

PLUMAS UNIFIED SCHOOL DISTRICT

**AUDIT REPORT
JUNE 30, 2023**

**PLUMAS UNIFIED SCHOOL DISTRICT
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JUNE 30, 2023**

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FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
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 the Plumas Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Plumas Unified School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plumas Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2024 on our consideration of the Plumas Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plumas Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plumas Unified School District's internal control over financial reporting and compliance.



San Diego, California
August 14, 2024

PLUMAS UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

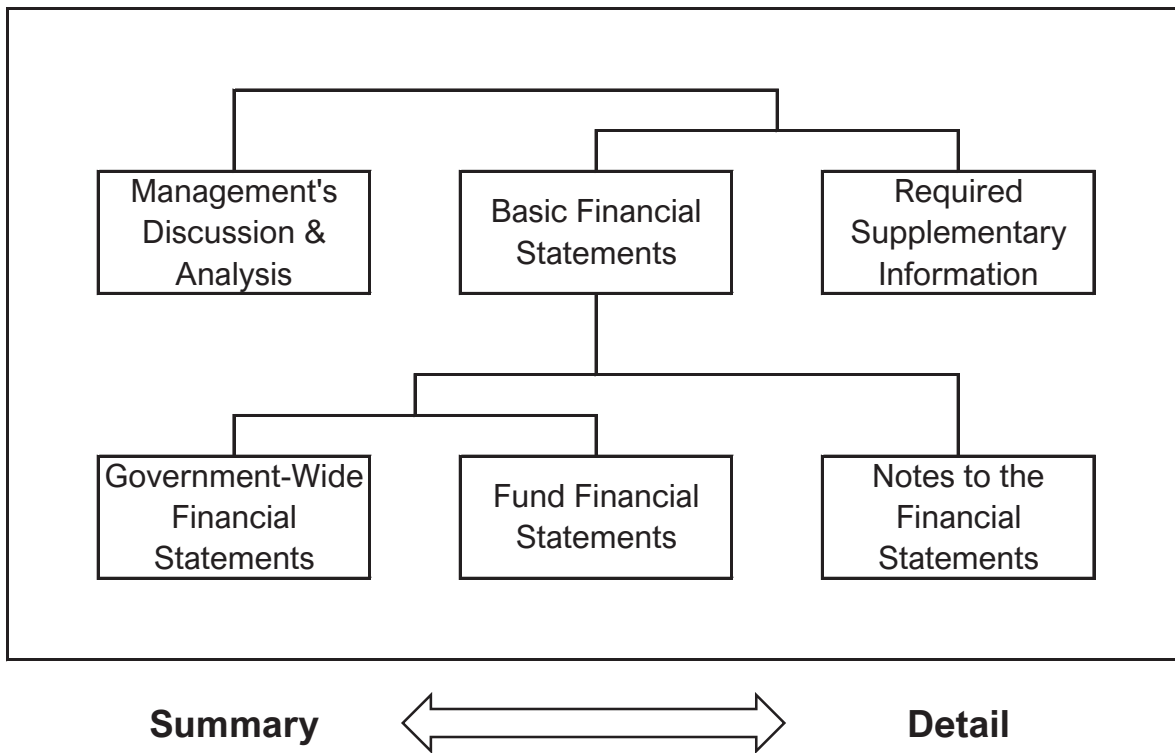
Our discussion and analysis of Plumas Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ The District's net position was \$17,723,899 at June 30, 2023. This was an increase of \$3,817,171 from the prior year, after restatement.
- ▶ Overall revenues were \$42,397,605 which exceeded expenses of \$38,580,434.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**PLUMAS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

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

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

 - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

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

Government-Wide Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

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

**PLUMAS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was \$17,723,899 at June 30, 2023, as reflected in the table below. Of this amount, (\$14,609,933) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2023	2022	Net Change
ASSETS			
Current and other assets	\$ 33,275,703	\$ 41,402,616	\$ (8,126,913)
Capital assets	65,633,237	54,761,963	10,871,274
Total Assets	98,908,940	96,164,579	2,744,361
DEFERRED OUTFLOWS OF RESOURCES	11,489,937	6,952,647	4,537,290
LIABILITIES			
Current liabilities	5,977,502	4,735,052	1,242,450
Long-term liabilities	82,712,254	71,808,245	10,904,009
Total Liabilities	88,689,756	76,543,297	12,146,459
DEFERRED INFLOWS OF RESOURCES	3,985,222	12,765,026	(8,779,804)
NET POSITION			
Net investment in capital assets	13,498,559	16,058,327	(2,559,768)
Restricted	18,835,273	13,668,118	5,167,155
Unrestricted	(14,609,933)	(15,917,542)	1,307,609
Total Net Position	\$ 17,723,899	\$ 13,808,903	\$ 3,914,996

**PLUMAS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

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

	Governmental Activities		
	2023	2022	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 653,172	\$ 595,859	\$ 57,313
Operating grants and contributions	12,222,703	8,949,415	3,273,288
Capital grants and contributions	3,010	2,123,489	(2,120,479)
General revenues			
Property taxes	27,294,475	26,000,300	1,294,175
Unrestricted federal and state aid	1,175,633	278,210	897,423
Other	1,048,612	1,737,284	(688,672)
Total Revenues	42,397,605	39,684,557	2,713,048
EXPENSES			
Instruction	16,004,060	13,934,666	2,069,394
Instruction-related services	3,564,180	3,137,883	426,297
Pupil services	5,685,925	5,170,502	515,423
General administration	2,854,893	2,760,910	93,983
Plant services	4,765,920	4,487,350	278,570
Ancillary and community services	656,552	586,606	69,946
Debt service	1,862,606	1,850,862	11,744
Other outgo	86,224	-	86,224
Depreciation and amortization	3,100,074	3,222,154	(122,080)
Total Expenses	38,580,434	35,150,933	3,429,501
Change in net position	3,817,171	4,533,624	(716,453)
Net Position - Beginning, as Restated	13,906,728	9,275,279	4,631,449
Net Position - Ending	\$ 17,723,899	\$ 13,808,903	\$ 3,914,996

The cost of all our governmental activities this year was \$38,580,434 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was \$27,294,475 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

**PLUMAS UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

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

	Net Cost of Services	
	2023	2022
Instruction	\$ 9,127,189	\$ 8,029,223
Instruction-related services	2,652,091	2,164,859
Pupil services	2,517,352	2,320,102
General administration	2,357,962	2,221,161
Plant services	3,605,630	4,204,606
Ancillary and community services	392,421	361,808
Debt service	1,862,606	1,850,862
Transfers to other agencies	86,224	(892,605)
Depreciation	2,774,856	2,896,906
Amortization	325,218	325,248
Total	\$ 25,701,549	\$ 23,482,170

FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$29,734,299, which is less than last year’s ending fund balance of \$36,878,966. The District’s General Fund had \$983,517 less in operating revenues than expenditures for the year ended June 30, 2023. The District’s Building Fund had \$10,791,178 less in operating revenues than expenditures for the year ended June 30, 2023. The District’s Bond Interest and Redemption Fund had \$1,714,489 more in operating revenues than expenditures for the year ended June 30, 2023.

CURRENT YEAR BUDGET 2022-2023

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

**PLUMAS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2022-2023 the District had invested \$65,633,237 in capital assets, net of accumulated depreciation and amortization.

	Governmental Activities		
	2023	2022	Net Change
CAPITAL ASSETS			
Land	\$ 154,198	\$ 154,198	\$ -
Construction in progress	17,298,689	12,266,192	5,032,497
Land improvements	15,021,130	7,663,780	7,357,350
Buildings & improvements	74,929,156	73,482,479	1,446,677
Furniture & equipment	6,939,570	6,804,746	134,824
Less: Accumulated depreciation	(48,942,061)	(46,167,205)	(2,774,856)
Lease assets - land improvements	883,021	883,021	-
Less: Accumulated amortization (lease assets)	(650,466)	(325,248)	(325,218)
Total Capital Assets	\$ 65,633,237	\$ 54,761,963	\$ 10,871,274

Long-Term Liabilities

At year-end, the District had \$82,712,254 in long-term liabilities, an increase of 19.02% from last year – as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2023	2022	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	\$ 50,808,849	\$ 52,099,731	\$ (1,290,882)
Total certificates of participation	2,674,418	2,779,788	(105,370)
Lease revenue bonds	4,471,598	-	4,471,598
Leases payable	232,990	558,330	(325,340)
Early retirement incentive	116,806	242,895	(126,089)
Compensated absences	138,156	101,551	36,605
Total OPEB liability	1,182,542	836,388	346,154
Net pension liability	24,657,214	14,357,478	10,299,736
Supplemental Employee Retirement Plan	587,407	734,259	(146,852)
Less: current portion of long-term liabilities	(2,157,726)	(2,216,433)	58,707
Total Long-term Liabilities	\$ 82,712,254	\$ 69,493,987	\$ 13,218,267

**PLUMAS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

In its June 2023 quarterly report, the UCLA Anderson Forecast stated the U.S. economy was not in a recession yet, but the forecast comes with a caution. Anti-inflation actions by the Federal Reserve could still trigger a near-term recession. The Federal Reserve has said that its actions will be dependent on data. If data shows that the labor market continues to remain robust and if another jobs report shows strong growth in payroll employment and inflation remains sticky, the Federal Reserve will likely err on the side of further tightening of monetary policy and thus, a mild recession later this year is the most likely. The Forecast anticipates that there will be a mild impact on the State of California's economy regardless of the Federal Reserve's policy actions. The California unemployment rate averages for 2023, 2024, and 2025 are expected to be 4.1%, 4.0% and 4.0%, respectively, and non-farm payroll jobs are expected to grow at rates of 2.0%, 1.3%, and 1.6%, during the same three years.

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. The May 2023 Budget Revision includes a total Proposition 98 guarantee of \$106.8 billion (\$77.4 billion General Fund and \$29.4 billion local property tax) down from the January 2023 Governor's Budget Proposition 98 guarantee of \$108.8 billion (\$79.6 billion General Fund and \$29.2 billion local property tax). The Proposition 98 Guarantee continues to be in Test 1 for 2022-23 and 2023-24. At May Revision, the 2023-24 cost-of-living adjustment (COLA) is updated to 8.22 percent, the largest COLA in the history of LCFF. Additionally, the May revise saw a reduction of \$1.8 billion to the Arts, Music, and Instructional Materials Discretionary Block Grant and a \$2.5 billion reduction of the Learning Recovery Emergency Block Grant.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2023. The amount of the liability is material to the financial position of the District. The CalSTRS projected employer contribution rate for 2023-24 is 19.10 percent. The CalPERS projected employer contribution rate for 2023-24 is 26.68 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2023-24 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

**PLUMAS UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and investments	\$ 27,245,457
Accounts receivable	5,100,904
Inventory	429,840
Prepaid expenses	499,502
Capital assets, not depreciated	17,452,887
Capital assets, net of accumulated depreciation	47,947,795
Lease assets, net of accumulated amortization	232,555
Total Assets	<u>98,908,940</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	11,043,747
Deferred outflows related to OPEB	446,190
Total Deferred Outflows of Resources	<u>11,489,937</u>
LIABILITIES	
Accrued liabilities	2,844,014
Unearned revenue	975,762
Long-term liabilities, current portion	2,157,726
Long-term liabilities, non-current portion	82,712,254
Total Liabilities	<u>88,689,756</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,436,768
Deferred inflows related to OPEB	500,194
Deferred amount on refunding	48,260
Total Deferred Inflows of Resources	<u>3,985,222</u>
NET POSITION	
Net investment in capital assets	13,498,559
Restricted:	
Capital projects	5,198,800
Debt service	9,281,036
Educational programs	4,164,415
Associated student body	191,022
Unrestricted	(14,609,933)
Total Net Position	<u>\$ 17,723,899</u>

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

**PLUMAS UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 16,004,060	\$ 6,460	\$ 6,867,401	\$ 3,010	\$ (9,127,189)
Instruction-related services					
Instructional supervision and administration	881,846	6,316	394,198	-	(481,332)
Instructional library, media, and technology	193,786	175	97,315	-	(96,296)
School site administration	2,488,548	-	414,085	-	(2,074,463)
Pupil services					
Home-to-school transportation	1,286,909	438	691	-	(1,285,780)
Food services	2,099,616	4,957	2,232,366	-	137,707
All other pupil services	2,299,400	10,550	919,571	-	(1,369,279)
General administration					
Centralized data processing	698,338	96	146,554	-	(551,688)
All other general administration	2,156,555	880	349,401	-	(1,806,274)
Plant services	4,765,920	378,277	782,013	-	(3,605,630)
Ancillary services	653,118	245,023	18,815	-	(389,280)
Community services	3,434	-	293	-	(3,141)
Interest on long-term debt	1,862,606	-	-	-	(1,862,606)
Other outgo	86,224	-	-	-	(86,224)
Depreciation (unallocated)	2,774,856	-	-	-	(2,774,856)
Amortization (unallocated)	325,218	-	-	-	(325,218)
Total Governmental Activities	\$ 38,580,434	\$ 653,172	\$ 12,222,703	\$ 3,010	(25,701,549)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					22,584,654
Property taxes, levied for debt service					4,709,821
Federal and state aid not restricted for specific purposes					1,175,633
Interest and investment earnings					14,483
Interagency revenues					703,115
Miscellaneous					331,014
Subtotal, General Revenue					29,518,720
CHANGE IN NET POSITION					3,817,171
Net Position - Beginning, as Restated					13,906,728
Net Position - Ending					\$ 17,723,899

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

**PLUMAS UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 10,908,698	\$ 1,591,477	\$ 10,035,559	\$ 4,211,736	\$ 26,747,470
Accounts receivable	5,059,959	-	-	40,945	5,100,904
Due from other funds	841,614	3,000,842	-	2,143,980	5,986,436
Stores inventory	429,840	-	-	-	429,840
Prepaid expenditures	497,002	-	-	2,500	499,502
Total Assets	\$ 17,737,113	\$ 4,592,319	\$ 10,035,559	\$ 6,399,161	\$ 38,764,152
LIABILITIES					
Accrued liabilities	\$ 1,853,761	\$ 212,068	\$ -	\$ 1,826	\$ 2,067,655
Due to other funds	5,144,822	1,750	-	839,864	5,986,436
Unearned revenue	975,762	-	-	-	975,762
Total Liabilities	7,974,345	213,818	-	841,690	9,029,853
FUND BALANCES					
Nonspendable	929,386	-	-	5,947	935,333
Restricted	4,002,713	4,378,501	10,035,559	5,551,524	23,968,297
Assigned	338,979	-	-	-	338,979
Unassigned	4,491,690	-	-	-	4,491,690
Total Fund Balances	9,762,768	4,378,501	10,035,559	5,557,471	29,734,299
Total Liabilities and Fund Balances	\$ 17,737,113	\$ 4,592,319	\$ 10,035,559	\$ 6,399,161	\$ 38,764,152

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

**PLUMAS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2023**

Total Fund Balance - Governmental Funds \$ 29,734,299

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

Capital assets:

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

Capital assets	\$ 114,342,743	
Lease assets	883,021	
Accumulated depreciation	(48,942,061)	
Accumulated amortization (lease assets)	<u>(650,466)</u>	65,633,237

Deferred amount on refunding:

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

(48,260)

Unmatured interest on long-term debt:

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

(754,523)

Long-term liabilities:

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

Total general obligation bonds	\$ 50,808,849	
Total certificates of participation	2,674,418	
Lease revenue bonds	4,471,598	
Leases payable	232,990	
Early retirement incentive	116,806	
Compensated absences	138,156	
Total OPEB liability	1,182,542	
Net pension liability	24,657,214	
Supplemental Employee Retirement Plan	<u>587,407</u>	(84,869,980)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources related to pensions	\$ 11,043,747	
Deferred inflows of resources related to pensions	<u>(3,436,768)</u>	7,606,979

(Continued on the following page)

**PLUMAS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION, continued
JUNE 30, 2023**

Deferred outflows and inflows of resources relating to OPEB:

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

Deferred outflows of resources related to OPEB	\$ 446,190	
Deferred inflows of resources related to OPEB	<u>(500,194)</u>	(54,004)

Internal service funds:

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, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

476,151

Total Net Position - Governmental Activities

\$ 17,723,899

**PLUMAS UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	\$ 22,405,139	\$ -	\$ -	\$ -	\$ 22,405,139
Federal sources	5,692,028	-	-	141,095	5,833,123
Other state sources	8,521,901	-	-	420,640	8,942,541
Other local sources	1,652,158	64,523	4,733,069	190,926	6,640,676
Total Revenues	38,271,226	64,523	4,733,069	752,661	43,821,479
EXPENDITURES					
Current					
Instruction	18,582,427	-	-	475,108	19,057,535
Instruction-related services					
Instructional supervision and administration	976,308	-	-	1,130	977,438
Instructional library, media, and technology	200,088	-	-	-	200,088
School site administration	2,932,753	-	-	-	2,932,753
Pupil services					
Home-to-school transportation	1,324,575	-	-	-	1,324,575
Food services	2,055,316	-	-	78,195	2,133,511
All other pupil services	2,487,799	-	-	-	2,487,799
General administration					
Centralized data processing	698,349	-	-	-	698,349
All other general administration	2,455,427	-	-	21,193	2,476,620
Plant services	4,862,171	46,789	-	45,434	4,954,394
Facilities acquisition and construction	1,690,430	10,808,912	-	1,356,556	13,855,898
Ancillary services	487,604	-	-	236,104	723,708
Community services	4,529	-	-	-	4,529
Debt service					
Principal	430,710	-	1,385,000	-	1,815,710
Interest and other	66,257	-	1,633,580	-	1,699,837
Total Expenditures	39,254,743	10,855,701	3,018,580	2,213,720	55,342,744
Excess (Deficiency) of Revenues Over Expenditures	(983,517)	(10,791,178)	1,714,489	(1,461,059)	(11,521,265)
Other Financing Sources (Uses)					
Transfers in	655,696	-	-	-	655,696
Other sources	-	-	-	4,376,598	4,376,598
Transfers out	-	-	-	(655,696)	(655,696)
Net Financing Sources (Uses)	655,696	-	-	3,720,902	4,376,598
NET CHANGE IN FUND BALANCE	(327,821)	(10,791,178)	1,714,489	2,259,843	(7,144,667)
Fund Balance - Beginning	10,090,589	15,169,679	8,321,070	3,297,628	36,878,966
Fund Balance - Ending	\$ 9,762,768	\$ 4,378,501	\$ 10,035,559	\$ 5,557,471	\$ 29,734,299

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

**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 YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Governmental Funds \$ (7,144,667)

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

Capital outlay:

In governmental funds, the costs of capital assets 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 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:	\$	13,971,348	
Depreciation expense:		(2,774,856)	
Amortization expense:		(325,218)	10,871,274

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

1,815,710

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(4,471,598)

Deferred amounts on refunding:

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

8,776

Unmatured interest on long-term debt:

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

(68,651)

Accreted interest on long-term debt:

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

(158,402)

Compensated absences:

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

(36,605)

(Continued on the following page)

**PLUMAS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2023**

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: 136,414

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: 2,526,014

Other liabilities not normally liquidated with current financial resources:

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. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were: 272,941

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 64,284

Internal Service Funds:

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 benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was: 1,681

Change in Net Position of Governmental Activities	\$ 3,817,171
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PLUMAS UNIFIED SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets	
Cash and investments	\$ 497,987
Total current assets	<u>497,987</u>
Total Assets	<u>497,987</u>
LIABILITIES	
Current liabilities	
Accrued liabilities	<u>21,836</u>
Total current liabilities	<u>21,836</u>
Total Liabilities	<u>21,836</u>
NET POSITION	
Restricted	<u>476,151</u>
Total Net Position	<u>\$ 476,151</u>

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

**PLUMAS UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities Internal Service Fund</u>
OPERATING EXPENSES	
Professional services	\$ (5)
Total operating expenses	<u>(5)</u>
Operating income/(loss)	<u>5</u>
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	1,676
Total non-operating revenues/(expenses)	<u>1,676</u>
CHANGE IN NET POSITION	1,681
Net Position - Beginning	474,470
Net Position - Ending	<u>\$ 476,151</u>

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

**PLUMAS UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Cash flows from operating activities	
Cash payments for payroll, insurance, and operating costs	\$ (15,835)
Net cash provided by (used for) operating activities	<u>(15,835)</u>
Cash flows from investing activities	
Interest received	1,676
Net cash provided by (used for) investing activities	<u>1,676</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(14,159)</u>
 CASH AND CASH EQUIVALENTS	
Beginning of year	512,146
End of year	<u>\$ 497,987</u>
 Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	\$ 5
Changes in assets and liabilities:	
(Increase) decrease in accounts receivables	117
Increase (decrease) in accrued liabilities	<u>(15,957)</u>
Net cash provided by (used for) operating activities	<u>\$ (15,835)</u>

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Plumas Unified School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

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

C. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its proprietary 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 non-major funds.

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

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Major Governmental Funds

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

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. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

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

PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds

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

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

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (*Education Code Sections 52616[b] and 52501.5[a]*).

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

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

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

Proprietary Funds

Internal Service Funds: Internal service funds are created principally to render services to other organizational units of the District on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

Self-Insurance Fund: Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of the District. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code Section 17566*).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

Government-Wide and Proprietary Fund Financial Statements

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

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self-insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

Governmental Funds

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

Revenues – Exchange and Non-Exchange Transactions

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Revenues – Exchange and Non-Exchange Transactions, continued

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

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

Unearned Revenue

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

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

Expenses/Expenditures

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Cash and Cash Equivalents

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

Investments

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

Inventories

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

Capital Assets

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

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

Included in capital assets are right to use lease assets as a result of implementing GASB Statement No. 87. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

**PLUMAS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (continued)

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	15-40 years
Furniture and Equipment	15 years
Vehicles	5-10 years

Interfund Balances

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

Compensated Absences

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

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Accrued Liabilities and Long-Term Obligations

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

Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Postemployment Benefits Other Than Pensions (OPEB) (continued)

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

Premiums and Discounts

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

Deferred Outflows/Deferred Inflows of Resources

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

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

Pensions

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance

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

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

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

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

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

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

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

G. Estimates

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

H. Budgetary Data

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

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

I. Property Tax

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021.—The District has fully implemented this Statement as of June 30, 2023.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The statement is effective for periods beginning after June 15, 2022. The District has fully implemented this Statement as of June 30, 2023.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has not yet determined the impact on the financial statements.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

**PLUMAS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2023**

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Funds	Internal Service Fund	Governmental Activities
Investment in county treasury	\$ 26,522,824	\$ 447,987	\$ 26,970,811
Cash on hand and in banks	218,655	-	218,655
Cash with fiscal agent	-	50,000	50,000
Cash in revolving fund	5,991	-	5,991
Total	\$ 26,747,470	\$ 497,987	\$ 27,245,457

B. Policies and Practices

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

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Plumas County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

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

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

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$26,755,356 and an amortized book value of \$26,970,811. The average weighted maturity for this pool is 1,054 days.

E. Credit Risk

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

**PLUMAS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2023**

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2023, the District's bank balance was not exposed to custodial credit risk.

G. Fair Value

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

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

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

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

Uncategorized - Investments in the 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.

The District's fair value measurements at June 30, 2023 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	<u>\$ 26,755,356</u>
Total	<u>\$ 26,755,356</u>

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of the following:

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government			
Categorical aid	\$ 2,645,065	\$ 40,945	\$ 2,686,010
State Government			
Apportionment	829,644	-	829,644
Categorical aid	795,011	-	795,011
Lottery	92,568	-	92,568
Local Government			
Other local sources	697,671	-	697,671
Total	\$ 5,059,959	\$ 40,945	\$ 5,100,904

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 01, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 154,198	\$ -	\$ -	\$ 154,198
Construction in progress	12,266,192	13,855,897	8,823,400	17,298,689
Total capital assets not being depreciated	12,420,390	13,855,897	8,823,400	17,452,887
Capital assets being depreciated				
Land improvements	7,663,780	7,357,350	-	15,021,130
Buildings & improvements	73,482,479	1,446,677	-	74,929,156
Furniture & equipment	6,804,746	134,824	-	6,939,570
Total capital assets being depreciated	87,951,005	8,938,851	-	96,889,856
Less: Accumulated depreciation				
Land improvements	4,200,544	417,419	-	4,617,963
Buildings & improvements	35,873,280	2,185,636	-	38,058,916
Furniture & equipment	6,093,381	171,801	-	6,265,182
Total accumulated depreciation	46,167,205	2,774,856	-	48,942,061
Total capital assets being depreciated, net	41,783,800	6,163,995	-	47,947,795
Lease assets being amortized				
Land improvements	883,021	-	-	883,021
Total lease assets being amortized	883,021	-	-	883,021
Less: Accumulated amortization for lease assets				
Land improvements	325,248	325,218	-	650,466
Total accumulated amortization for lease assets	325,248	325,218	-	650,466
Total lease assets being amortized, net	557,773	(325,218)	-	232,555
Governmental Activities				
Capital Assets, net	\$ 54,761,963	\$ 19,694,674	\$ 8,823,400	\$ 65,633,237

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 5 – INTERFUND TRANSACTIONS

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

Individual interfund receivable and payable balances at June 30, 2023 were as follows:

<u>Due To Other Funds</u>	<u>Due From Other Funds</u>			
	<u>General Fund</u>	<u>Building Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 3,000,842	\$ 2,143,980	\$ 5,144,822
Building Fund	1,750	-	-	1,750
Non-Major Governmental Funds	839,864	-	-	839,864
Total	\$ 841,614	\$ 3,000,842	\$ 2,143,980	\$ 5,986,436

Due from the General Fund to the Adult Education Fund for adult education revenue posted to General Fund.	\$ 18,321
Due from the General Fund to the Building Fund for interfund cash flow borrowing.	3,000,842
Due from the General Fund to the County School Facilities Fund for interfund cash flow borrowing.	2,125,659
Due from the Adult Education Fund to the General Fund indirect costs and prior year expenses.	49,913
Due from the Building Fund to the General Fund bond expenses.	1,750
Due from the County School Facilities Fund to the General Fund project expenses.	789,951
Total	\$ 5,986,436

B. Operating Transfers

Interfund transfers for the year ended June 30, 2023, consisted of a transfer of \$655,696 from the County School Facilities Fund to the General Fund for project expenses.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2023 consisted of the following:

	<u>General Fund</u>	<u>Building Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service Fund</u>	<u>District-Wide</u>	<u>Governmental Activities</u>
Payroll	\$ 305,660	\$ -	\$ 995	\$ -	\$ -	\$ 306,655
Construction	62,607	212,068	-	-	-	274,675
Vendors payable	1,485,494	-	-	-	-	1,485,494
Unmatured interest	-	-	-	-	754,523	754,523
Other liabilities	-	-	831	21,836	-	22,667
Total	\$ 1,853,761	\$ 212,068	\$ 1,826	\$ 21,836	\$ 754,523	\$ 2,844,014

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2023 consisted of the following:

	<u>General Fund</u>
Federal sources	\$ 259,520
State categorical sources	716,242
Total	\$ 975,762

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2023 consisted of the following:

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023	Balance Due In One Year
Governmental Activities					
General obligation bonds	\$ 48,916,725	\$ -	\$ 1,385,000	\$ 47,531,725	\$ 1,447,000
Unamortized premium	1,618,472	-	64,284	1,554,188	64,284
Accreted interest	1,564,534	158,402	-	1,722,936	-
Total general obligation bonds	52,099,731	158,402	1,449,284	50,808,849	1,511,284
Direct placement certificates of participation	2,779,788	-	105,370	2,674,418	216,111
Total certificates of participation	2,779,788	-	105,370	2,674,418	216,111
Lease revenue bonds	-	4,471,598	-	4,471,598	95,590
Leases payable	558,330	-	325,340	232,990	232,990
Early retirement incentive	242,895	-	126,089	116,806	101,751
Compensated absences	101,551	36,605	-	138,156	-
Total OPEB liability	836,388	346,154	-	1,182,542	-
Net pension liability	14,357,478	10,299,736	-	24,657,214	-
Supplemental Employee Retirement Plan	734,259	-	146,852	587,407	-
Total	\$ 71,710,420	\$ 15,312,495	\$ 2,152,935	\$ 84,869,980	\$ 2,157,726

- Payments for general obligation bonds are made by the Bond Interest and Redemption Fund.
- Compensated absences, early retirement incentives, and the supplemental employee retirement plan will be paid for by the fund for which the employee worked.
- Payments for certificates of participation and the supplemental early retirement plan are made by the General Fund.
- Payments for the lease payable are made by the General Fund.
- Payments for the lease revenue bonds are made by the General Fund.

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.

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 8 – LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds (continued)

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, 2023, 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, 2023, deferred inflows of resources on refunding were \$48,260.

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

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2023
					Outstanding July 01, 2022	Additions	Deductions	
2002 B	9/14/2005	8/1/2030	5.06% - 7.60%	\$ 5,000,725	\$ 2,490,259	\$ 158,402	\$ -	\$ 2,648,661
2016 Refunding	11/9/2016	8/1/2026	1.05% - 2.36%	\$ 4,246,000	3,991,000	-	740,000	3,251,000
2016 A	6/7/2017	8/1/2047	1.05% - 2.36%	\$ 9,920,000	6,260,000	-	85,000	6,175,000
2016 B	2/20/2019	8/1/2048	3.75% - 5.00%	\$ 24,155,000	21,815,000	-	175,000	21,640,000
2016 C	3/18/2021	8/1/2048	2.00% - 4.00%	\$ 15,925,000	15,925,000	-	385,000	15,540,000
					\$ 50,481,259	\$ 158,402	\$ 1,385,000	\$ 49,254,661

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2023, were as follows:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 1,447,000	\$ 1,595,950	\$ 3,042,950
2025	1,549,000	1,553,415	3,102,415
2026	1,630,000	1,504,449	3,134,449
2027	1,715,000	1,450,689	3,165,689
2028	1,095,959	2,127,066	3,223,025
2029 - 2033	6,469,766	8,497,694	14,967,460
2034 - 2038	7,715,000	5,141,684	12,856,684
2039 - 2043	10,110,000	3,614,244	13,724,244
2044 - 2048	13,015,000	1,644,763	14,659,763
2049	2,785,000	48,513	2,833,513
Accretion	1,722,936	(1,722,936)	-
Total	\$ 49,254,661	\$ 25,455,531	\$ 74,710,192

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 8 – LONG-TERM LIABILITIES (continued)

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:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 216,111	\$ 88,585	\$ 304,696
2025	223,478	81,218	304,696
2026	231,096	73,601	304,697
2027	238,972	65,724	304,696
2028	247,118	57,578	304,696
2029 - 2033	1,367,827	155,653	1,523,480
2034	149,816	2,532	152,348
Total	\$ 2,674,418	\$ 524,891	\$ 3,199,309

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 4. The remaining balance of \$232,990 is payable during the fiscal year ending June 30, 2024.

D. 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:

<u>Year Ended June 30,</u>	<u>Payment</u>
2024	\$ 101,751
2025	15,055
Total	\$ 116,806

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 8 – LONG-TERM LIABILITIES (continued)

E. 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, 2023, for these obligations are shown below.

<u>Year Ended June 30,</u>	<u>Payment</u>
2024	\$ 146,852
2025	146,852
2026	146,852
2027	146,851
Total	<u>\$ 587,407</u>

F. Lease Revenue Bonds

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. The total future payments owing at June 30, 2023, for these obligations are shown below:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 95,590	\$ 126,319	\$ 221,909
2025	111,567	123,492	235,059
2026	128,663	120,203	248,866
2027	146,944	116,420	263,364
2028	166,476	112,109	278,585
2029 - 2033	1,174,516	474,756	1,649,272
2034 - 2038	1,897,295	264,391	2,161,686
2039 - 2040	750,547	21,608	772,155
Total	<u>\$ 4,471,598</u>	<u>\$ 1,359,298</u>	<u>\$ 5,830,896</u>

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2023:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	\$ 2,544	\$ -	\$ -	\$ 3,447	\$ 5,991
Stores inventory	429,840	-	-	-	429,840
Prepaid expenditures	497,002	-	-	2,500	499,502
Total non-spendable	929,386	-	-	5,947	935,333
Restricted					
Educational programs	4,002,713	-	-	161,702	4,164,415
Associated student body	-	-	-	191,022	191,022
Capital projects	-	4,378,501	-	5,198,800	9,577,301
Debt service	-	-	10,035,559	-	10,035,559
Total restricted	4,002,713	4,378,501	10,035,559	5,551,524	23,968,297
Assigned					
Other assignments	338,979	-	-	-	338,979
Total assigned	338,979	-	-	-	338,979
Unassigned	4,491,690	-	-	-	4,491,690
Total Fund Balance	\$ 9,762,768	\$ 4,378,501	\$ 10,035,559	\$ 5,557,471	\$ 29,734,299

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3% percent of General Fund expenditures and other financing uses.

**PLUMAS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2023**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

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

B. Benefits Provided

The 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 10 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 eight 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.

C. Contributions

For the measurement period, the District contributed \$169,158 to the Plan, all of which was used for current premiums.

D. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	11
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>133</u>
Total number of participants**	<u>144</u>

*Information not provided

**As of the July 1, 2022 valuation date

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

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

E. Total OPEB Liability

The Plumas Unified School District's total OPEB liability of \$1,182,542 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date.

Economic assumptions:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	3.86%
Healthcare cost trend rates	6.00%

G. Actuarial Assumptions and Other Inputs (continued)

Non-economic assumptions:

Mortality:

Certificated	2015-2018 CalSTRS Mortality Table
Classified	2000-2019 CalPERS Active Mortality for Miscellaneous Employees Table

Retirement rates:

Certificated	2015-2018 CalSTRS Retirement Rates Table
Classified	2000-2019 CalPERS Retirement Rates for School Employees Table

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

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

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

H. Changes in Total OPEB Liability

	<u>June 30, 2023</u>
Total OPEB Liability	
Service cost	\$ 15,727
Interest on total OPEB liability	45,573
Difference between expected and actual experience	375,024
Changes of assumptions	78,988
Benefits payments	<u>(169,158)</u>
Net change in total OPEB liability	346,154
Total OPEB liability - beginning	<u>836,388</u>
Total OPEB liability - ending	<u>\$ 1,182,542</u>
Covered-employee payroll	\$ 16,040,863
District's total OPEB liability as a percentage of covered-employee payroll	7.37%

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

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

	1% Decrease (2.86%)	Valuation Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB liability	\$ 1,260,706	\$ 1,182,572	\$ 1,111,998

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

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

	1% Decrease (5.00%) decreasing to an ultimate rate of 3.00)	Valuation Trend Rate (6.00%) decreasing to an ultimate rate of 4.00)	1% Increase (7.00%) decreasing to an ultimate rate of 5.00)
Total OPEB liability	\$ 1,111,698	\$ 1,182,572	\$ 1,260,127

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

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

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

For the year ended June 30, 2023, the Plumas Unified School District recognized OPEB expense of \$32,744. At June 30, 2023, the Plumas Unified School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 329,840	\$ 365,536
Changes in assumptions	116,350	134,658
Total	<u>\$ 446,190</u>	<u>\$ 500,194</u>

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 84,594	\$ 112,199
2025	71,687	112,199
2026	54,701	112,199
2027	54,701	112,199
2028	54,701	49,182
Thereafter	125,806	2,216
Total	<u>\$ 446,190</u>	<u>\$ 500,194</u>

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS

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

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	\$ 12,087,769	\$ 6,393,923	\$ 2,281,325	\$ (121,324)
PERS Pension	12,569,445	4,649,824	1,155,443	1,358,684
Total	\$ 24,657,214	\$ 11,043,747	\$ 3,436,768	\$ 1,237,360

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS (continued)

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

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2023, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2023 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$2,135,363 for the year ended June 30, 2023.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$971,114 to CalSTRS.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 12,087,769
State's proportionate share of the net pension liability associated with the District	6,053,590
Total	<u>\$ 18,141,359</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District’s proportion was 0.017 percent, which was an increase of 0.001 percent from its proportion measured as of June 30, 2021.

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2023, the District recognized pension expense of \$(121,324). In addition, the District recognized pension expense and revenue of \$(452,760) for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 590,941
Differences between expected and actual experience	9,916	906,330
Changes in assumptions	599,465	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,649,179	784,054
District contributions subsequent to the measurement date	2,135,363	-
Total	<u>\$ 6,393,923</u>	<u>\$ 2,281,325</u>

The \$2,135,363 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 1,371,466	\$ 908,689
2025	864,373	945,046
2026	864,370	1,104,455
2027	480,138	(857,875)
2028	339,107	139,434
2029	339,106	41,576
Total	<u>\$ 4,258,560</u>	<u>\$ 2,281,325</u>

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	42%	4.80%
Real Estate	15%	3.60%
Private Equity	13%	6.30%
Fixed Income	12%	1.30%
Risk Mitigating Strategies	10%	1.80%
Inflation Sensitive	6%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

*20-year geometric average

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 20,529,515	\$ 12,087,769	\$ 5,078,582

Pension Plan Fiduciary Net Position

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

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

Benefits Provided

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

Contributions

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

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2023 was 25.37% of annual payroll. Contributions to the plan from the District were \$1,628,011 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$12,569,445 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District's proportion was 0.037 percent, which was an increase of 0.003 percent from its proportion measured as of June 30, 2021.

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2023, the District recognized pension expense of \$1,358,684. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 1,484,110	\$ -
Differences between expected and actual experience	56,807	312,744
Changes in assumptions	929,816	-
Changes in proportion and differences between District contributions and proportionate share of contributions	551,080	842,699
District contributions subsequent to the measurement date	1,628,011	-
Total	<u>\$ 4,649,824</u>	<u>\$ 1,155,443</u>

The \$1,628,011 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 828,398	\$ 569,621
2025	733,356	492,386
2026	555,100	93,436
2027	904,959	-
Total	<u>\$ 3,021,813</u>	<u>\$ 1,155,443</u>

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

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

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*
Global Equity – cap-weighted	30.0%	4.45%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	100.0%	

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

Discount Rate

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

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 18,157,200	\$ 12,569,445	\$ 7,951,371

Pension Plan Fiduciary Net Position

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

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

C. Construction Commitments

As of June 30, 2023, the District had commitments with respect to unfinished capital projects.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in three joint ventures under joint powers authorities (JPAs), the Northern California School Insurance Group (NCSIG), the Tri-County Schools Insurance Group (TCSIG), and the Northeastern Joint Powers Authority (NEJPA). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

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

NOTE 14 – RISK MANAGEMENT

Workers' Compensation

For fiscal year 2022-23, the District was self-funded for workers' compensation, with excess coverage provided by the Northeastern Joint Powers Authority (NEJPA) public entity risk pool. 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, 2022 to June 30, 2023.

	Workers' Compensation
Liability Balance, July 01, 2022	\$ 37,793
Claims & changes in estimates	(15,957)
Claims payments	-
Liability Balance, June 30, 2023	<u>\$ 21,836</u>
Assets available to pay claims at June 30, 2023	<u>\$ 497,987</u>

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 15 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District’s long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2023, the deferred amount on refunding was \$48,260.

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2023, total deferred outflows related to pensions was \$11,043,747 and total deferred inflows related to pensions was \$3,436,768.

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2023, total deferred outflows related to other postemployment benefits was \$446,190 and total deferred inflows related to other postemployment benefits was \$500,194.

NOTE 16 – RESTATEMENT OF NET POSITION

The amounts previously reported at June 30, 2022 as the ending net position for Governmental Activities has been restated due to the elimination of the net OPEB balance related to the Medicare Premium Payment Portion. The July 1, 2022 beginning balance has been stated as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	\$ 13,808,903
Restatement	97,825
Net Position - Beginning, as Restated	<u>\$ 13,906,728</u>

REQUIRED SUPPLEMENTARY INFORMATION

**PLUMAS UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 20,498,605	\$ 22,159,075	\$ 22,405,139	\$ 246,064
Federal sources	5,930,084	6,212,286	5,983,472	(228,814)
Other state sources	5,588,945	7,704,299	8,106,125	401,826
Other local sources	2,017,466	2,054,872	1,645,119	(409,753)
Total Revenues	34,035,100	38,130,532	38,139,855	9,323
EXPENDITURES				
Certificated salaries	10,697,342	11,666,658	12,094,799	(428,141)
Classified salaries	5,217,289	6,130,141	6,594,157	(464,016)
Employee benefits	7,904,942	8,828,317	9,425,954	(597,637)
Books and supplies	2,454,327	3,475,924	2,543,801	932,123
Services and other operating expenditures	5,956,544	5,406,953	6,594,344	(1,187,391)
Capital outlay	1,187,753	1,621,041	1,768,815	(147,774)
Other outgo				
Excluding transfers of indirect costs	306,312	306,312	254,066	52,246
Transfers of indirect costs	(20,532)	(20,532)	(21,193)	661
Total Expenditures	33,703,977	37,414,814	39,254,743	(1,839,929)
Excess (Deficiency) of Revenues Over Expenditures	331,123	715,718	(1,114,888)	(1,830,606)
Other Financing Sources (Uses)				
Transfers in	665,586	665,586	1,404,411	738,825
Net Financing Sources (Uses)	665,586	665,586	1,404,411	738,825
NET CHANGE IN FUND BALANCE				
Fund Balance - Beginning	4,234,356	4,234,356	4,234,356	-
Fund Balance - Ending	\$ 5,231,065	\$ 5,615,660	\$ 4,523,879	\$ (1,091,781)

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- 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 Projects and the Special Reserve Fund for Post-employment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.
- Revenues for Medi-Cal Billing Option and Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.
- The schedule above does not reflect audit adjustments.

**PLUMAS UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service cost	\$ 15,727	\$ 17,387	\$ 15,853	\$ 13,463	\$ 12,773	\$ 12,607
Interest on total OPEB liability	45,573	21,953	32,869	65,083	76,479	79,799
Difference between expected and actual experience	375,024	-	(620,563)	-	-	-
Changes of assumptions	78,988	(157,441)	(36,612)	103,209	75,642	(24,746)
Benefits payments	(169,158)	(341,434)	(263,750)	(157,784)	(264,511)	(245,591)
Net change in total OPEB liability	346,154	(459,535)	(872,203)	23,971	(99,617)	(177,931)
Total OPEB liability - beginning	836,388	1,295,923	2,168,126	2,144,155	2,243,772	2,421,703
Total OPEB liability - ending	\$ 1,182,542	\$ 836,388	\$ 1,295,923	\$ 2,168,126	\$ 2,144,155	\$ 2,243,772
Covered-employee payroll	\$ 16,040,863	\$ 10,101,277	\$ 13,321,821	\$ 14,731,168	\$ 14,176,067	\$ 14,256,107
District's total OPEB liability as a percentage of covered-employee payroll	7.37%	8.28%	9.73%	14.72%	15.13%	15.74%

See accompanying notes to required supplementary information.

**PLUMAS UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
 FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.017%	0.016%	0.017%	0.016%	0.015%	0.013%	0.015%	0.016%	0.015%
District's proportionate share of the net pension liability	\$ 12,087,769	\$ 7,425,221	\$ 15,985,101	\$ 13,966,944	\$ 13,558,117	\$ 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	\$ 6,053,590	\$ 3,736,083	\$ 8,240,321	\$ 7,619,300	\$ 7,762,656	\$ 7,049,351	\$ 6,907,633	\$ 5,697,101	\$ 5,293,070
Total	\$ 18,141,359	\$ 11,161,304	\$ 24,225,422	\$ 21,586,244	\$ 21,320,773	\$ 18,965,260	\$ 19,039,783	\$ 16,468,941	\$ 14,058,619
District's covered payroll	\$ 10,241,980	\$ 8,984,143	\$ 9,051,690	\$ 8,494,037	\$ 7,869,307	\$ 6,911,017	\$ 7,263,029	\$ 7,411,104	\$ 6,853,079
District's proportionate share of the net pension liability as a percentage of its covered payroll	118.0%	82.6%	176.6%	164.4%	172.3%	172.4%	167.0%	145.3%	127.9%
Plan fiduciary net position as a percentage of the total pension liability	81.2%	87.2%	71.8%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

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

**PLUMAS UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
 FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.037%	0.034%	0.038%	0.039%	0.039%	0.039%	0.037%	0.038%	0.036%
District's proportionate share of the net pension liability	\$ 12,569,445	\$ 6,932,257	\$ 11,774,794	\$ 11,337,631	\$ 10,420,323	\$ 10,420,323	\$ 7,307,523	\$ 5,557,017	\$ 4,086,877
District's covered payroll	\$ 5,584,120	\$ 4,814,599	\$ 5,477,704	\$ 5,396,304	\$ 5,172,668	\$ 4,667,382	\$ 4,443,842	\$ 4,177,453	\$ 3,788,901
District's proportionate share of the net pension liability as a percentage of its covered payroll	225.1%	144.0%	215.0%	210.1%	201.4%	223.3%	164.4%	133.0%	107.9%
Plan fiduciary net position as a percentage of the total pension liability	69.8%	81.0%	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

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

**PLUMAS UNIFIED SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
 FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 2,135,363	\$ 1,732,943	\$ 1,450,939	\$ 1,547,839	\$ 1,382,829	\$ 1,135,541	\$ 869,406	\$ 779,323	\$ 658,106
Contributions in relation to the contractually required contribution*	(2,135,363)	(1,732,943)	(1,450,939)	(1,547,839)	(1,382,829)	(1,135,541)	(869,406)	(779,323)	(658,106)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 11,130,409	\$ 10,241,980	\$ 8,984,143	\$ 9,051,690	\$ 8,494,037	\$ 7,869,307	\$ 6,911,017	\$ 7,263,029	\$ 7,411,104
Contributions as a percentage of covered payroll	19.18%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%

*Amounts do not include on-behalf contributions

**PLUMAS UNIFIED SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
 FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 1,628,011	\$ 1,279,322	\$ 996,622	\$ 1,080,258	\$ 974,680	\$ 803,367	\$ 648,206	\$ 526,462	\$ 491,728
Contributions in relation to the contractually required contribution*	(1,628,011)	(1,279,322)	(996,622)	(1,080,258)	(974,680)	(803,367)	(648,206)	(526,462)	(491,728)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 6,426,740	\$ 5,584,120	\$ 4,814,599	\$ 5,477,704	\$ 5,396,304	\$ 5,172,668	\$ 4,667,382	\$ 4,443,842	\$ 4,177,453
Contributions as a percentage of covered payroll	25.33%	22.91%	20.70%	19.72%	18.06%	15.53%	13.89%	11.85%	11.77%

*Amounts do not include on-behalf contributions

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

Schedule of Changes in Total OPEB Liability and Related Ratios

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

Changes in Benefit Terms

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

Changes in Assumptions

The maximum healthcare trend rate changed from 5.75% to 5.50% since the previous valuation.

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

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

Changes in Benefit Terms

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

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS. The discount rate changed from 7.15% to 6.90% and the inflation rate changed from 2.50% to 2.30% since the previous measurement for CalPERS.

**PLUMAS UNIFIED SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of District Contributions

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2023, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code.

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 11,666,658	\$ 12,094,799	\$ 428,141
Classified salaries	\$ 6,130,141	\$ 6,594,157	\$ 464,016
Employee benefits	\$ 8,828,317	\$ 9,425,954	\$ 597,637
Services and other operating expenditures	\$ 5,406,953	\$ 6,594,344	\$ 1,187,391
Capital outlay	\$ 1,621,041	\$ 1,768,815	\$ 147,774

SUPPLEMENTARY INFORMATION

**PLUMAS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected Adult Education	84.010	14329	\$ 906,462
Adult Education: Adult Basic Education & ESL	84.002A	14508	35,460
Adult Education: Adult Secondary Education	84.002	13978	27,440
Subtotal Adult Education			<u>62,900</u>
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	142,614
Title III, English Learner Student Program	84.365	14346	8,758
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	31,132
Title VI, Part B, Rural & Low Income School Program	84.358	14356	684
Indian Education	84.060	10011	8,666
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	456,631
ARP IDEA Part B, Sec 611, Local Assistance Entitlement	84.027	15638	71,124
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	21,861
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	631
Subtotal Special Education Cluster			<u>550,247</u>
IDEA Early Intervention Grants, Part C	84.181	23761	25,130
Strengthening Career and Technical Education for the 21st Century (Perkins V)	84.048	14894	20,278
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	1,752,113
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	132,784
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	1,170
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	1,874
American Rescue Plan - Homeless Children and Youth II (ARP HYC II) Program	84.425	15566	2,500
After School Education and Safety (ASES): ESSER III State Reserve Summer Learning Programs	84.425	15652	22,543
Subtotal Education Stabilization Fund Discretionary Grants			<u>1,912,984</u>
Total U. S. Department of Education			<u>3,669,855</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	260,195
National School Lunch Program	10.555	13391	773,662
USDA Commodities	10.555	*	78,195
Subtotal Child Nutrition Cluster			<u>1,112,052</u>
Supply Chain Assistance (SCA) Funds	10.555	15655	46,267
Forest Reserve Funds	10.665	10044	928,663
<i>Passed through California Department of Social Services:</i>			
CACFP Claims - Centers and Family Day Care	10.558	13393	76,286
Total U. S. Department of Agriculture			<u>2,163,268</u>
Total Federal Expenditures			<u>\$ 5,833,123</u>

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

**PLUMAS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2023**

	Second Period Report	Annual Report
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	473.91	496.95
Extended Year Special Education	0.52	0.53
Total TK/K through Third	<u>474.43</u>	<u>497.48</u>
Fourth through Sixth		
Regular ADA	322.30	336.03
Extended Year Special Education	0.25	0.25
Total Fourth through Sixth	<u>322.55</u>	<u>336.28</u>
Seventh through Eighth		
Regular ADA	231.18	241.92
Extended Year Special Education	0.11	0.12
Total Seventh through Eighth	<u>231.29</u>	<u>242.04</u>
Ninth through Twelfth		
Regular ADA	437.06	455.06
Extended Year Special Education	0.09	0.09
Total Ninth through Twelfth	<u>437.15</u>	<u>455.15</u>
TOTAL SCHOOL DISTRICT	<u>1,465.42</u>	<u>1,530.95</u>

**PLUMAS UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2023**

Grade Level	Minutes Requirement	Actual Instructional Minutes	Credited Minutes Per the Approved Form J-13A*	Total Minutes Offered	Required Number of Days	Actual Number of Days	Credited Days Per the Approved Form J-13A*	Total Days Offered	Status
Kindergarten	36,000	36,540	1,260	37,800	180	174	6	180	Complied
Grade 1	50,400	52,780	1,820	54,600	180	174	6	180	Complied
Grade 2	50,400	52,780	1,820	54,600	180	174	6	180	Complied
Grade 3	50,400	52,780	1,820	54,600	180	174	6	180	Complied
Grade 4	54,000	52,896	1,824	54,720	180	174	6	180	Complied
Grade 5	54,000	52,896	1,824	54,720	180	174	6	180	Complied
Grade 6	54,000	52,896	1,824	54,720	180	174	6	180	Complied
Grade 7	54,000	62,911	2,169	65,080	180	174	6	180	Complied
Grade 8	54,000	62,888	2,192	65,080	180	174	6	180	Complied
Grade 9	64,800	63,563	2,192	65,755	180	174	6	180	Complied
Grade 10	64,800	63,563	2,192	65,755	180	174	6	180	Complied
Grade 11	64,800	63,563	2,192	65,755	180	174	6	180	Complied
Grade 12	64,800	63,563	2,192	65,755	180	174	6	180	Complied

See accompanying notes to supplementary information.

**PLUMAS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

	2024 (Budget)	2023	2022	2021
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 38,366,061	\$ 39,544,266	\$ 34,578,160	\$ 29,387,625
Expenditures And Other Financing Uses	32,175,815	39,254,743	34,210,814	28,594,163
Net change in Fund Balance	<u>\$ 6,190,246</u>	<u>\$ 289,523</u>	<u>\$ 367,346</u>	<u>\$ 793,462</u>
Ending Fund Balance	<u>\$ 10,714,125</u>	<u>\$ 4,523,879</u>	<u>\$ 4,234,356</u>	<u>\$ 3,867,010</u>
Available Reserves*	<u>\$ 5,521,977</u>	<u>\$ 4,491,690</u>	<u>\$ 5,974,404</u>	<u>\$ 5,723,139</u>
Available Reserves As A Percentage Of Outgo	<u>17.16%</u>	<u>11.44%</u>	<u>17.46%</u>	<u>20.02%</u>
Long-term Liabilities	<u>\$ 82,712,254</u>	<u>\$ 84,869,980</u>	<u>\$ 71,808,245</u>	<u>\$ 86,989,398</u>
Average Daily Attendance At P-2***	<u>1,531</u>	<u>1,465</u>	<u>1,497</u>	<u>1,700</u>

The General Fund ending fund balance has increased by \$656,869 over the past two years. The fiscal year 2023-24 budget projects a further increase of \$6,190,246. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating surplus during the 2023-24 fiscal year. Total long-term obligations have decreased by \$2,119,418 over the past two years.

Average daily attendance has decreased by 235 ADA over the past two years. An increase of 66 ADA is anticipated during the 2023-24 fiscal year.

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

**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 Projects and the Special Reserve Fund for Post-employment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54. Additionally, Revenues for Medi-Cal Billing Option and Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance and the schedule above does not reflect audit adjustments.

**PLUMAS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Deferred Maintenance Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post- Employment Benefits
June 30, 2023, annual financial and budget report fund balance	\$ 4,523,879	\$ 487	\$ 4,775,577	\$ 338,492
Adjustments and reclassifications:				
Increase (decrease) in total fund balances:				
Increase in accounts receivable	412,375	-	-	-
Increase in accounts payable	(288,042)	-	-	-
Fund balance transfer (GASB 54)	5,114,556	(487)	(4,775,577)	(338,492)
Net adjustments and reclassifications	5,238,889	(487)	(4,775,577)	(338,492)
June 30, 2023, audited financial statement fund balance	<u>\$ 9,762,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to supplementary information.

**PLUMAS UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2023**

Charter #	Charter School	Status	Included in Audit Report
0146	Plumas Charter School	Active	Not Included

**PLUMAS UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Student Activity Fund	Adult Education Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS					
Cash and investments	\$ 194,469	\$ 154,175	\$ 846,997	\$ 3,016,095	\$ 4,211,736
Accounts receivable	-	40,945	-	-	40,945
Due from other funds	-	18,321	2,125,659	-	2,143,980
Prepaid expenditures	-	2,500	-	-	2,500
Total Assets	\$ 194,469	\$ 215,941	\$ 2,972,656	\$ 3,016,095	\$ 6,399,161
LIABILITIES					
Accrued liabilities	\$ -	\$ 1,826	\$ -	\$ -	\$ 1,826
Due to other funds	-	49,913	789,951	-	839,864
Total Liabilities	-	51,739	789,951	-	841,690
FUND BALANCES					
Non-spendable	3,447	2,500	-	-	5,947
Restricted	191,022	161,702	2,182,705	3,016,095	5,551,524
Total Fund Balances	194,469	164,202	2,182,705	3,016,095	5,557,471
Total Liabilities and Fund Balances	\$ 194,469	\$ 215,941	\$ 2,972,656	\$ 3,016,095	\$ 6,399,161

See accompanying notes to supplementary information.

**PLUMAS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

	Student Activity Fund	Adult Education Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES					
Federal sources	\$ -	\$ 62,900	\$ -	\$ -	\$ 141,095
Other state sources	-	420,640	-	-	420,640
Other local sources	187,197	719	3,010	-	190,926
Total Revenues	187,197	484,259	3,010	-	752,661
EXPENDITURES					
Current					
Instruction	-	475,108	-	-	475,108
Instruction-related services					
Instructional supervision and administration	-	1,130	-	-	1,130
Pupil services					
Food services	-	-	-	-	78,195
General administration					
All other general administration	-	21,193	-	-	21,193
Plant services	-	37,987	3,500	3,947	45,434
Facilities acquisition and construction					
Ancillary services	-	-	-	1,356,556	1,356,556
Total Expenditures	236,104	535,418	3,500	1,360,503	2,213,720
Excess (Deficiency) of Revenues Over Expenditures	(48,907)	(51,159)	(490)	(1,360,503)	(1,461,059)
Other Financing Sources (Uses)					
Other sources	-	-	-	4,376,598	4,376,598
Transfers out	-	-	(655,696)	-	(655,696)
Net Financing Sources (Uses)	-	-	(655,696)	4,376,598	3,720,902
NET CHANGE IN FUND BALANCE	(48,907)	(51,159)	(656,186)	3,016,095	2,259,843
Fund Balance - Beginning	243,376	215,361	2,838,891	-	3,297,628
Fund Balance - Ending	\$ 194,469	\$ 164,202	\$ 2,182,705	\$ 3,016,095	\$ 5,557,471

See accompanying notes to supplementary information.

**PLUMAS UNIFIED SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2023**

The Plumas Unified School District was established in 1949 and is comprised of an area of approximately 2,613 square miles located in Plumas County. There were no changes in the boundaries of the District during the current year. The District is operating four elementary schools, four junior-senior high schools, and two continuation high schools.

GOVERNING BOARD

Member	Office	Term Expires
Dave Keller	President	December 2024
Joleen Cline	Clerk	December 2024
Leslie Edlund	Member	December 2026
JoDee Read	Member	December 2026
Chelsea Harrison	Member	December 2026

DISTRICT ADMINISTRATORS

William Roderick
Superintendent

Mallory Marin
 Deputy Superintendent, Business Services

Melissa Leal
 Assistant Superintendent, Educational Services

**PLUMAS UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

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

Combining Statements – Non-Major Funds

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

Local Education Agency Organization Structure

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

OTHER INDEPENDENT AUDITORS' REPORTS

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

Governing Board
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, 2023, and the related notes to the financial statements, which collectively comprise the Plumas Unified School District's basic financial statements, and have issued our report thereon dated August 14, 2024.

Report on Internal Control over Financial Reporting

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

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

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings #2023-001 and #2023-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings #2023-003 and #2023-004 to be significant deficiencies.

Report on Compliance and Other Matters

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

Plumas Unified School District's Response to Findings

Plumas Unified School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Plumas Unified School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

San Diego, California
August 14, 2024

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

Governing Board
Plumas Unified School District
Quincy, California

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

We have audited 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 Plumas Unified School District's major federal programs for the year ended June 30, 2023. Plumas Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as findings #2023-005, #2023-006, and #2023-007. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Plumas Unified School District's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. Plumas Unified 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 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.

Report on Internal Control Over Compliance (continued)

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.

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

San Diego, California
August 14, 2024

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

Governing Board
Plumas Unified School District
Quincy, California

Report on State Compliance***Qualified and Unmodified Opinions on State Compliance***

We have audited Plumas Unified School District's compliance with the requirements specified in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Plumas Unified School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2023.

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, 2023.

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, 2023.

Basis for Qualified and Unmodified Opinions on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Plumas Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Plumas Unified School 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 School Accountability Report Card, Ratio of Administrative Employees to Teachers, Home to School Transportation Reimbursement, Unduplicated Local Control Funding Formula Pupil Counts, and Classroom Teacher Salaries as described in Findings #2023-008 through #2023-012. 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 the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Plumas Unified School District's state programs.

Auditor's Responsibilities for the Audit of State Compliance

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

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

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

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

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	Yes
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 Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2023-008 through #2023-012. Our opinion on state compliance is modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (continued)

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

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

San Diego, California
August 14, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425, 84.425U</u>	<u>Education Stabilization Fund Discretionary Grants</u>
<u>84.010</u>	<u>Title I, Part A, Basic Grants Low-Income and Neglected</u>

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

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with 2022-23 Guide for Annual Audits of California K-12 Local Education Agencies ?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Qualified</u>

**PLUMAS UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

FINDING #2023-001: ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE (30000) (MATERIAL WEAKNESS)

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.

- A payable in the amount of \$288,042 was not accrued
- A receivable in the amount of \$412,375 was not accrued.

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

Cause: The District continued to struggle with staffing vacancies throughout the year. In addition to the vacancies, there was staff and management turnover in the District.

Repeat Finding: This is a partial repeat finding of Finding #2022-001.

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 and continue working to fill all staff and management vacancies and ensure that employees are properly trained.

Corrective Action Plan 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 #2023-002: BANK RECONCILIATIONS (30000) (MATERIAL WEAKNESS)

Criteria: Bank reconciliations are an important internal control to ensure that bank balances are accurately reported

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.

Effect: Cash balances could be misstated.

Cause: The conditions appear to be due to deficiencies in processes related to the preparation of the County Office of Education’s financial statements, caused by general oversight and turnover in management and staffing.

Repeat Finding: This is a partial repeat finding of Finding #2022-003.

**PLUMAS UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023,**

FINDING #2023-002: BANK RECONCILIATIONS (30000) (MATERIAL WEAKNESS) (continued)

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

Corrective Action Plan: 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 #2023-003: INTERNAL CONTROL OVER FINANCIAL REPORTING – INTERFUND BALANCES (30000)

Criteria: Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all journal entries recorded in the preparation of the District's financial statements. Additionally, all interfund due to and due from balances recorded during the year-end closing process should be cleared in the subsequent fiscal year once the related cash transactions have occurred.

Condition: During our audit, we identified a deficiency in internal control over financial reporting as the District did not have sufficient controls in place to allow for the clearing of interfund due to and due from balances from the prior fiscal year.

Effect: Interfund receivable and payable amounts owed from activity that occurred during the 2021-2022 fiscal year remained outstanding as of June 30, 2023.

Cause: Administrative oversight.

Repeat Finding: This is not a repeat finding.

Recommendation: The District should implement procedures to ensure that interfund balances are monitored, reconciled, and repaid in a timely manner.

Corrective Action Plan: All interfund due to and due from balances will be cleared following the year-end closing process in the subsequent fiscal year after all related cash transactions have occurred. This process has been added to the year-end closing timeline and will be checked by the director of fiscal services. This process has also been added to the 1st and 2nd interim timelines, so that the due to and due from balances are checked periodically throughout the year by the director of fiscal services.

FINDING #2023-004: BIDDING PROCEDURES (30000)

Criteria: *Public Contract Code (PCC)* requires school district governing boards to competitively bid and award any construction contracts involving an expenditure of more than \$15,000, adjusted for inflation, to the lowest responsible bidder.

Condition: The District entered into 13 construction projects above the \$15,000 threshold for the 22-23 year. We were unable to determine if the District followed Public Contract Code regarding bidding procedures. We tested five (5) of 13 contracts and we found that two (2) of 5 did not have on file the bid packet that shows contracts were approved, executed and reviewed in compliance with certain procedures and guidelines specified by public contract code. There was no documented review and monitoring policy in place to ensure contracts were appropriately approved, executed, and reviewed to comply with certain guidelines specified in the Public Contract Code. Total of the two contracts is \$1,288,943.

**PLUMAS UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023,**

FINDING #2023-004: BIDDING PROCEDURES (30000) (continued)

Effect: If the District does not consistently follow *PCC* then contracts may get awarded to a vendor that was not the lowest responsible bidder and may end up causing the District to pay more for services or products and be out of compliance with *PCC*. In addition, the risk for fraud and material misstatement is increased.

Cause: Inconsistent procedures involving bid practices.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the District review their bid procedures to ensure that all contracts required to go to bid, do go to bid and all bids are awarded to the appropriate vendor. If the lowest bidder is not selected, then documentation around disqualification of the vendor must be on file.

Corrective Action Plan: The District will ensure that purchasing department staff continue to ensure proper bid practices are followed.

**PLUMAS UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

FIVE DIGIT CODE
50000

AB 3627 FINDING TYPE
Federal Compliance

FINDING #2023-005: CONSULTATION WITH PRIVATE SCHOOLS (50000)

Assistance Listing Numbers and Titles: 84.425 - Education Stabilization Fund Discretionary Grants: Elementary, Secondary School Emergency Relief (ESSER) Fund

Federal Grantor Name: 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 2022-23.

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

Repeat Finding: This is a repeat finding see prior year Finding #2022-005.

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 has not prepared a response as of the date of this report.

**PLUMAS UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-006: ALLOWABLE COSTS/COST PRINCIPLES – TIME AND EFFORT REPORTING (50000)

Assistance Listing Numbers and Titles:

84.425 -COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: Elementary and Secondary School Emergency Relief III (ESSER III) Fund

84.425U -COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss

84.425 -COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve

84.425 -COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss

84.425 -COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: American Rescue Plan – Homeless Children and Youth II (ARP HYC II) Program

84.425 -COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: After School Education and Safety (ASES): ESSER III State Reserve Summer Learning Programs

Federal Grantor Name: U.S. Department of Education; Passed through California Department of Education

Criteria: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, requires an accounting for personnel time on multi-funded positions by the time spent on each program and to semi-annually certify positions charged 100% to federal programs. Standards for Documentation of Personnel Expenses Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into the official records of the non-Federal entity
- Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities
- Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- Comply with the established accounting policies and practices of the non-Federal entity.
- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Condition: Auditor selected employees with salaries coded to the Education Stabilization Fund (Resource 3212 and 3213). Sixteen of 17 employees tested with salaries coded to the Education Stabilization Fund (Resource 3212, and 3213) during the fiscal year did not have any time certifications on file for the 2022-23 year. It is required that the time certifications for single-funded employees be prepared twice a year and monthly for multi-funded employees.

Cause: The District has not been following its policy for proper time accounting.

Effect: The District is not in compliance.

**PLUMAS UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-006: ALLOWABLE COSTS/COST PRINCIPLES – TIME AND EFFORT REPORTING (50000)
(continued)

Questioned Costs: Although the District was not in compliance, we were able to review alternative documentation to determine that employees charged to the program were allowable.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend they prepare time certification semi-annually for single funded employees and monthly for multi-funded employees.

Views of Responsible Officials: The District has not prepared a response as of the date of this report.

FINDING #2023-007: ALLOWABLE COSTS/COST PRINCIPLES – TIME AND EFFORT REPORTING (50000)

Assistance Listing Number and Title: 84.010 ESSA: Title I, Part A, Basic Grants Low-Income and Neglected

Federal Grantor Name: U.S. Department of Education; Passed through California Department of Education

Criteria: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, requires an accounting for personnel time on multi-funded positions by the time spent on each program and to semi-annually certify positions charged 100% to federal programs. Standards for Documentation of Personnel Expenses Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into the official records of the non-Federal entity
- Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities
- Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- Comply with the established accounting policies and practices of the non-Federal entity.
- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Condition: Auditor selected employees with salaries coded to the Title I, Part A (Resource 3010). Two of 6 employees tested with salaries coded to Title I, Part A (Resource 3010) during the fiscal year did not have any time certifications on file for the 2022-23 year. It is required that the time certifications for single-funded employees be prepared twice a year and monthly for multi-funded employees.

Cause: The District has not been following its policy for proper time accounting.

Effect: The District is not in compliance.

Questioned Costs: Although the District was not in compliance, we were able to review alternative documentation to determine that employees charged to the program were allowable.

Repeat Finding: This is not a repeat finding.

**PLUMAS UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-007: ALLOWABLE COSTS/COST PRINCIPLES – TIME AND EFFORT REPORTING (50000)
(continued)

Recommendation: We recommend they prepare time certification semi-annually for single funded employees and monthly for multi-funded employees.

Views of Responsible Officials: The District has not prepared a response as of the date of this report.

**PLUMAS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

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

FINDING #2023-008: SCHOOL ACCOUNTABILITY REPORT CARDS (72000)

Criteria: School Accountability Report Cards (SARCs), prepared on annual basis for each school site within the District and posted in February, should contain information regarding school facilities conditions, as indicated in the most recently prepared facility inspection tool (FIT) form developed by the Office of Public School Construction and approved by the State Allocation Board, or local evaluation instruments that meet the same criteria, as per Education Code Sections 33126(b)(8) and 17002(d).

Condition: During our audit we were unable to obtain FIT Forms for November 2021.

Cause: Potentially misplaced records.

Effect: We were unable to verify that FIT information in 2022-23 school accountability report cards consistent with the facility inspection tool.

Questioned Costs: None. There is no State funding source directly related to SARCs.

Repeat Finding: This is not a repeat finding

Recommendation: The District and sites should implement procedures to ensure that FIT forms are able to be presented consistently with FIT information presented in the school accountability report cards

Corrective Action Plan: Staff involved in the SARC reporting process have been retrained to ensure that the FIT form information is correctly represented on future SARCs. Moving forward, the district will maintain detailed records of all reviews and cross-checks performed on SARCs and FIT forms. This will ensure transparency and accountability in our reporting processes.

FINDING #2023-009: RATIO OF ADMINISTRATIVE EMPLOYEES TO TEACHERS (40000)

Criteria: LEA office is responsible for verifying that a calculated ratio of administrative employees to teachers be provided. Additionally, the LEA is responsible for verifying that all employees in said calculation are properly classified and the ratio was calculated consistent with the definitions in Education Code section 41401 and the procedures of Education Code section 41403.

Condition: During our audit, we were unable to verify whether the LEA had an allowable administrative employee to teachers FTE ratio.

**PLUMAS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-009: RATIO OF ADMINISTRATIVE EMPLOYEES TO TEACHERS (40000) (continued)

Cause: Administrative oversight, the District did not provide the report or support.

Effect: The District is not compliance.

Questioned Costs: None. There is no State funding source directly related to admin to teacher ratio.

Repeat Finding: This is not a repeat finding.

Recommendation: The District should implement procedures to ensure that administrative employee and teacher FTE is thoroughly documented.

Corrective Action Plan: The District will complete the worksheet.

FINDING #2023-010: HOME-TO-SCHOOL TRANSPORTATION PLAN (40000)

Criteria: Pursuant to California Education Code Section 39800.1(a), all local educational agencies receiving Home-to-School Transportation Reimbursement funding were required to adopt a transportation plan for the apportioned funds by April 1, 2023.

Condition: Based on audit inquiries and our review of board meeting documents, the District did not adopt a transportation plan in time during the year ended June 30, 2023.

Cause: Administrative oversight.

Effect: The District was not in compliance with the applicable section of Education Code.

Questioned Costs: \$0 as the amount of the Home-to School Transportation Reimbursement for FY22-23 will be disallowed.

Repeat Finding: This is not a repeat finding.

Recommendation: The District should adopt the plan.

Corrective Action Plan: The District will ensure that going forward the Home to School Transportation Plan will be prepared and presented to the board in a timely manner to meet the April 1st, 2024 approval deadline.

FINDING #2023-011: CLASSROOM TEACHER SALARIES (61000)

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 \$32,150,462, with \$16,170,367, or 50.30%, going toward its classroom teachers' salaries.

Cause: The District spent a similar amount on salaries in 2022-23 as it did in 2021-22, however other spending caused the deficiency in achieving the required percentage.

**PLUMAS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-011: CLASSROOM TEACHER SALARIES (61000) (continued)

Effect: The District did not meet the required minimum percentage for classroom teacher salaries. The District expended \$1,511,071 less than the amount necessary to meet the minimum of 55%.

Questioned Costs: \$1,511,071.

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

Corrective Action Plan: The District will continue working to ensure that it meets the minimum required percentage for the classroom teacher salaries in future years.

FINDING #2023-012: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: Students classified as free or reduced-price meal eligible (FRPM) or who were classified as English Language Learners and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the determination. Auditors are required to verify compliance with Education Code Section 42238.02(b)(3)(b) in Section W of the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

Condition: 20 out of 20 students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who were classified as FRPM or English Language Learners did not have documentation to support their status. We used the 20 students where support was not provided for the number in the Audit Adjustment field of the penalty calculator.

Effect: The District is not in compliance with applicable State requirements.

Cause: District did not provide support.

Repeat Finding: This is not a repeat finding.

Questioned Costs: \$53,516, as calculated on the following table.

**PLUMAS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

**FINDING #2023-012: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)
(CONTINUED)**

Questioned Costs (continued): \$53,516, as calculated in the following table.

Item Number	Calculating the Cost of LCFF Unduplicated Pupil Count Audit Finding	Data Input and Calculated Fields
1	Total Adjusted Enrollment from the UPP exhibit as of P-2	5,193
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	3,209
3	Audit Adjustment - Number of Enrollment	-
4	Audit Adjustment - Number of Unduplicated Pupil Count	(20)
5	Revised Adjusted Enrollment	5,193
6	Revised Adjusted Unduplicated Pupil Count	3,189
7	UPP calculated as of P-2	0.6179
8	Revised UPP for audit finding	0.6141
9	Charter Schools Only: Determinative School District Concentration Cap	
10	Revised UPP adjusted for Concentration Cap	0.6141
11	Supplemental and Concentration Grant TK/K-3 ADA	508.25
12	Supplemental and Concentration Grant 4-6 ADA	381.49
13	Supplemental and Concentration Grant 7-8 ADA	284.72
14	Supplemental and Concentration Grant 9-12 ADA	507.37
15	Adjusted Base Grant per TK/K-3 ADA	\$9,166
16	Adjusted Base Grant per 4-6 ADA	\$9,304
17	Adjusted Base Grant per 7-8 ADA	\$9,580
18	Adjusted Base Grant per 9-12 ADA	\$11,102
19	Supplemental Grant Funding calculated as of P-2	\$2,047,528
20	Revised Supplemental Grant Funding for audit finding	\$2,034,936
21	Supplemental Grant Funding audit adjustment	(\$12,592)
22	Concentration Grant Funding calculated as of P-2	\$731,248
23	Revised Concentration Grant Funding for audit finding	\$690,324
24	Concentration Grant Funding audit adjustment	(\$40,924)
25	Total Supplemental and Concentration audit adjustment	(\$53,516)

Recommendation: We recommend that the District maintain supporting documentation to support student classification as free or reduced and English Learner on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report. Additionally, the CALPADS reporting should be revised for any students lacking supporting documentation to support their classification as free or reduced before the close of the Fall I Amendment Window.

Corrective Action Plan: The District Technology Department staff will work closely with the District’s attendance software provider, to ensure proper controls are set in place and the process for importing the data from the child nutrition system goes through a proper validation process. The process for exporting and importing data will be documented by the Technology department. The Child Nutrition Services (CNS) and Technology staff will work closely with the CNS system software provider, Mosaic, to ensure the data exported out of the system is accurate. The CNS department and Technology department staff will work closely together to review and ensure the data import and the data reported to CALPADS are accurate.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2022-001: YEAR-END CLOSING AND REPORTING (30000)

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.

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.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2022-001: YEAR-END CLOSING AND REPORTING (30000) (continued)

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.

District Response: 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.

Current Status: Partially implemented, see Finding #2023-001.

FINDING #2022-002: PERSONNEL FILES (30000)

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.

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

Current Status: Implemented.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2022-003: CASH RECONCILIATIONS (30000)

Criteria: Bank reconciliations are an important internal control to ensure that bank balances are accurately reported

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.

District Response: 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.

Current Status: Not implemented, see finding #2023-002.

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 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.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2022-004: ASSOCIATED STUDENT BODY (ASB) FUNDS (30000) (continued)

Criteria (continued):

- 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.

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.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING# 2022-004: ASSOCIATED STUDENT BODY (ASB) FUNDS (30000) (continued)

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.

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.

District Response: 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.

Current Status: Implemented.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

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.

Questioned Costs: None

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.

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.

District Response: The District will ensure that private schools are given the opportunity to participate in federal programs.

Current Status: Not implemented, see finding #2023-005.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

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.

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

Current Status: Implemented.

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.

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

Current Status: Implemented.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING# 2022-008: CLASSROOM TEACHER SALARIES (61000)

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.

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.

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

Current Status: Not Implemented, see finding #2023-11.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

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.

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

Current Status: Implemented.

**PLUMAS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

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.

District Response: Not applicable since this was one-time funding.

Current Status: Implemented.