	#VALUE!
In governmental funds, issuances of debt are recognized as other financing sources. In the government-wide statements, issuances from debt are reported as increases to liabilities. Amounts recognized in governmental funds, net of issue premium were:	
	(1,671,492)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In governmental funds these charges are recognized as an expenditure. However, in the statement of activities these amounts are amortized over the shorter of the life of the refunded bonds or the refunding bonds. The difference between current year amounts and the current year amortization was:	
	8,776
In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current resources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. Accreted interest additions less accreted interest paid during the year was:	
	(148,587)
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premiums or discount for the period was:	
	97,472
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:	
	727
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	
	12,415
In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, supplemental employee retirement plans. This year, expenses incurred for such obligations were:	
	(541,600)
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:	
	1,896,830
In government funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:	
	397,272
The internal service fund is used by management to charge the cost of self-insurance activities. The net revenue (expense) of the internal service fund is reported with governmental activities.	
	<u>#VALUE!</u>
Change in net position of governmental activities	<u><u>#VALUE!</u></u>

PLUMAS UNIFIED SCHOOL DISTRICT
Statement of Net Position - Proprietary Fund
June 30, 2022

	Governmental Activities
	Internal Service Funds
ASSETS	
Current Assets	
Deposits and investments	\$ 512,146
Accounts receivable	117
	<hr/>
Total Assets	512,263
LIABILITIES	
Current Liabilities	
Accrued liabilities	37,793
	<hr/>
NET POSITION	
Restricted for self-insurance	\$ 474,470
	<hr/> <hr/>

PLUMAS UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
June 30, 2022

	Governmental Activities
	Internal Service Funds
	<hr/>
OPERATING EXPENSES	
Services and other operating expenses	\$ 49,359
	<hr/>
Operating income (loss)	(49,359)
	<hr/>
NON-OPERATING REVENUES	
Interest income	(28)
	<hr/>
Change in net position	(49,387)
	<hr/>
Net position, July 1, 2021	523,857
	<hr/>
Net position, June 30, 2022	\$ 474,470
	<hr/> <hr/>

PLUMAS UNIFIED SCHOOL DISTRICT
Statement of Cash Flows - Proprietary Fund
June 30, 2022

	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash payments for services and operating costs	<u>\$ (60,234)</u>
Net cash provided (used) by operating activities	(60,234)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>1,013</u>
Net increase (decrease) in cash and cash equivalents	(59,221)
Cash, July 1, 2021	<u>571,367</u>
Cash, June 30, 2022	<u>\$ 512,146</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (49,359)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in accounts payable	<u>(10,875)</u>
Net cash provided (used) by operating activities	<u>\$ (60,234)</u>

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Plumas Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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 the recipients of goods or services offered by the 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, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental* and *proprietary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Fund Financial Statements (continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Governmental Funds

The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund. The District also maintains a Deferred Maintenance Fund, a Special Reserve Fund for Other Than Capital Outlay Projects, and a Special Reserve Fund for Postemployment Benefits. The Deferred Maintenance Fund does not currently meet the definition of being a special revenue fund as it is not primarily composed of restricted or committed revenue sources. In addition, the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits are not substantially composed of restricted or committed revenue sources. Because these funds do not meet the definition of special revenue funds under GASB 54, the activity in these funds are being reported within the General Fund.

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

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code* Sections 15125-15262).

Non-Major Governmental Funds

The District maintains the following non-major governmental funds:

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

County School Facilities Fund: This fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

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

Student Activities Fund: The District maintains a separate fund for each school that operates an ASB fund, whether it is organized or not.

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary fund:

Workers' Compensation Self-Insurance Fund: This fund may be used to account for resources committed to pay the costs of the District's workers' compensation claims for its employees.

2. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resource or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

2. Measurement Focus, Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the District's proprietary funds and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

C. Budgetary Data

The budgetary process is prescribed by provisions of the California *Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgetary Data (continued)

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

D. 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 as of June 30.

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

1. Cash and Cash Equivalents

The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings and Improvements	15-40 years
Land Improvements	15 years
Furniture and Equipment	5-10 years

4. Unearned Revenue

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

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

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

The liability for compensated absences reported in the District-wide statements consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

7. Leases

Lessee:

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 lease 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 initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- 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.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Leases (continued)

Lessor:

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

8. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

9. Pensions

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

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

11. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Net Position (continued)

- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

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.

F. Minimum Fund Balance Policy

During the 2012-13 fiscal year, pursuant to GASB Statement No. 54, the District amended its minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted expenditures. The policy requires restricted amounts are to be spent before unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) amounts are available. Within unrestricted fund balances, committed, assigned, or unassigned amounts in that order will be spent when an expenditure is incurred for a purpose for which amounts in any of those unrestricted fund balance classifications could be used.

The minimum unassigned fund balance shall not be less than 17.5% of total expenditures and other financing uses as a Reserve for Economic Uncertainties, in addition to the 3% state requirement. In no event shall the minimum unassigned fund balance be less than \$3,000,000. The Board believes a reserve of this level is prudent to protect the District from the effects of fluctuations in property tax revenues to which Basic Aid districts such as this district are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

Funds in excess of the upper goal may be considered for the following one-time or short-term purposes:

- a. Restore funds advanced from the General Reserve in prior fiscal years;
- b. Increase the General Reserve to its minimally approved level;
- c. Capital and technology improvements;
- d. Reduction or unfunded liabilities, including Retirement and Retiree Health obligations;
- e. Debt retirement;
- f. Productivity enhancements;
- g. Cost avoidance projects;
- h. Litigation;
- i. Local match for grants;
- j. Other purposes deemed to be fiscally prudent for the District and approved by the Governing Board.

The circumstances under which the Reserve for Economic Uncertainties may be spent down are those by which state LCFF funding exceeds local tax revenues, thereby causing the District to lose its Basic Aid status. In this event, the Governing Board shall reconsider, and if appropriate, amend, this resolution and re-bench the Reserve for Economic Uncertainties.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 during the reported period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Governmental funds	\$ 35,375,796
Proprietary funds	512,146
Total deposits and investments	<u>\$ 35,887,942</u>

Deposits and investments as of June 30, 2022 consist of the following:

Cash on hand and in banks	\$ 259,387
Cash in revolving fund	6,541
Cash with fiscal agent	50,000
Investments	35,572,014
Total deposits and investments	<u>\$ 35,887,942</u>

Pooled Funds

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2022, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2022, none of the District’s bank balance was exposed to custodial credit risk because it was insured by the FDIC.

Investments - Interest Rate Risk

The District’s investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District’s investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Trustees. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2022, consist of the following:

	Rating	Reported Amount	Maturity		Fair Value Measurement
			Less Than One Year	One Year Through Five Years	
Investment maturities:					
Plumas County Investment Pool	N/A	\$ 35,572,014	\$ 35,572,014	\$ -	Uncategorized

Investments - Credit Risk

The District’s investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2022, all investments represented governmental securities which were issued, registered and held by the District’s agent in the District’s name.

Investments - Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2022, the District had no investments outside of the County treasury.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurements

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

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

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

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

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2022, consisted of the following:

	Governmental Activities					
	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Funds
Federal Government:						
Categorical aid programs	\$ 3,306,290	\$ -	\$ -	\$ 25,981	\$ 3,332,271	\$ -
State Government:						
LCFF sources	12,356	-	-	-	12,356	-
Child nutrition	20,065	-	-	-	20,065	-
Lottery	100,913	-	-	-	100,913	-
Categorical aid programs	398,855	-	-	45	398,900	-
Local:						
Interest	1,024	5,167	1,342	211	7,744	117
Interagency services	891,760	-	-	-	891,760	-
Other local	341,820	-	-	-	341,820	-
Total	\$ 5,073,083	\$ 5,167	\$ 1,342	\$ 26,237	\$ 5,105,829	\$ 117

PLUMAS UNIFIED SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2022

NOTE 4 – INTERFUND TRANSACTIONS

A. Balances Due To/From Other Funds

Balances due to/from other funds at June 30, 2022, consisted of the following:

	Due From Other Funds			Total
	General Fund	Building Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 3,000,843	\$ 2,143,980	\$ 5,144,823
Building Fund	1,750	-	-	1,750
Non-Major Governmental Funds	162,975	-	-	162,975
Total	<u>\$ 164,725</u>	<u>\$ 3,000,843</u>	<u>\$ 2,143,980</u>	<u>\$ 5,309,548</u>

General Fund due to Adult Education Fund for adult education revenue posted to General Fund	\$ 18,321
General Fund due to Building Fund for interfund cash flow borrowing	3,000,843
General Fund due to County Schools Facilities Fund for interfund cash flow borrowing	2,125,659
Adult Education Fund due to General Fund for indirect costs and prior year expenses	28,720
Building Fund due to General Fund for bond expenses	1,750
County School Facilities Fund due to General Fund for reclassification of expenditures	134,255
Total	<u>\$ 5,309,548</u>

B. Other Interfund Transactions

Other interfund transactions during the year ended June 30, 2022, consisted of the following:

During the 2021-22 fiscal year the District made the following interfund transfer:

County School Facilities Fund transfer to General Fund to cover deferred maintenance expenses	<u>\$ 134,256</u>
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NOTE 5 – FUND BALANCES

At June 30, 2022, fund balances of the District’s governmental funds were classified as follows:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving cash	\$ 3,444	\$ -	\$ -	\$ 3,097	\$ 6,541
Stores inventories	349,649	-	-	-	349,649
Prepaid expenditures	59,079	-	-	-	59,079
Total Nonspendable	<u>412,172</u>	<u>-</u>	<u>-</u>	<u>3,097</u>	<u>415,269</u>
Restricted:					
Categorical programs	1,574,950	-	-	215,361	1,790,311
Student body activities	-	-	-	240,279	240,279
Capital projects	-	15,169,679	-	2,838,891	18,008,570
Debt service	-	-	8,321,070	-	8,321,070
Total Restricted	<u>1,574,950</u>	<u>15,169,679</u>	<u>8,321,070</u>	<u>3,294,531</u>	<u>28,360,230</u>
Assigned:					
SRS	500,000	-	-	-	500,000
Increased personnel costs	624,433	-	-	-	624,433
Athletics and safety	130,379	-	-	-	130,379
OPEB obligations	869,978	-	-	-	869,978
Deferred maintenance program	485	-	-	-	485
Other assignments	3,788	-	-	-	3,788
Total Assigned	<u>2,129,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,129,063</u>
Unassigned:					
Reserve for economic uncertainties	5,975,694	-	-	-	5,975,694
Remaining unassigned balances	(1,290)	-	-	-	(1,290)
Total Unassigned	<u>5,974,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,974,404</u>
Total	<u>\$ 10,090,589</u>	<u>\$ 15,169,679</u>	<u>\$ 8,321,070</u>	<u>\$ 3,297,628</u>	<u>\$ 36,878,966</u>

PLUMAS UNIFIED SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2022

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Adjustments for Restatement	Restated Balance July 1, 2021	Additions	Retirements	Ending Balance June 30, 2022
Land	\$ 154,198	\$ -	\$ 154,198	\$ -	\$ -	\$ 154,198
Construction in progress	3,786,114	4,696,006	8,482,120	7,584,016	3,799,944	12,266,192
Total capital assets not being depreciated	3,940,312	4,696,006	8,636,318	7,584,016	3,799,944	12,420,390
Capital assets being depreciated:						
Improvement of sites	15,154,412	(7,490,632)	7,663,780	-	-	7,663,780
Buildings	65,863,443	2,794,626	68,658,069	4,824,410	-	73,482,479
Equipment	6,804,746	-	6,804,746	-	-	6,804,746
Total capital assets being depreciated	87,822,601	(4,696,006)	83,126,595	4,824,410	-	87,951,005
Accumulated depreciation for:						
Improvement of sites	(3,783,125)	-	(3,783,125)	(417,419)	-	(4,200,544)
Buildings	(33,611,315)	-	(33,611,315)	(2,261,965)	-	(35,873,280)
Equipment	(5,875,859)	-	(5,875,859)	(217,522)	-	(6,093,381)
Total accumulated depreciation	(43,270,299)	-	(43,270,299)	(2,896,906)	-	(46,167,205)
Total capital assets being depreciated, net	44,552,302	(4,696,006)	39,856,296	1,927,504	-	41,783,800
Leased assets:						
Equipment leases	-	883,021	883,021	-	-	883,021
Accumulated amortization for:						
Equipment leases	-	-	-	(325,248)	-	(325,248)
Total leased assets, net	-	883,021	883,021	(325,248)	-	557,773
Governmental activity capital assets, net	\$ 48,492,614	\$ 883,021	\$ 49,375,635	\$ 9,186,272	\$ 3,799,944	\$ 54,761,963

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term debt for the year ended June 30, 2022, were as follows:

	Restated Balance, July 1, 2021*	Additions	Deductions	Balance, June 30, 2022	Amount Due Within One Year
General Obligation Bonds:					
Principal Payments	\$ 51,060,725	\$ -	\$ 2,144,000	\$ 48,916,725	\$ 1,385,000
Accreted Interest	1,415,947	148,587	-	1,564,534	-
Unamortized Issuance Premium	1,715,944	-	97,472	1,618,472	64,284
Total GO Bonds	54,192,616	148,587	2,241,472	52,099,731	1,449,284
Lease Liability	883,021	-	324,691	558,330	325,340
Compensated Absences	113,966	-	12,415	101,551	-
Early Retirement Incentive	435,554	-	192,659	242,895	126,089
Supplemental Employee Retirement Plan	-	734,259	-	734,259	146,852
Direct Borrowing:					
Certificates of Participation	3,085,506	-	305,718	2,779,788	105,370
Energy Equipment Purchase Financing	-	1,671,492	-	1,671,492	63,498
Totals	\$ 58,710,663	\$ 2,554,338	\$ 3,076,955	\$ 58,188,046	\$ 2,216,433

* Restated for GASB 87

Payments for general obligation bonds are made by the Bond Interest and Redemption Fund. Compensated absences, early retirement incentives, and other postemployment benefits will be paid for by the fund for which the employee worked. Payments for certificates of participation, energy equipment purchase financing, and the supplemental early retirement plan are made by the General Fund.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

A. General Obligation Bonds

Election of 2002

The District authorized bonds at a regularly scheduled election of the registered voters of the District held on November 5, 2002, at which more than 55% of the voters authorized the issuance and sale of \$15 million of general obligation bonds to renovate, construct and modernize classrooms and school facilities. The bonds are general obligations of the District and the County is obligated to annually levy ad valorem taxes for the payment of the interest on, and the principal of the bonds.

Election of 2016

On November 9, 2016, voters approved by more than 55% the issuance and sale of \$50 million in general obligation bonds to finance and reimburse the costs of construction, repair, modernization, acquisition, and equipping of school classrooms, facilities and school sites within the district, fund a portion of capitalized interest through February 1, 2018, and to pay costs of issuance associated with the bonds. The bonds are general obligations of the District. The county is obligated to levy ad valorem taxes upon all the property within the District for the payment of interest on and principal of the bonds.

Prior-Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022, none of the defeased debt remains outstanding.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2022, deferred inflows of resources on refunding were \$57,036.

A summary of the District's outstanding general obligation bonds is below:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022
2002 B	9/14/2005	8/1/2030	5.06%-7.60%	\$ 5,000,725	\$ 925,725	\$ -	\$ -	\$ 925,725
2005 Refunding	9/14/2005	8/1/2021	3.50%-5.25%	7,255,000	1,065,000	-	1,065,000	-
2016 Refunding	11/9/2016	8/1/2026	1.05%-2.36%	4,246,000	4,020,000	-	29,000	3,991,000
2016 A	6/7/2017	8/1/2047	2.0%-3.375%	9,920,000	6,340,000	-	80,000	6,260,000
2016 B	2/20/2019	8/1/2048	3.75%-5.00%	24,155,000	22,785,000	-	970,000	21,815,000
2016 C	3/18/2021	8/1/2048	2.00%-4.00%	15,925,000	15,925,000	-	-	15,925,000
Total					\$ 51,060,725	\$ -	\$ 2,144,000	\$ 48,916,725
				Accreted Interest:				
				2002 B	1,415,947	148,587	-	1,564,534
				Total	\$ 1,415,947	\$ 148,587	\$ -	\$ 1,564,534

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

A. General Obligation Bonds (continued)

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2022, were as follows:

Fiscal Year	Principal	Interest	Total
2022-2023	\$ 1,385,000	\$ 1,630,580	\$ 3,015,580
2023-2024	1,447,000	1,595,950	3,042,950
2024-2025	1,549,000	1,553,415	3,102,415
2025-2026	1,630,000	1,504,449	3,134,449
2026-2027	1,715,000	1,450,689	3,165,689
2027-2032	6,260,725	9,452,075	15,712,800
2032-2037	7,305,000	5,394,891	12,699,891
2037-2042	9,585,000	3,953,650	13,538,650
2042-2047	12,390,000	2,078,522	14,468,522
2047-2049	5,650,000	194,825	5,844,825
Totals	<u>\$ 48,916,725</u>	<u>\$ 28,809,046</u>	<u>\$ 77,725,771</u>

B. Certificates of Participation

On July 1, 2018, the District entered into a site lease agreement with Public Property Financing Corporation of California, which is considered a direct borrowing. Under the agreement, the Corporation has agreed to finance the renovation and remodeling of the District's administrative offices, and in exchange the District has agreed to lease the Pioneer Elementary School property as collateral. In the event of default, the Corporation may exercise any and all remedies available pursuant to law or granted pursuant to the lease agreement, to the extent permitted by law.

The financing is evidenced by the issuance on July 25, 2018 of \$3,570,000 certificates of participation, and the District will make lease payments to the Corporation as follows:

Fiscal Year	Principal	Interest	Total
2022-2023	\$ 105,370	\$ 46,978	\$ 152,348
2023-2024	216,111	88,585	304,696
2024-2025	223,478	81,218	304,696
2025-2026	231,096	73,601	304,697
2026-2027	238,972	65,724	304,696
2027-2032	1,322,741	200,739	1,523,480
2032-2034	442,020	15,024	457,044
Totals	<u>\$ 2,779,788</u>	<u>\$ 571,869</u>	<u>\$ 3,351,657</u>

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

C. Leases

The District is involved in several leases for equipment. The initial term for these leases is three years there are no variable payments not included in the measurement of the lease liability, no residual value guarantees provided and no commitments before the commencement of the lease term. Other key assumptions and policies can be found in Note 1.e. The related asset disclosures are presented in Note 6.

Annual Future payments are as follows:

Fiscal Year	Principal	Interest	Total
2022-2023	\$ 325,340	\$ 465	\$ 325,805
2023-2024	232,990	-	232,990
Totals	<u>\$ 558,330</u>	<u>\$ 465</u>	<u>\$ 558,795</u>

D. Energy Equipment Purchase Financing

On July 28, 2021, the District entered into an Energy Solutions Project Agreement with ABM Building Solutions, LLC for the design, construction, and installation of energy conservation improvements and equipment on District real property, including LED lighting retrofits; weatherization/infiltration; refrigeration improvements, irrigation controllers, domestic plumbing retrofits; ice machine retrofits; and functional diagnostics, which will result in greater energy efficiency and cost savings for the District sites on which such facilities are located.

The cost of the project is \$1,671,492 and is being financed through the issuance of tax-exempt lease financing bonds issued on August 18, 2021. The bonds carry an interest rate of 2.31% and will mature in increments every six months between August 1, 2022, and August 1, 2036.

Future payments under this agreement are as follows:

Fiscal Year	Principal	Interest	Total
2022-2023	\$ 63,498	\$ 38,247	\$ 101,745
2023-2024	69,007	36,748	105,755
2024-2025	74,729	35,122	109,851
2025-2026	80,745	33,361	114,106
2026-2027	86,103	31,465	117,568
2027-2032	541,730	123,394	665,124
2032-2037	755,680	49,288	804,968
Totals	<u>\$ 1,671,492</u>	<u>\$ 347,625</u>	<u>\$ 2,019,117</u>

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

E. Early Retirement Incentives

The District offers an early retirement incentive to eligible classified employees on an annual basis. The retiree receives four annual installments equal to 70% of the savings generated at the retirement date. The combined future obligation under this plan is \$242,895 as shown below:

Fiscal Year	Payment
2022-2023	\$ 126,089
2023-2024	101,751
2024-2025	15,055
Total	<u>\$ 242,895</u>

F. Supplemental Early Retirement Plan

The District has established a supplemental early retirement incentive program (SERP) whereby certain qualified employees may retire early and receive a portion of their salary paid out as an annuity. The total future payments owing at June 30, 2022, for these obligations are shown below.

Fiscal Year	Payment
2022-2023	\$ 146,852
2023-2024	146,852
2024-2025	146,852
2025-2026	146,852
2026-2027	146,851
Total	<u>\$ 734,259</u>

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2022, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 836,388	\$ 76,772	\$ 613,344	\$ (47,725)
MPP Program	97,825	-	-	(8,113)
Totals	<u>\$ 934,213</u>	<u>\$ 76,772</u>	<u>\$ 613,344</u>	<u>\$ (55,838)</u>

The details of each plan are as follows:

District Plan

Plan Description

The District’s single-employer defined benefit OPEB plan provides OPEB for eligible certificated, classified, and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Benefits Provided

The District offers medical, prescription drug, dental, and vision benefits to Classified employees and retirees through California's Valued Trust (CVT), a jointly managed trust, on a pooled, self-insured basis. All other groups receive a choice of four Blue Cross medical and prescription drug plans, as well as Delta Dental and VSP vision, all through the Self-Insured Schools of California (SISC), a California Joint Powers Authority, also on a pooled, self-insured basis. Upon entering PERS retirement, Classified, Supervisory and Confidential employees may elect to remain in the District's health program, including spousal coverage, by paying the entire cost-plus service/administration fees up to age 65. Upon death of the retiree prior to age 65, a surviving spouse who was covered at the time of the retiree's death may continue coverage by self-paying the premium until age 65.

Upon retirement after the later of age 55 and ten years of District service, qualifying Classified, Supervisory and Confidential employees may convert unused sick leave towards District paid health benefits. 554 hours of unused sick leave will equal one year of health benefits (up to an annual cap of \$6,648). Any hours more than 554 hours may be used to provide pro-rated benefits beyond one year. The retiree is responsible for paying the difference between the cap (or pro-rated amount) and the actual monthly premium.

Current active employees in all groups other than Classified, Supervisory and Confidential are not eligible to receive District-paid retiree health benefits.

There are 17 retirees with grandfathered benefits provided under prior bargaining language; these benefits are not expected to be repeated in the future. These retirees receive benefits either to a stated age (usually 65) or for life. The active cap of \$11,059 per year applies to some of the retirees; others have uncapped benefits. Benefits include medical, prescription drug/Part D, dental, and vision coverage for retiree and dependents.

There were no Classified retirees electing medical coverage under CVT as of the valuation date.

Employees Covered by Benefit Terms

At July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	120
Total	<u>130</u>

Total OPEB Liability

The District's total OPEB liability of \$836,388 for the Plan was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2020
Inflation	2.75 percent
Salary increases	3.00 percent
Healthcare cost trend rates	5.00 percent for 2022-2023, 5.20 percent for 2024-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.00 percent for all years.

Discount Rate

The discount rate of 3.69% is the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality Rates

Pre-retirement mortality rates were based on the CalPERS Experience Study (2000-2019). Post-retirement mortality rates were based on the CalPERS Experience Study (2000-2019) Rates for Healthy Recipients.

Actuarial assumptions used in the July 1, 2020 valuation were based on a review of plan experience during the period July 1, 2018 to June 30, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2021	<u>\$ 1,295,923</u>
Changes for the year:	
Service cost	17,387
Interest	21,953
Changes of assumptions	(157,441)
Benefit payments	<u>(341,434)</u>
Net changes	<u>(459,535)</u>
Balance at June 30, 2022	<u><u>\$ 836,388</u></u>

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

<u>Discount Rate</u>	<u>OPEB Liability</u>
1% decrease	\$ 921,496
Current discount rate	\$ 836,388
1% increase	\$ 759,985

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

<u>Healthcare Cost Trend Rate</u>	<u>OPEB Liability</u>
1% decrease	\$ 750,440
Current trend rate	\$ 836,388
1% increase	\$ 931,378

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$(47,725). In addition, at June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 450,545
Changes of assumptions	76,772	162,799
Totals	<u>\$ 76,772</u>	<u>\$ 613,344</u>

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

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	\$ 29,893	\$ 113,150
2024	29,893	112,199
2025	16,986	112,199
2026	-	112,199
2027	-	112,199
Thereafter	-	51,398
Totals	<u>\$ 76,772</u>	<u>\$ 613,344</u>

Medicare Premium Payment (MPP) Program

Plan Description

The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020 annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/general-information/gasb-6768>.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2021, 5,096 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with Education Code section 25930, contributions that would otherwise be credited to the Defined Benefit Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability

At June 30, 2022, the District reported a liability of \$97,825 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2021, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020 and rolling forward the total OPEB liability to June 30, 2021. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	<u>Percentage Share of MPP Program</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2022</u>	<u>Fiscal Year Ending June 30, 2021</u>	
Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	
Proportion of the Net OPEB Liability	0.024526%	0.024998%	-0.000472%

For the year ended June 30, 2022, the District reported OPEB expense of \$(8,113).

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2021
Valuation Date	June 30, 2020
Experience Study	June 30, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.16%
Healthcare Cost Trend Rates	4.5% for Medicare Part A, and 5.4% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 245 or an average of 0.16% of the potentially eligible population of 152,062.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

Medicare Premium Payment (MPP) Program (continued)

Actuarial assumptions and other inputs (continued)

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 our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

Discount Rate

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2021, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund (SMIF), which is a pooled investment program administered by the California State Treasurer.

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2021, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2021, was 2.16%, which is a decrease from 2.21% as of June 30, 2020.

Sensitivity of the proportionate share of the net OPEB liability to changes in the discount rate

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

Discount Rate	MPP OPEB Liability
1% decrease	\$ 107,831
Current discount rate	\$ 97,825
1% increase	\$ 89,277

Sensitivity of the proportionate share of the net OPEB liability to changes in the Medicare costs trend rates

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	\$ 88,961
Current trend rate	\$ 97,825
1% increase	\$ 107,989

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS

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

For the fiscal year ended June 30, 2022, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 7,425,221	\$ 4,917,849	\$ 7,724,486	\$ 741,649
CalPERS	6,932,257	1,958,026	4,370,160	771,922
Totals	\$ 14,357,478	\$ 6,875,875	\$ 12,094,646	\$ 1,513,571

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/general-information/gasb-6768>.

Benefits Provided

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and non-employer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

Benefits Provided (continued)

The STRP provisions and benefits in effect at June 30, 2022, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date	2% at 60	2% at 62
Benefit Formula	5 years of service	5 years of service
Benefit Vesting Schedule	Monthly for life	Monthly for life
Benefit Payments	60	62
Retirement Age	2.0%-2.4%	2.0%-2.4%
Monthly Benefits as a Percentage of Eligible Compensation	10.25%	10.205%
Required Member Contribution Rate	16.92%	16.92%
Required Employer Contribution Rate	10.828%	10.828%
Required State Contribution Rate		

Contributions

The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers’ Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. California Senate Bill 90 (Chapter 33, Statutes of 2019) and California Assembly Bill 84 (Chapter 16, Statutes of 2020) (collectively, special legislation)—signed into law in June 2019 and June 2020, respectively—provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

The contribution rates for each program for the year ended June 30, 2022, are presented above, and the District's total contributions were \$1,732,941.

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

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 7,425,221
State's proportionate share of the net pension liability associated with the District	3,736,083
Total	<u>\$ 11,161,304</u>

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

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

The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	
	June 30, 2021	June 30, 2020	
Measurement Date	June 30, 2021	June 30, 2020	
Proportion of the Net Pension Liability	0.016316%	0.016495%	-0.000179%

For the year ended June 30, 2022, the District recognized pension expense of \$741,649. In addition, the District recognized pension expense and revenue of \$(651,205) for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	\$ 1,732,941	\$ -
Net change in proportionate share of net pension liability	2,114,232	1,060,747
Difference between projected and actual earnings on pension plan investments	-	5,873,541
Changes of assumptions	1,052,075	-
Differences between expected and actual experience	18,601	790,198
Totals	<u>\$ 4,917,849</u>	<u>\$ 7,724,486</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

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

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	\$ 1,016,247	\$ 2,018,633
2024	912,698	1,863,302
2025	446,378	1,801,079
2026	446,378	1,788,791
2027	235,441	125,997
Thereafter	127,766	126,684
Totals	<u>\$ 3,184,908</u>	<u>\$ 7,724,486</u>

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price of Inflation	2.75%
Wage Growth	3.50%

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

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions (continued)

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:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	42.0%	4.8%
Real Estate	15.0%	3.6%
Private Equity	13.0%	6.3%
Fixed Income	12.0%	1.3%
Risk Mitigating Strategies	10.0%	1.8%
Inflation Sensitive	6.0%	3.3%
Cash/Liquidity	2.0%	(0.4%)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the 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.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 15,115,093
Current discount rate (7.10%)	7,425,221
1% increase (8.10%)	1,042,775

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954 and 22955.1 of the Education Code and Public Resources Code Section 6217.5. Through the special legislation approved in June 2019 and June 2020, the State made supplemental contributions of approximately \$2.2 billion to CalSTRS on behalf of employers to supplant the amounts submitted by employers for fiscal years 2019–20 through 2021–22. Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is \$1,049,342.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020 annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb>.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Schools Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	7.00%
Required Employer Contribution Rate	22.91%	22.91%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2022 are presented above, and the total District contributions were \$1,279,322.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$6,932,257. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2022</u>	<u>Fiscal Year Ending June 30, 2021</u>	
Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	
Proportion of the Net Pension Liability	0.034091%	0.038376%	-0.004284%

For the year ended June 30, 2022, the District recognized pension expense of \$771,922. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension contributions subsequent to measurement date	\$ 1,279,322	\$ -
Net change in proportionate share of net pension liability	118,871	1,340,537
Difference between projected and actual earnings on pension plan investments	352,887	3,013,281
Changes of assumptions	-	-
Differences between expected and actual experience	206,946	16,342
Totals	<u>\$ 1,958,026</u>	<u>\$ 4,370,160</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.0 years.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

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

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	\$ 399,137	\$ 1,146,208
2024	175,587	1,092,556
2025	103,980	1,083,869
2026	-	1,047,526
2027	-	-
Thereafter	-	-
Totals	<u>\$ 678,704</u>	<u>\$ 4,370,160</u>

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	1997-2015
Actuarial Cost Method	Entry age normal
Discount Rate	7.15%
Inflation Rate	2.50%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions (continued)

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 11+</u>
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92%)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The discount rate is not adjusted for administrative expenses. The 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 for the pension plan’s investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.15%)	\$ 11,688,758
Current discount rate (7.15%)	6,932,257
1% increase (8.15%)	2,983,340

C. Payables to the Pension Plans

At June 30, 2022, the District reported payables of \$32,795 for the outstanding amount of legally required contributions to the CalSTRS pension plan for the fiscal year ended June 30, 2022.

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 10 – JOINT VENTURES

The Plumas Unified School District participates in three joint powers agreement (JPA) entities, the Northern California Schools Insurance Group (NCSIG), Tri-County Schools Insurance Group (TCSIG), and the Northeastern Joint Powers Authority (NEJPA). The relationship between the Plumas Unified School District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The NEJPA provides workers' compensation, property and liability coverage for its member school districts through a varying combination of self-insurance and excess coverage. The JPAs are governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPA independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPA.

Audited financial information is available from each individual JPA.

NOTE 11 – RISK MANAGEMENT

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2022, the District participated in the Northern California Schools Insurance Group (NCSIG), Northern California ReLiEF, Schools Association for Excess Risk (SAFER), and Tri-County Schools Insurance Group (TCSIG) public entity risk pools for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2021-22, the District was self-funded for workers' compensation, with excess coverage provided by the Northeastern Joint Powers Authority (NEJPA) public entity risk pool.

Employee Medical Benefits

The District has contracted with California's Valued Trust to provide classified employees' medical, dental and vision benefits and with Anthem Blue Cross to provide certificated employees' medical benefits.

Unpaid Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District's workers' compensation from July 1, 2020 to June 30, 2022.

	Workers' Compensation
Liability Balance, July 1, 2020	\$ 60,029
Claims and changes in estimates	(17,597)
Claims payments	6,236
Liability Balance, June 30, 2021	48,668
Claims and changes in estimates	38,484
Claims payments	(49,359)
Liability Balance, June 30, 2022	\$ 37,793
Assets available to pay claims at June 30, 2022	\$ 512,263

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material. However, as described in Finding 2022-010, the District is required to return \$723,329 of In Person Instruction Grant funds.

B. Litigation

The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2022.

NOTE 13 – ADJUSTMENTS FOR RESTATEMENT

The result of the implementation of GASB 87 was to increase the balance of capital assets and long-term debt at July 1, 2021, by \$883,021.

NOTE 14 – SUBSEQUENT EVENT

On July 14, 2022, the District entered into an Energy Solutions Project Agreement with ABM Building Solutions, LLC for the engineering, system design, fabrication, and installation of solar photovoltaic systems, boiler operational diagnostics, and boiler replacement. The cost of the project is \$4,295,135 and is being financed through the issuance of \$4,471,598 of tax-exempt lease financing bonds issued on July 7, 2022. The bonds carry an interest rate of 2.84% and will mature in increments every six months between August 1, 2023, and August 1, 2039.

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Required Supplementary Information

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PLUMAS UNIFIED SCHOOL DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Pos (Neg)
	Original	Final		
Revenues				
LCFF Sources	\$ 20,200,724	\$ 20,205,815	\$ 20,668,157	\$ 462,342
Federal	7,304,119	8,764,510	6,234,347	(2,530,163)
Other State	3,017,128	3,988,994	4,773,179	784,185
Other Local	1,177,274	2,888,111	2,594,066	(294,045)
Total Revenues	31,699,245	35,847,430	34,269,749	(1,577,681)
Expenditures				
Current:				
Certificated Salaries	10,525,334	11,025,580	11,019,805	5,775
Classified Salaries	4,926,734	5,747,660	6,011,089	(263,429)
Employee Benefits	7,075,010	7,848,348	8,014,440	(166,092)
Books and Supplies	1,907,337	3,714,094	1,936,497	1,777,597
Services and Other Operating Expenditures	4,751,750	6,523,414	6,041,768	481,646
Transfers of indirect costs	(21,875)	(20,532)	(15,295)	(5,237)
Capital Outlay	159,826	809,706	2,364,180	(1,554,474)
Other Outgo	306,312	306,312	509,946	(203,634)
Total Expenditures	29,630,428	35,954,582	35,882,430	72,152
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,068,817	(107,152)	(1,612,681)	(1,505,529)
Other Financing Sources and Uses				
Interfund transfers in	30,000	202,414	188,666	(13,748)
Proceeds from equipment purchase financing	-	-	#VALUE!	#VALUE!
All other financing sources	-	-	119,869	119,869
Total Other Financing Sources and Uses	30,000	202,414	#VALUE!	#VALUE!
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,098,817	95,262	#VALUE!	#VALUE!
Fund Balance, July 1, 2021	4,000,163	4,317,549	3,867,010	(450,539)
Fund Balance, June 30, 2022	<u>\$ 6,098,980</u>	<u>\$ 4,412,811</u>	<u>#VALUE!</u>	<u>#VALUE!</u>
Other Fund Balances included in the Statement of Revenues, Expenditures and Changes in Fund Balances:				
		Deferred Maintenance Fund	#VALUE!	
		Special Reserve Fund for Other Than Capital Outlay	#VALUE!	
		Special Reserve Fund for Postemployment Benefits	#VALUE!	
Total reported General Fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balances:			<u>#VALUE!</u>	

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Proportionate Share of the Net Pension Liability-CalSTRS
For the Fiscal Year Ended June 30, 2022

	<i>Last Ten Fiscal Years*</i>			
	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
District's proportion of the net pension liability	0.0163%	0.0165%	0.0155%	0.0148%
District's proportionate share of the net pension liability	\$ 7,425,221	\$ 15,985,101	\$ 13,966,944	\$ 13,558,117
State's proportionate share of the net pension liability associated with the District	3,736,083	8,240,321	7,619,900	7,762,656
Totals	<u>\$ 11,161,304</u>	<u>\$ 24,225,422</u>	<u>\$ 21,586,844</u>	<u>\$ 21,320,773</u>
District's covered-employee payroll	<u>\$ 8,984,143</u>	<u>\$ 9,051,690</u>	<u>\$ 8,494,037</u>	<u>\$ 7,869,307</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	87.51%	176.60%	164.43%	172.29%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%
	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
District's proportion of the net pension liability	0.0129%	0.0150%	0.0160%	0.0150%
District's proportionate share of the net pension liability	\$ 11,915,909	\$ 12,132,150	\$ 10,771,840	\$ 8,765,549
State's proportionate share of the net pension liability associated with the District	7,049,351	6,907,633	5,697,101	5,293,070
Totals	<u>\$ 18,965,260</u>	<u>\$ 19,039,783</u>	<u>\$ 16,468,941</u>	<u>\$ 14,058,619</u>
District's covered-employee payroll	<u>\$ 6,911,017</u>	<u>\$ 7,263,029</u>	<u>\$ 7,411,104</u>	<u>\$ 6,853,079</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	172.42%	167.04%	145.35%	127.91%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	74%	77%

* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Proportionate Share of the Net Pension Liability-CalPERS
For the Fiscal Year Ended June 30, 2022

*Last Ten Fiscal Years**

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
District's proportion of the net pension liability	0.0341%	0.0384%	0.0389%	0.0391%
District's proportionate share of the net pension liability	\$ 6,932,257	\$ 11,774,794	\$ 11,337,631	\$ 10,420,323
District's covered-employee payroll	\$ 4,814,599	\$ 5,477,704	\$ 5,396,304	\$ 5,172,668
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	137.17%	214.96%	210.10%	201.45%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%
	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
District's proportion of the net pension liability	0.0391%	0.0370%	0.0377%	0.0360%
District's proportionate share of the net pension liability	\$ 10,420,323	\$ 7,307,523	\$ 5,557,017	\$ 4,086,877
District's covered-employee payroll	\$ 5,172,668	\$ 4,443,842	\$ 4,177,453	\$ 3,788,901
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	201.45%	164.44%	133.02%	107.86%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	79%	83%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions-CalSTRS
For the Fiscal Year Ended June 30, 2022

*Last Ten Fiscal Years**

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Contractually required contribution	\$ 1,732,943	\$ 1,450,939	\$ 1,547,839	\$ 1,382,829
Contributions in relation to the contractually required contribution	<u>1,732,943</u>	<u>1,450,939</u>	<u>1,547,839</u>	<u>1,382,829</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 10,241,980</u>	<u>\$ 8,984,143</u>	<u>\$ 9,051,690</u>	<u>\$ 8,494,037</u>
Contributions as a percentage of covered-employee payroll	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>
	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 1,135,541	\$ 869,406	\$ 779,323	\$ 658,106
Contributions in relation to the contractually required contribution	<u>1,135,541</u>	<u>869,406</u>	<u>779,323</u>	<u>658,106</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 7,869,307</u>	<u>\$ 6,911,017</u>	<u>\$ 7,263,029</u>	<u>\$ 7,411,104</u>
Contributions as a percentage of covered-employee payroll	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>

* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions-CalPERS
For the Fiscal Year Ended June 30, 2022

*Last Ten Fiscal Years**

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
CalPERS				
Contractually required contribution	\$ 1,279,322	\$ 996,622	\$ 1,080,258	\$ 974,680
Contributions in relation to the contractually required contribution	<u>1,279,322</u>	<u>996,622</u>	<u>1,080,258</u>	<u>974,680</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 5,584,120</u>	<u>\$ 4,814,599</u>	<u>\$ 5,477,704</u>	<u>\$ 5,396,304</u>
Contributions as a percentage of covered-employee payroll	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>
	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 803,367	\$ 648,206	\$ 526,462	\$ 491,728
Contributions in relation to the contractually required contribution	<u>803,367</u>	<u>648,206</u>	<u>526,462</u>	<u>491,728</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 5,172,668</u>	<u>\$ 4,667,382</u>	<u>\$ 4,443,842</u>	<u>\$ 4,177,453</u>
Contributions as a percentage of covered-employee payroll	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

PLUMAS UNIFIED SCHOOL DISTRICT

*Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2022*

Employer Fiscal Year End Measurement Period	<i>Last Ten Fiscal Years*</i>				
	2021-22 2021-22	2020-21 2020-21	2019-20 2019-20	2018-19 2018-19	2017-18 2017-18
Total OPEB liability					
Service cost	\$ 17,387	\$ 15,853	\$ 13,463	\$ 12,773	\$ 12,607
Interest	21,953	32,869	65,083	76,479	79,799
Differences between expected and actual experience	-	(620,563)	-	-	-
Changes of assumptions or other inputs	(157,441)	(36,612)	103,209	75,642	(24,746)
Benefit payments	<u>(341,434)</u>	<u>(263,750)</u>	<u>(157,784)</u>	<u>(264,511)</u>	<u>(245,591)</u>
Net change in total OPEB liability	(459,535)	(872,203)	23,971	(99,617)	(177,931)
Total OPEB liability - beginning	1,295,923	2,168,126	2,144,155	2,243,772	2,421,703
Total OPEB liability - ending	<u>\$ 836,388</u>	<u>\$ 1,295,923</u>	<u>\$ 2,168,126</u>	<u>\$ 2,144,155</u>	<u>\$ 2,243,772</u>
 Covered-employee payroll	 <u>\$ 10,101,277</u>	 <u>\$ 13,321,821</u>	 <u>\$ 14,731,168</u>	 <u>\$ 14,176,067</u>	 <u>\$ 14,256,107</u>
 Total OPEB liability as a percentage of covered-employee payroll	 <u>8.3%</u>	 <u>9.7%</u>	 <u>14.7%</u>	 <u>15.1%</u>	 <u>15.7%</u>

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

PLUMAS UNIFIED SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program

For the Fiscal Year Ended June 30, 2022

*Last Ten Fiscal Years**

Employer Fiscal Year End Measurement Period	2021-22 2020-21	2020-21 2019-20	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17
District's proportion of net OPEB liability	0.0245%	0.0250%	0.0239%	0.0232%	0.0205%
District's proportionate share of net OPEB liability	\$ 97,825	\$ 105,938	\$ 89,008	\$ 88,796	\$ 86,276
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.80%)	(0.71%)	(0.81%)	0.40%	0.01%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

PLUMAS UNIFIED SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the *Governmental Accounting Standards Board* and provisions of the *California Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoptions with the legal restriction that expenditures cannot exceed appropriations by major object account.

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

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

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

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

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

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

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

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

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 1.92 percent to 3.69 percent since the previous valuation.

PLUMAS UNIFIED SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of the District’s Proportionate Share of the Net OPEB Liability – MPP Program

This schedule presents information on the District’s proportionate share of the net OPEB liability – MPP Program and the plans’ fiduciary net position. In the future, as data becomes available, ten years of information will be presented. As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP program; therefore, the covered payroll disclosure is not applicable.

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

Change of assumptions – The discount rate was changed from 2.21 percent to 2.16 percent since the previous valuation.

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Supplementary Information

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PLUMAS UNIFIED SCHOOL DISTRICT
Local Educational Agency Organization Structure
June 30, 2022

The Plumas Unified School District was established in 1949 and organized as a unified school district in the State of California that provides public education for grades K-12 within Plumas County. There were no changes to the District boundaries in the current year. The District maintains four elementary schools, four junior-senior high schools, and two continuation high schools.

GOVERNING BOARD

Member	Office	Term Expires
Traci Holt	President	December 2022
Joleen Cline	Clerk	December 2024
Leslie Edlund	Member	December 2022
Dave Keller	Member	December 2024
JoDee Read	Member	December 2022

DISTRICT ADMINISTRATORS

Terry Oestreich¹,
Superintendent

Lisa Cavin²,
Deputy Superintendent, Business Services

Kristy Warren
Assistant Superintendent, Curriculum & Instruction

Kevin Bean
Associate Superintendent, Student Services/SELPA

¹Retired June 30, 2022. The current Superintendent is William Roderick

²Resigned November 10, 2022. The position is currently vacant.

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2022

	Reported to CDE	
	Second Period Report	Annual Report
Regular ADA & Extended Year:		
Grades TK-3	468.08	473.78
Grades 4-6	320.68	325.10
Grades 7-8	247.54	248.36
Grades 9-12	460.82	460.73
	<hr/>	<hr/>
Total ADA	1,497.12	1,507.97
	<hr/> <hr/>	<hr/> <hr/>

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2022

Grade Level	Instructional Minute Requirement	Instructional Minutes Offered			Instructional Days Offered			Status
		Actual Minutes Offered	J13-A Credited	Total	Actual Days Offered	J13-A Credited*	Total	
Kindergarten	36,000	33,180	4,620	37,800	158	22	180	Complied
Grade 1	50,400	51,506	3,654	55,160	158	22	180	Complied
Grade 2	50,400	51,506	3,654	55,160	158	22	180	Complied
Grade 3	50,400	51,506	3,654	55,160	158	22	180	Complied
Grade 4	54,000	51,506	3,654	55,160	158	22	180	Complied
Grade 5	54,000	51,506	3,654	55,160	158	22	180	Complied
Grade 6	54,000	51,506	3,654	55,160	158	22	180	Complied
Grade 7	54,000	60,903	3,737	64,640	168	12	180	Complied
Grade 8	54,000	60,903	3,737	64,640	168	12	180	Complied
Grade 9	64,800	61,700	3,640	65,340	168	12	180	Complied
Grade 10	64,800	61,700	3,640	65,340	168	12	180	Complied
Grade 11	64,800	61,700	3,640	65,340	168	12	180	Complied
Grade 12	64,800	61,700	3,640	65,340	168	12	180	Complied

**The California Department of Education has approved a request for emergency days on August 24-27 and 30-31, 2021 and September 1-3, 7-10, 13-17, and 20-24, 2021. The number of approved days varies from school to school, so the largest number at each grade level is shown in the schedule. These closure days may be used for determining the length of the school year for purposes of California Code of Regulations Title 5, Section 11960.*

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2022

General Fund	(Budget) 2023 ²	2022 ³	2021	2020
Revenues and other financing sources	\$ 34,700,686	#VALUE!	\$ 29,387,625	\$ 28,745,900
Expenditures and other financing uses	33,703,978	35,882,430	28,594,163	29,358,922
Change in fund balance (deficit)	996,708	#VALUE!	793,462	(613,022)
Ending fund balance	#VALUE!	#VALUE!	\$ 3,867,010	\$ 3,073,548
Available reserves ¹	\$ 5,889,655	\$ 5,974,404	\$ 5,723,139	\$ 5,762,745
Available reserves as a percentage of total outgo	17.5%	16.6%	20.0%	19.6%
Total long-term debt	\$ 71,421,706	\$ 73,479,737	\$ 86,989,398	\$ 71,615,891
Average daily attendance at P-2	1,604	1,497	N/A	1,700

The General Fund balance has increased by \$1.16 million over the past two years. The fiscal year 2022-23 adopted budget projects an increase of \$1.0 million. For a district of 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 incurred an operating deficit in only one of the past three years, and anticipates an operating surplus during the 2022-23 fiscal year. Long-term debt has increased by \$192,354 over the past two years.

ADA decreased by 203 compared to 2019-20. Budgeted ADA projects an increase of 107 for 2022-23.

¹ Available reserves consist of all unassigned fund balances in the General Fund.

² Revised budget September, 2022.

³ The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund, the Special Reserve Fund for Other Than Capital Outlay, and the Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

PLUMAS UNIFIED SCHOOL DISTRICT

*Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2022*

	<u>Student Activities Fund</u>
June 30, 2022, annual financial and budget report (SACS) fund balance	\$ 185,604
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Cash in banks understated	<u>57,772</u>
June 30, 2022, audited financial statement fund balance	<u><u>\$ 243,376</u></u>

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Charter Schools
For the Fiscal Year Ended June 30, 2022

<u>Charter School</u>		<u>Inclusion in Financial Statements</u>
<u>Name</u>	<u>Number</u>	
Plumas Charter School	0146	Not included

PLUMAS UNIFIED SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Especially Needy	10.553	13526	\$ 276,519	
National School Lunch Program	10.555	13523	1,176,345	
USDA Donated Foods	10.555	N/A	<u>51,154</u>	
Total Child Nutrition Cluster				\$ 1,504,018
Child and Adult Care Food Program:				
Child and Adult Care Food Program	10.558	13393	43,566	
Cash in Lieu of Commodities	10.558	N/A	<u>13,131</u>	
Total Child and Adult Care Food Program				56,697
COVID-19 Pandemic EBT Local Administrative Grant	10.649	15644		<u>3,063</u>
Total U.S. Department of Agriculture				<u>1,563,778</u>
U.S. Department of Treasury:				
Passed through California Dept. of Education (CDE):				
COVID-19: Coronavirus Relief Fund (CRF) Learning Loss Mitigation	21.019	25516		<u>1,171</u>
Total U.S. Department of Treasury				<u>1,171</u>
U.S. Department of Education:				
Indian Education	84.060	10011		4,639
Passed through California Dept. of Education (CDE):				
Adult Basic Education and ESL	84.002A	14508	44,453	
Adult Secondary Education	84.002	13978	<u>25,512</u>	
Total Adult Education - State Grants				69,965
Every Student Succeeds Act (ESSA):				
Title I Grants to Local Educational Agencies:				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329	409,848	
School Improvement Funding for LEAs	84.010	15438	<u>4,543</u>	
Total Title I Grants				414,391
Title II, Part A, Supporting Effective Instruction	84.367	14341		82,050
English Language Acquisition State Grants:				
Title III, Immigrant Education Program	84.365	15146	1,729	
Title III, Limited English Proficiency	84.365	14346	<u>3,720</u>	
Subtotal English Language Acquisition State Grants				5,449
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		32,068
Title V, Part B, Rural & Low Income School Program	84.358	14356		530
Early Intervention Grants	84.181	23761		25,130
Carl D. Perkins Career and Technical Education: Adult, Sec. 132	84.048	14893		18,494
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	1,578,118	
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	746,333	
Governor's Emergency Education Relief (GEER) Fund: Learning Loss	84.425C	15517	8,790	
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	182,345	
Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	45,670	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	129,720	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	<u>216,797</u>	
Subtotal Education Stabilization Fund				2,907,773
Individuals with Disabilities Education Act (IDEA):				
Basic Local Assistance Entitlement	84.027	13379	435,400	
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	21,772	
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	20,237	
Alternate Dispute Resolution, Part B, Sec 611	84.173A	13007	<u>4,272</u>	
Total Special Education (IDEA) Cluster				481,681
Total U.S. Department of Education				<u>4,042,170</u>
Total Expenditures of Federal Awards				<u>\$ 5,607,119</u>

Of the federal expenditures presented in the schedule, the District provided no awards to sub-recipients.

PLUMAS UNIFIED SCHOOL DISTRICT

Note to Supplementary Information

June 30, 2022

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

This schedule lists all charter schools chartered by the District, and displays information for each charter school and whether or not the charter school is included in the District audit.

Schedule of Expenditures of Federal Awards

The schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have either been recorded as revenues that have not been expended or have not been recorded as revenues but have been expended by June 30, 2022.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		\$ 6,193,840
Differences between Federal Revenues and Expenditures:		
Forest Reserve Funds	10.665	(857,620)
Child Nutrition Cluster	10.553/10.555	270,899
Total Schedule of Expenditures of Federal Awards		<u>\$ 5,607,119</u>

Other Independent Auditors' Reports

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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 Education
Plumas Unified School District
Quincy, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plumas Unified School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 20, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2022-001 through 2022-004, that we consider to be material weaknesses.

Report on Compliance and Other Matters

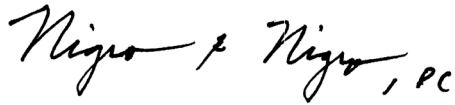
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as Findings 2022-005 through 2022-010.

Plumas Unified School District's Response to Findings

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

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.

Handwritten signature in cursive script that reads "Nigro & Nigro, PC".

Murrieta, California
July 20, 2023



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

To the Board of Education
Plumas Unified School District
Quincy, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Plumas Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Plumas School District's major federal programs for the year ended June 30, 2022. The Plumas School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Plumas School District compiled, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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 Plumas School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect 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 Plumas School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, 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 Plumas School 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 Plumas School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Plumas School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Findings 2022-005. Our opinion on each major federal program is not modified with respect to this matter.

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

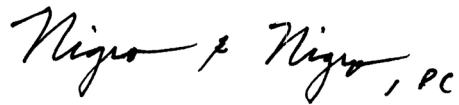
Report on Internal Control Over Compliance

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

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

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

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

Handwritten signature in cursive script that reads "Nigro & Nigro, PC".

Murrieta, California
July 20, 2023

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

To the Board of Education
Plumas Unified School District
Quincy, California

Report on Compliance

Qualified and Unmodified Opinions on State Compliance

We have audited the Plumas Unified School District's (District) compliance with the requirements specified in the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting applicable to the District's state program requirements identified below for the year ended June 30, 2022.

Qualified Opinion on Certain State Programs

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Plumas Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other State Programs

In our opinion, Plumas Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

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 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Matters Giving Rise to Qualified Opinion on Certain State Programs

As described in the accompanying schedule of findings and questioned costs, the Plumas Unified School District did not comply with requirements regarding Classroom Teacher Salaries, Career Technical Education Incentive Grant, and In Person Instruction Grant as described in Findings 2022-008 through 2022-010. Compliance with such requirements is necessary, in our opinion, for the Plumas Unified School District to comply with the requirements applicable to that program.

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 Plumas Unified School District's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	No
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In Person Instruction Grant	Yes
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Areas marked as Not Applicable were not operated by the District. We did not audit continuation education because the ADA was below the level that requires testing.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings 2022-006 and 2022-007.

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

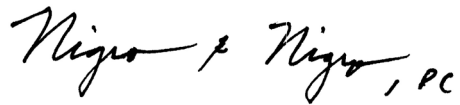
Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Nigro & Nigro, PC".

Murrieta, California
July 20, 2023

Schedule of Findings and Questioned Costs

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PLUMAS UNIFIED SCHOOL DISTRICT

Summary of Auditors' Results

For the Fiscal Year Ended June 30, 2022

Financial Statements

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>Yes</u>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516 (a)?	<u>Yes</u>

Identification of major programs:	
Assistance Listing	
<u>Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425C, 84.425D & 84.425U	Education Stabilization Fund

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

State Awards

Type of auditors' report issued on compliance for state programs:	<u>Qualified</u>
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PLUMAS UNIFIED SCHOOL DISTRICT

Financial Statement Findings

For the Fiscal Year Ended June 30, 2022

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>AB 3627 Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Finding 2022-001: Year-End Closing and Reporting (30000)

This is a partial repeat of Finding 2021-001.

Criteria: Generally accepted accounting principles (GAAP) require that the year-end account balances include all accruals as of the date of the financial statements. Good internal controls and prudent business practices require the District to verify that financial statements are properly recorded, and adequate documentation is maintained to support the balances reported in the financial statements.

Condition: The District made several errors during year-end closing that required audit adjustments to correct the financial statements.

- The District did not record the expenditures and revenues for the STRS on-behalf contribution from the State in the amount of \$1,049,342.
- A receivable for the Educator Effectiveness program in the amount of \$106,222 was not accrued.
- Two expenditures for capital outlay in the amount of \$92,746 were incorrectly coded to object code 5600 as repairs.
- The ending balance of inventory was not adjusted to match the actual inventory on hand based on a physical account. The balance is not materially misstated.
- Lease payments for equipment were not properly coded to object codes 7438 and 7439, but were instead coded to object code 5600 as leases.
- The District maintains a balance of nearly \$7,600 on a credit card account that continues to roll forward without being reconciled or written off. The District is unable to identify original charges.
- The District failed to recognize and record the appropriate entries for a new Energy Equipment Purchase Financing agreement for \$1,671,492.

PLUMAS UNIFIED SCHOOL DISTRICT

Financial Statement Findings

For the Fiscal Year Ended June 30, 2022

Finding 2022-001: Year-End Closing and Reporting (30000) (continued)

This is a partial repeat of Finding 2021-001.

Cause: The District continued to struggle with staffing vacancies throughout the year due to limited housing availability after the Dixie Fire. In addition to the vacancies, there was staff and management turnover in the District.

Effect: Financial statements could be misstated without adjusting journal entries.

Recommendation: We recommend that the District:

- Implement internal controls to ensure that all account balances are accurately stated in the financial statements at year-end.
- Continue working to fill all staff and management vacancies and ensure that employees are properly trained.

Views of Responsible Officials: The District will work diligently to ensure that the accounting department is fully staffed and trained for year-end closing. We will consider working with consultants to assist as necessary to ensure that the financial statements are properly closed at year-end.

Finding 2022-002: Personnel Files (30000)

This is a partial repeat of Finding 2021-002.

Criteria: Salaries and benefits of employees are the largest expenditure in an LEA. Controls should be established to ensure that the personnel function, which is responsible for hiring employees in an LEA is separate from the payroll function, which is responsible for paying the employees. Personnel files must be maintained to ensure that all required documentation for employees is available.

Condition: The District could not locate personnel files for the employees selected in our sample of payroll tests. As a result, we could not verify that the sampled employees were paid correctly, nor whether sufficient documentation exists in the files.

Cause: Due to the COVID-19 pandemic and wildfires, many District staff were working remotely from home and documentation of personnel was either misplaced or not maintained.

Effect: Employees could be paid incorrectly or the District could be paying for employees that no longer work there or do not exist.

Recommendation: We recommend that the District continue working to either relocate or recreate personnel files for all employees.

Views of Responsible Officials: The District will take better care to ensure that personnel files are maintained for all current employees and that former employees are noted as such.

PLUMAS UNIFIED SCHOOL DISTRICT

Financial Statement Findings

For the Fiscal Year Ended June 30, 2022

Finding 2022-003: Cash Reconciliations (30000)

Criteria: Bank reconciliations are an important internal control to ensure that bank balances are accurately reported and that all transactions are properly included.

Condition: The District could not provide the auditors with documentation that it reconciles the cash in District treasury account or the community school bank account.

Cause: Due to the COVID-19 pandemic and wildfires, many District staff were working remotely from home and documentation of cash reconciliations was either misplaced or not maintained.

Effect: Cash balances could be misstated.

Recommendation: We recommend that the District maintain reconciliations of all cash balances, including the cash in District treasury and community school bank account.

Views of Responsible Officials: The District will ensure that accounting department staff continue to work with the county treasurer's office to ensure that cash balances are reconciled on a regular basis.

Finding 2022-004: Associated Student Body (ASB) Funds (30000)

Criteria: District business office staff are responsible for general oversight of student body activities. In this capacity, the business office staff should:

- Serve as a resource and answer questions from the site staff.
- Develop and update the District's ASB manual based on input from the site staff, student organizations and District auditors. The questions that are asked throughout the year and the findings noted by the auditors should also be taken into consideration when updating the manual.
- Provide training at least annually on the District's ASB manual or procedures. This includes providing new staff members and student council members with copies of the manual and training during the year.
- Make periodic visits to sites to review the procedures in operation and answer questions. It is a good practice to visit each site at least once a year and more often if the site appears to have problems or continues to have audit findings year after year.
- Obtain and review financial reports from the sites at least quarterly.
- Review the reconciled bank statements for all ASB accounts at school sites regularly, preferably monthly.
- Work with the sites' staff to respond to problems noted by the auditors in the annual audit and develop corrective actions to resolve the problems.
- Follow up on all issues regarding the administration of student organizations.
- Develop accounting procedures for recording and controlling the student body organization's financial transactions.
- Periodically review procedures to make sure they conform to prescribed accounting procedures.

PLUMAS UNIFIED SCHOOL DISTRICT

Financial Statement Findings

For the Fiscal Year Ended June 30, 2022

Finding 2022-004: Associated Student Body (ASB) Funds (30000) (continued)

Criteria (continued): The ASB bookkeeper has the responsibility of maintaining and overseeing the entire ASB process which involves independently maintaining a complete set of financial records for the Associated Student Body, student body operations, and all student body accounts and to follow proper internal controls.

Condition: During our review of the ASB oversight procedures at the District Office, we discovered that there was no review process of ASB accounting. The District Office does not always receive financial statements and bank statements and reconciliations from all of the schools maintaining ASB funds. Due to this lack of oversight, the District incorrectly reported the balances in the Student Activity Fund, requiring an audit adjustment to correctly state the balance.

During our review of the ASB controls at the school sites, we also noted the following:

- At Portola High School:
 - Bank reconciliations were not prepared during the entire 2021-22 school year
- At Quincy High School:
 - Two of the ten cash receipts that we tested in our audit sample were lacking point-of-sale collection documentation, and as a result, we were unable to determine whether all funds were correctly deposited and recorded.

Cause: Due to staffing shortages at the District Office, the District does not have adequate resources to implement controls to ensure that:

- Financial statements and bank reconciliations for the ASB accounts for each school are prepared and maintained by the District Office;
- Adequate accounting records and internal controls are maintained to ensure that revenues are collected and deposited appropriately, and;

Effect:

- The lack of internal controls and oversight by the District Office could lead to loss or misappropriation of ASB assets and inaccurate financial reporting.
- Without ASB policies and procedures specifying how the ASB organization will be established and supervised, or how financial activity will be operated and managed, there is a risk that ASB organizations are not in compliance with rules and regulations ensuring that student body funds are being used for students' benefit.

Recommendation: We recommend that the District assign an employee in the Business Office to be responsible for the oversight of the ASB accounts. This position should review bank statements and reconciliations on a monthly basis. Additionally, income and loss statements and balance sheets should be prepared and reviewed on a quarterly basis, at a minimum.

We further recommend that the school site bookkeeper maintain all records associated with the ASB for proper control of the ASB assets and to prevent misappropriation of assets. Furthermore, back-ups should be conducted at a minimum of once per month in order to limit the potential of lost data.

PLUMAS UNIFIED SCHOOL DISTRICT

Financial Statement Findings

For the Fiscal Year Ended June 30, 2022

Finding 2022-004: Associated Student Body (ASB) Funds (30000) (continued)

Finally, we recommend the following:

- It is important for student organizations to have adequate internal controls over their fundraising events, properly evaluate the effectiveness of those events, and account for a fundraiser's financial activity. Revenue potentials are used as a budgeting and planning tool. The form serves as a sales plan that includes expected sales levels, sale prices per unit, expected cost, and net income. We recommend that revenue potentials be prepared for all major fundraising activities.
- We recommend that before any events are held, control procedures should be established that will allow for the reconciliation between money collected and fundraiser sales.
- Timely and accurate bank reconciliations are prudent and necessary to ensure that the accounting records match the amounts held on deposit. We recommend the bookkeeper perform monthly bank reconciliations within two weeks after the statement arrives. Furthermore, the Principal or ASB Advisor should review the bank reconciliation and initial and date the bank statement and reconciliation as evidence they were reviewed. Review of the bank reconciliations by someone other than the ASB Bookkeeper is an important internal control to detect errors and possible questionable or suspicious activity.

Views of Responsible Officials: The District will continue to provide training, monitoring and oversight over ASB activities at the school sites. We will work with consultants as needed to assist in this area.

PLUMAS UNIFIED SCHOOL DISTRICT
Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

Finding 2022-005: Consultation with Private Schools (50000)

Assistance Listing No. 84.425 – Education Stabilization Funds
U.S. Department of Education
Passed through California Department of Education

Criteria: The equitable services provision of the Education Stabilization statute requires that local educational agencies (LEAs) provide eligible private school children with Education Stabilization educational services or other benefits that are equitable to those provided to eligible public school children. Education Stabilization services for eligible private school children must be developed in consultation with private school officials. Eligible students enrolled in private schools receive Education Stabilization; private schools do not receive Education Stabilization funds. The public school district, where the students reside, is responsible for making these services available for students in private schools.

Condition: The District did not have documentation to demonstrate that it sent out the letters for the Education Stabilization program in FY 2021-22.

Context: Not applicable.

Cause: Due to staffing turnover and shortages, as well as the impact of Covid-19 and employees working remotely, the District Office was unaware that the correspondence with private schools was not done.

Effect: Private school pupils were not given the opportunity to receive these services.

Question Cost: None

Recommendation: Consultation with private school participants should begin early enough so that teachers can be hired, and materials ordered in order to start at the beginning of each school year. Consequently, the District should consult with the private schools on an annual basis, allowing the schools to respond and make any necessary purchases or hiring decisions prior to this date.

Views of Responsible Officials: The District will ensure that private schools are given the opportunity to participate in federal programs.

PLUMAS UNIFIED SCHOOL DISTRICT
State Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

Finding 2022-006: Teacher Credentials (71000)

Criteria: According to Educational Code Section 44253.3, 44253.4 or 44253.10, if any teacher was assigned to teach a class in which more than 20 percent of the pupils were English learners, that teacher must meet criteria.

Condition: The District had one teacher in a class with more than 20 EL students who did not have the proper authorization and credentials.

Context: One teacher was identified in a sample of seven (7) teachers.

Cause: The teacher did his teacher preparation out of state and needed to get the EL Authorization to clear his credential.

Effect: None

Recommendation: We recommend that prior to allowing a teacher teach pupils with more than 20 percent of English learners, to verify they have the appropriate teaching credentials.

Views of Responsible Officials: The District will instruct the human resources department to ensure that all certificated teaching staff have the appropriate credentials, including EL certification.

PLUMAS UNIFIED SCHOOL DISTRICT
State Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Finding 2022-007: Instructional Materials (70000)

Criteria: California Education Code Section 60119 requires the LEA to hold a public hearing prior to making a determination through a resolution as to the sufficiency of textbooks and instructional materials. The public hearing must be held on or before the 8th week of school. Furthermore, the LEA must provide 10-day notice of the required public hearing.

Condition: The District Office posted the public hearing notice on October 4, 2021, which was only 9 days before the public hearing was held.

Context: Not applicable.

Cause: Due to Covid-19 and working remotely, the District Office was unaware it was out of compliance by one day.

Effect: None

Recommendation: We recommend that the District Office ensure that the notice which is posted during the 2022-23 school year adhere to the requirements for the posting of the public notice within 10 days of the hearing.

Views of Responsible Officials: The District will ensure that the public hearing notice is posted at least 10 days before the public hearing in the future.

Finding 2022-008: Classroom Teacher Salaries (61000)
This is a repeat of Finding 2021-004.

Criteria: California Education Code, Section 41372 (b) states, in part:

There shall be expended during each fiscal year for payment of salaries of classroom teachers:
(3) By a unified school district, 55% of the district's current expense of education.

Condition: During our review of classroom teacher salaries, we noted that the District did not meet the required 55% minimum for expenditures of salaries for classroom teachers. The District reported its "current expense of education" totaling \$27,583,354, with \$13,260,914, or 48.08%, going toward its classroom teachers' salaries.

Context: Not applicable

Cause: The District spent a similar amount on salaries in 2021-22 as it did in 2020-21, however other spending caused the deficiency in achieving the required percentage.

PLUMAS UNIFIED SCHOOL DISTRICT
State Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Finding 2022-008: Classroom Teacher Salaries (61000) (continued)

This is a repeat of Finding 2021-004.

Effect: The District did not meet the required minimum percentage for classroom teacher salaries. The District expended \$1,909,931 less than the amount necessary to meet the minimum of 55%.

Recommendation: The District should continue working to ensure that it meets the minimum required percentage for the classroom teacher salaries in future years.

Views of Responsible Officials: The District will continue working to ensure that it meets the minimum required percentage for the classroom teacher salaries in future years.

Finding 2022-009: Career Technical Education Incentive Grant (40000)

Criteria: Local Education Agencies that receive the Career Technical Education Incentive Grant (CTEIG) allocation are required to budget a full match for the program (2 dollars for every 1 dollar received from this program) pursuant to Education Code section 53071(a).

Condition: The District did not budget the required match.

Context: Not applicable.

Cause: The District Office was unaware of the 2:1 matching requirement.

Effect: The District received \$96,398 and was required to budget \$192,796 in matching funds, for a total of \$289,194. The budgeted expenditures for this program in 2021-22 were only \$153,000, a shortage of \$136,194.

Recommendation: We recommend that the District Office ensure that it budgets \$2 for \$1 received in CTEIG allocations in future years.

Views of Responsible Officials: We will ensure that the District budgets \$2 for \$1 received in CTEIG allocations in future years.

PLUMAS UNIFIED SCHOOL DISTRICT
State Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Finding 2022-010: In Person Instruction Grant (40000)

Criteria: According to Education Code section 43521(c)(2)(B)(i): From April 1, 2021, to May 15, 2021, inclusive, a local educational agency's apportionment of funds pursuant to paragraph (1) shall be reduced by 1 percent for each day of instruction provided for in the school calendar that the local educational agency does not provide in-person instruction pursuant to paragraph (3), as identified in the school calendar adopted for the 2020-21 school year that is in effect on March 1, 2021.

Pursuant to Education Code section 43521(c)(3), subparagraphs (A) to (C), an LEA must have offered in person instruction for the specified pupil groups on the date identified on the LEA's IPI Grant LEA Certification Form.

Condition: The District could not provide documentation to show it notified parents/guardians of the District's pupils of their option to enroll in in person instruction by April 1, 2021. We were also unable to obtain documentation that the District offered IPI on the date shown on the certification, which was April 1, 2021. Furthermore, we could not test a sample of students to verify that they were offered IPI by April 1, 2021.

Context: The requirement applied for the 2020-21 school year only but is part of 2021-22 audit procedures.

Cause: Due to the COVID-19 pandemic and wildfires, many District staff were working remotely from home and documentation for this compliance requirement was either misplaced or not maintained.

Effect: The District received \$723,329 for its In Person Instruction grant, which is disallowed.

Recommendation: Not applicable since this was one-time funding.

Views of Responsible Officials: Not applicable since this was one-time funding.

PLUMAS UNIFIED SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2022

Original Finding No.	Finding	Code	Recommendation	Current Status
<i>Finding 2021-001: Accounts Receivable and Revenue Reporting</i>	<p>Generally accepted accounting principles (GAAP) require that the year-end accounts receivable balance include all revenues earned as of the date of the financial statements. Good internal controls and prudent business practices require the District to verify that revenues are properly recorded and adequate documentation is maintained to support the balances reported in the financial statements.</p> <p>The District could not reconcile its accounts receivable to supporting schedules or other documentation. We noted \$450,540 of beginning accounts receivable balances that could not be substantiated by supporting documents.</p>	30000	<p>We recommend that the District:</p> <ul style="list-style-type: none"> • Implement internal controls to ensure that all account balances are accurately stated in the financial statements at year-end; • Ensure that employees are properly trained. 	Not Implemented; See Finding 2022-001.
<i>Finding 2021-002: Payroll Reporting</i>	<p>Good internal controls and prudent business practices require the District to establish and implement policies and procedures to ensure that:</p> <ul style="list-style-type: none"> • Payroll accounts are properly reconciled, and its employee benefit expenditures are monitored to ensure that benefits are provided for eligible individuals only; and • Adequate documentation is maintained, and payroll is processed accurately and is properly reviewed by the District’s management. <p>The District could not provide supporting documentation for the payroll paid to the ten employees selected in our sample.</p>	30000	<p>We recommend that the District:</p> <ul style="list-style-type: none"> • Implement internal control procedures to ensure that payroll records are properly maintained and reconciliations to the general ledger are performed on a regular basis; and • Ensure that employees are properly trained to perform the duties required for the payroll department. 	Not Implemented; See Finding 2022-002.
<i>Finding 2021-003: Attendance and Distance Learning</i>	<p>Pursuant to Education Code Section 43504(e), each District shall ensure that a weekly engagement record is completed for each pupil documenting synchronous or asynchronous instruction for each whole or partial day of distance learning, verifying daily participation, and tracking assignments. For school districts, county offices of education, classroom-based charter schools, and all newly operational charter schools, in order for a day to count as a day of instruction towards meeting the annual</p>	10000	<p>The assignment tracking requirement was only in place for 2020-21 for distance learning, so no action needs to be taken by the District.</p>	Not Applicable in 2021-22.

PLUMAS UNIFIED SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2022

Original Finding No.	Finding	Code	Recommendation	Current Status
	<p>instructional day requirement, students must be scheduled to attend for the school day established by the local governing board and the school day must be equivalent to at least a minimum day of instruction. A school day can be met through in-person instruction, distance learning, or a combination of in-person instruction and distance learning.</p> <p>At the two school sites tested, we selected 25 students for a one-week period, or 5 days. We could not locate weekly engagement records for any students selected. Furthermore, we were unable to obtain documentation of asynchronous or synchronous instruction offerings for four of the five days tested at the junior/senior high school. At the elementary school there was no documentation of asynchronous or synchronous instruction offerings for any of the five days tested. The two school sites cover all grades K-12.</p>			
<p><i>Finding 2021-004: Classroom Teacher Salaries (This is a repeat of Finding 2020-002)</i></p>	<p>Education Code 41372 states that unified school districts shall expend an amount equal to or greater than 55 percent of the district's current expense of education on classroom teacher salaries.</p> <p>The District did not meet the minimum requirement, having spent only 50.63 percent on classroom compensation.</p>	61000	The District should seek a waiver from the County, and plan accordingly for future years to bring the District back into compliance.	Not Implemented; See Finding 2022-008

