

**AGENDA for the Joint *SPECIAL* Meeting of the
Sierra County Board of Education
and the
Sierra-Plumas Joint Unified School District Governing Board**

January 29, 2024

5:00pm

Meeting Location:

Loyalton: Sierra County Office of Education, Room 4, 109 Beckwith Rd, Loyalton CA 96118

Zoom for the public:

Link: <https://us02web.zoom.us/j/81549710622>

Phone dial-in: 669-900-9128 (Press *6 to unmute)

Webinar ID: 815 4971 0622

Board Members:

Area 1: Patty Hall – phall@spjUSD.org

Area 2: Annie Tipton (*Vice President*) – atipton@spjUSD.org

Area 3: Christina Potter – cpotter@spjUSD.org

Area 4: Kelly Champion (*President*) – kchampion@spjUSD.org

Area 5: VACANT

Any individual who requires disability-related accommodations or modifications including auxiliary aids and services in order to participate in the Board meeting should contact the Superintendent or designee in writing.

Public inspection of agenda documents that are distributed to the Board less than 72 hours before the meeting, will be made available at Sierra County Office of Education, Room 3, 109 Beckwith Road, Loyalton, CA, 96118, and posted with the online agenda at <http://www.sierracountyofficeofeducation.org> (Government Code 54957.5).

A. CALL TO ORDER

Please be advised that this meeting will be recorded.

B. ROLL CALL

C. APPROVAL OF AGENDA

D. FLAG SALUTE

E. PUBLIC COMMENT

Special Meeting Agenda Items only, please.

This is an opportunity for members of the public to directly address the governing board on any item of interest that is within the subject matter jurisdiction of the governing board listed on this agenda. Three (3) minutes may be allotted to each speaker and a maximum of twenty (20) minutes to each subject matter.

F. 2022-2023 AUDIT PRESENTATION – CWDL CPAs

1. Acceptance of the 2022-2023 Audit Reports
 - a. SCOE**
 - b. SPJUSD**

G. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code 54956.9(d)(2)
Number of Potential Cases: 1

H. RETURN TO OPEN SESSION

I. REPORT OUT FROM CLOSED SESSION

J. ADVANCED PLANNING

1. The next Regular Joint Board Meeting will be held on February 13, 2024, at Downieville School, 130 School St, Downieville CA 95936 at 6:00pm. If needed, Closed Session may be held before the Regular session beginning at 5:00pm. Zoom videoconferencing will be available for the public.

K. ADJOURN


James Berardi,
County Superintendent


Sean Snider,
District Superintendent



See what's possible.

SIERRA COUNTY OFFICE OF EDUCATION

**COUNTY OF SIERRA
LOYALTON, CALIFORNIA**

AUDIT REPORT

Fiscal Year Ended June 30, 2023

SIERRA COUNTY OFFICE OF EDUCATION
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Sierra County Office of Education
Loyalton, California

Report on Audit of 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 Sierra County Office of Education (the "County Office of Education") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County Office of Education'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 Sierra County Office of Education 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sierra County Office of Education 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 County Office of Education's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 based on 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 County Office of Education'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 County Office of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sierra County Office of Education's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying 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 January 5, 2024 on our consideration of Sierra County Office of Education'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 County Office of Education'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 Sierra County Office of Education's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
January 5, 2024

**SIERRA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

INTRODUCTION

Our discussion and analysis of Sierra County Office of Education's (County Office of Education) financial performance provides an overview of the County Office of Education's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the County Office of Education's financial statements (including notes and supplementary information), which follow this section.

FINANCIAL HIGHLIGHTS

- Total Net Position was \$6,622,012 at June 30, 2023. This was an increase of \$2,491,755 over the prior year.
- Overall revenues were \$5,469,505 which was more than expenses of \$2,977,750.
- The net cost of the County Office of Education's programs was \$758,704, a decrease of \$390,145 from prior year.
- The fund balance of the general fund was \$7,247,991, an increase of \$2,201,736 from the prior year.
- Fund balance increased from prior year due to revenues exceeding expenditures.

OVERVIEW OF FINANCIAL STATEMENTS

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 County Office of Education. 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 the County Office of Education operations in more detail. The fund financial statements comprise the remaining statements.
- **Governmental funds** statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the County Office of Education's budget for the year is included.

Government-Wide Statements

The government-wide statements report information about the County Office of Education as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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.

**SIERRA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Government-Wide Statements, continued

The two government-wide statements report the County Office of Education's net assets and how they have changed. Net assets, the difference between the assets and liabilities, are one way to measure the County Office of Education's financial health or position.

- Over time, increases or decreases in the County Office of Education's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County Office of Education, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the County Office of Education include governmental activities. Most of the County Office of Education's basic services are included here, such as regular education, food service, maintenance and general administration. Revenue limit funding and federal and state grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County Office of Education's most significant funds-not the County Office of Education as a whole. Funds are accounting devices that the County Office of Education uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the County Office of Education is meeting legal responsibilities for using certain revenues. The County Office of Education has one kind of fund:

- Governmental funds - Most of the County Office of Education's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County Office of Education's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government funds statements that explains the relationship (or differences) between them.

**SIERRA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Governmental Activities

The County Office of Education's net position increased from \$4,130,257 at June 30, 2022 to \$6,622,012 at June 30, 2023, an increase of 60.3%.

	Governmental Activities		
	2023	2022	Net Change
ASSETS AND DEFERRED OUTFLOWS			
Current and other assets	\$ 7,743,585	\$ 5,535,988	\$ 2,207,597
Capital assets	412,745	226,525	186,220
Deferred outflows	876,914	463,320	413,594
Total Assets and Deferred Outflows	9,033,244	6,225,833	2,807,411
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities	209,016	238,719	(29,703)
Long-term liabilities	1,980,163	1,104,453	875,710
Deferred inflows	222,053	752,404	(530,351)
Total Liabilities and Deferred Inflows	2,411,232	2,095,576	315,656
NET POSITION			
Net investment in capital assets	412,745	226,525	186,220
Restricted	1,127,149	503,502	623,647
Unrestricted	5,082,118	3,400,230	1,681,888
Total Net Position	\$ 6,622,012	\$ 4,130,257	\$ 2,491,755

**SIERRA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Changes in Net Position

The County Office of Education's total revenues were \$5,469,505. A majority of the revenue came from Unrestricted Federal and State Aid, which accounted for 41.7% of total revenues.

The total cost of all programs and services was \$2,977,750. The County Office of Education's expenses are predominately related to educating and caring for students and administrative, which account for a combined total cost of 52.3%. The remaining expenses were for plant services (maintenance and operations), ancillary services, and other outgo.

The County Office of Education's total current year revenues exceeded total current year expenses by \$2,491,755.

	Governmental Activities		
	2023	2022	Net Change
REVENUES			
Program revenues			
Operating grants and contributions	\$ 2,219,046	\$ 1,391,012	\$ 828,034
General revenues			
Property taxes	479,281	80,839	398,442
Unrestricted federal and state aid	2,278,810	2,155,451	123,359
Other	492,368	467,633	24,735
Total Revenues	5,469,505	4,094,935	1,374,570
EXPENSES			
Instruction	814,305	754,315	59,990
Instruction-related services	525,153	453,519	71,634
Pupil services	218,783	187,760	31,023
General administration	915,767	726,941	188,826
Plant services	-	70,686	(70,686)
Ancillary services	59,953	24,597	35,356
Other outgo	416,392	301,400	114,992
Depreciation (unallocated)	27,397	20,643	6,754
Total Expenses	2,977,750	2,539,861	437,889
CHANGE IN NET POSITION	2,491,755	1,555,074	936,681
Net Position - Beginning	4,130,257	2,575,183	1,555,074
Net Position - Ending	\$ 6,622,012	\$ 4,130,257	\$ 2,491,755

**SIERRA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Governmental Activities

The table below presents the cost of each of the County Office of Education's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

The cost of all governmental activities this year was \$2,977,750.

Some of the costs were paid directly from grants and contributions amounting to \$2,219,046.

Net Cost of Governmental Activities

	Governmental Activities	
	Net Cost of Services	
	2023	2022
Instruction	37,618	51,576
Instruction-related services	(305,258)	131,066
Pupil services	34,084	90,607
General administration	687,964	577,258
Plant services	(82,431)	(13,396)
Ancillary services	(1)	-
Other outgo	359,331	291,095
Depreciation (unallocated)	27,397	20,643
	\$ 758,704	\$ 1,148,849

FINANCIAL ANALYSIS OF THE COUNTY OFFICE OF EDUCATION'S FUNDS

The overall financial performance of the County Office of Education as a whole is reflected in its governmental funds as well. As the County Office of Education completed the year, its governmental funds reported a combined fund balance of \$7,534,569 which is greater than last year's ending fund balance of \$5,297,269. This change was due to the increase in overall revenues.

General Fund Budgetary Highlights

Over the course of the year, the County Office of Education revises its annual budget to reflect unexpected changes in revenues and expenditures. The final amendment to the budget was approved on March 14, 2023. A schedule of the County Office of Education's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

**SIERRA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the County Office of Education had invested \$1,018,610 in a broad range of capital assets including buildings and improvements, machinery and equipment. During the year the County Office of Education invested in a new building. More detailed information about the County Office of Education's capital assets is presented in the notes to the financial statements.

	Governmental Activities		
	2023	2022	Net Change
CAPITAL ASSETS			
Buildings & improvements	\$ 708,378	\$ 506,614	\$ 201,764
Furniture & equipment	310,232	298,379	11,853
Accumulated depreciation	(605,865)	(578,468)	(27,397)
Total Capital Assets	\$ 412,745	\$ 226,525	\$ 186,220

The County Office of Education budgeted \$35,000 capital spending for building improvements and new equipment for the 2023-24 fiscal year.

Long-Term Debt

Total non-current long-term liability increased \$877,271 primarily due to the increase from the net pension liability, as shown in the table below. More detailed information about the County Office of Education's debt is presented in the notes to the financial statements.

	Governmental Activities		
	2023	2022	Net Change
LONG-TERM LIABILITIES			
Compensated absences	\$ 15,533	\$ 17,094	\$ (1,561)
Net pension liability	1,892,109	1,024,565	867,544
Net OPEB liability	72,521	62,794	9,727
Less: current portion of long-term debt	(15,533)	(17,094)	1,561
Total Long-term Liabilities, non-current	\$ 1,964,630	\$ 1,087,359	\$ 877,271

**SIERRA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the County Office of Education was aware of several circumstances that could affect its future financial health:

- The uncertainty of federal and state funding can have a profound impact on the financial health of the County Office of Education. Although no changes are currently anticipated, the federal and the state governments could implement budget cuts. Forest Reserve funding is preserved through Fiscal Year 2025-26 but remains uncertain afterwards.
- The continuing increases in premiums for health care insurance, retirement, and worker's compensation could have a significant effect on the future financial health of the County Office of Education. The 2024 premium for health insurance increased over the 2023 composite premiums. Also, health care premiums and retirement liabilities are predicted to continue to increase into the foreseeable future.
- The budget assumptions used to prepare the budget for 2023/2024 included an 8.22% cost of living allowance (COLA) to LCFF. In addition, employer rate of 19.10 % and 26.68% was used in 23/24 for CalSTRS and CalPERS contributions to California certificated and classified retirement systems, respectively.
- The inevitable increases in PERS and STRS contribution rates that will be necessary to fund the Net Pension Liability will likely require careful budgeting and planning.

CONTACTING THE COUNTY OFFICE OF EDUCATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the County Office of Education's finances and to demonstrate the County Office of Education's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

James Berardi, Superintendent
Sierra County Office of Education
Post Office Box 955
109 Beckwith Road
Loyalton, CA 96118

BASIC FINANCIAL STATEMENTS

**SIERRA COUNTY OFFICE OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,005,113
Accounts receivable	2,738,472
Capital assets, net of accumulated depreciation	412,745
Total Assets	<u>8,156,330</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	41,653
Deferred outflows related to pensions	835,261
Total Deferred Outflows of Resources	<u>876,914</u>
LIABILITIES	
Accrued liabilities	81,247
Unearned revenue	127,769
Long-term liabilities, current portion	15,533
Net pension liability	1,892,109
Net OPEB liability	72,521
Total Liabilities	<u>2,189,179</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	222,053
Total Deferred Inflows of Resources	<u>222,053</u>
NET POSITION	
Net investment in capital assets	412,745
Restricted:	
Educational programs	627,136
Other restrictions	500,013
Unrestricted	5,082,118
Total Net Position	<u>\$ 6,622,012</u>

See accompanying notes to the financial statements.

**SIERRA COUNTY OFFICE OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in
		Operating Grants and Contributions	Governmental Activities	Net Position
Governmental Activities				
Instruction	\$ 814,305	\$ 776,687		\$ (37,618)
Instruction-related services				
Instructional supervision and administration	110,758	65,999		(44,759)
School site administration	414,395	764,412		350,017
Pupil services				
Home-to-school transportation	3,136	3,603		467
All other pupil services	215,647	181,096		(34,551)
General administration				
Centralized data processing	139,440	18,663		(120,777)
All other general administration	776,327	209,140		(567,187)
Plant services	-	82,431		82,431
Ancillary services	59,953	59,954		1
Other outgo	416,392	57,061		(359,331)
Depreciation (unallocated)	27,397	-		(27,397)
Total Governmental Activities	\$ 2,977,750	\$ 2,219,046		(758,704)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				479,281
Federal and state aid not restricted for specific purposes				2,278,810
Interest and investment earnings				(70,233)
Interagency revenues				486,743
Miscellaneous				75,858
Subtotal, General Revenue				3,250,459
CHANGE IN NET POSITION				2,491,755
Net Position - Beginning				4,130,257
Net Position - Ending				\$ 6,622,012

**SIERRA COUNTY OFFICE OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Adult Education Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,888,534	\$ 116,579	\$ 5,005,113
Accounts receivable	2,565,825	172,647	2,738,472
Total Assets	\$ 7,454,359	\$ 289,226	\$ 7,743,585
LIABILITIES			
Accounts payable	\$ 80,551	\$ 696	\$ 81,247
Unearned revenue	125,817	1,952	127,769
Total Liabilities	206,368	2,648	209,016
FUND BALANCES			
Nonspendable	600	-	600
Restricted	840,571	286,578	1,127,149
Committed	62,794	-	62,794
Unassigned	6,344,026	-	6,344,026
Total Fund Balances	7,247,991	286,578	7,534,569
Total Liabilities and Fund Balances	\$ 7,454,359	\$ 289,226	\$ 7,743,585

**SIERRA COUNTY OFFICE OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balance - Governmental Funds \$ 7,534,569

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

Capital assets:

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

Capital assets	\$ 1,018,610	
Accumulated depreciation	<u>(605,865)</u>	412,745

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:

Net pension liability	\$ 1,892,109	
Net OPEB liability	72,521	
Compensated absences payable	<u>15,533</u>	(1,980,163)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources relating to pensions:	\$ 835,261	
Deferred inflows of resources relating to pensions:	<u>(222,053)</u>	613,208

Deferred outflows and inflows of resources related to other postemployment benefits (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 pensions are reported:

Deferred outflows of resources relating to OPEB	\$ 41,653	41,653
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Total Net Position - Governmental Activities \$ 6,622,012

**SIERRA COUNTY OFFICE OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Adult Education Fund	Total Governmental Funds
REVENUES			
LCFF sources	\$ 2,263,903	\$ -	\$ 2,263,903
Federal sources	663,906	6,544	670,450
Other state sources	1,071,218	299,167	1,370,385
Other local sources	1,007,888	186,553	1,194,441
Total Revenues	5,006,915	492,264	5,499,179
EXPENDITURES			
Current			
Instruction	777,348	95,072	872,420
Instruction-related services			
Instructional supervision and administration	118,027	-	118,027
School site administration	199,467	239,153	438,620
Pupil services			
Home-to-school transportation	3,136	-	3,136
All other pupil services	219,724	-	219,724
General administration			
Centralized data processing	139,447	-	139,447
All other general administration	796,364	-	796,364
Plant services	87,711	12,007	99,718
Facilities acquisition and maintenance	-	98,078	98,078
Ancillary services	59,953	-	59,953
Transfers to other agencies	416,392	-	416,392
Total Expenditures	2,817,569	444,310	3,261,879
Excess (Deficiency) of Revenues Over Expenditures	2,189,346	47,954	2,237,300
OTHER FINANCING SOURCES (USES)			
Transfers in	12,390	-	12,390
Transfers out	-	(12,390)	(12,390)
Net Financing Sources (Uses)	12,390	(12,390)	-
NET CHANGE IN FUND BALANCE	2,201,736	35,564	2,237,300
Fund Balance - Beginning	5,046,255	251,014	5,297,269
Fund Balance - Ending	\$ 7,247,991	\$ 286,578	\$ 7,534,569

See accompanying notes to the financial statements.

**SIERRA COUNTY OFFICE OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Governmental Funds \$ 2,237,300

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

Capital outlay:

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

	Expenditures for capital outlay: \$	213,617	
	Depreciation expense:	<u>(27,397)</u>	186,220

Compensated absences:

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

1,561

Pensions:

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

34,748

Postemployment benefits other than pensions (OPEB):

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

31,926

Change in Net Position of Governmental Activities **\$ 2,491,755**

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sierra County Office of Education (County Office of Education) 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 County Office of Education conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

A. Reporting Entity

The County Office of Education's combined financial statements include the accounts of all its operations. The County Office of Education evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County Office of Education's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County Office of Education holds the corporate powers of the organization
- the County Office of Education appoints a voting majority of the organization's board
- the County Office of Education is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County Office of Education
- there is fiscal dependency by the organization on the County Office of Education

The County Office of Education also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County Office of Education to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County Office of Education, its component units or its constituents; and 2) The County Office of Education or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County Office of Education.

Based on these criteria, the County Office of Education has no component units. Additionally, the County Office of Education is not a component unit of any other reporting entity as defined by the GASB Statement.

B. Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities 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 revenues, and other nonexchange transactions.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. Basis of Presentation, Basis of Accounting, continued

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County Office of Education'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. The County Office of Education does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County Office of Education's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County Office of Education reports the following major governmental funds:

General Fund: This is the County Office of Education's primary operating fund. It accounts for all financial resources of the County Office of Education except those required to be accounted for in another fund.

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]).

Forest Reserve Fund: This fund exists to account separately for federal forest reserve funds received by offices of county superintendents for distribution to school districts and community college districts (*Education Code Section 2300; Government Code Section 29484*).

C. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They 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. Nonexchange transactions, in which the County Office of Education gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. Measurement Focus, Basis of Accounting, continued

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County Office of Education considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily, of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County Office of Education incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County Office of Education's policy to use restricted resources first, then unrestricted resources.

D. Encumbrances

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

E. Budgets and Budgetary Accounting

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

These budgets are revised by the County Office of Education's governing board and County Office of Education superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The County Office of Education employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the County Office of Education maintains substantially all its cash in the Sierra County Treasury. The county treasury pools these funds with those of other LEAs in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county treasury are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Sierra County Treasury was not available.

Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not 'available for appropriation and expenditure' even though they are a component of net current assets.

The County Office of Education has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The County Office of Education has chosen to report the expenditure when incurred.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Capital Assets

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

Asset Class	Years
Infrastructure	30 years
Buildings	50 years
Building Improvements	20 years
Vehicles	2-15 years
Office Equipment	3-15 years
Computer Equipment	3-15 years

Receivable and Payable Balances

The County Office of Education believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the County Office of Education. The current portion of the liabilities is recognized in the general fund at year end.

Accumulated sick leave benefits are not recognized as liabilities of the County Office of Education. The County Office of Education's policy is to record sick leave as an operating expense in the period taken since 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.

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 County Office of Education prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County Office of Education has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Sierra bills and collects the taxes for the County Office of Education.

Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Non-spendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the County Office of Education's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Fund Balances – Governmental Funds, continued

Fund balances of the governmental funds are classified as follows:

Assigned Fund Balance - represents amounts which the County Office of Education intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the funds primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County Office of Education itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County Office of Education considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County Office of Education considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources are a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

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 CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

Fair Value Measurements

The County Office of Education categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly

Level 3 Inputs: Unobservable inputs for an asset or liability

For the current fiscal year the County Office of Education did not have any recurring or nonrecurring fair value measurements.

New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the County Office of Education.

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 government end users (governments). Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The statement is effective for fiscal year 2022-23. The County Office of Education has implemented GASB Statement No. 96 for the year ending June 30, 2023.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

New Accounting Pronouncements, continued

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 County Office of Education 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.

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 County Office of Education has not yet determined the impact on the financial statements.

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 County Office of Education has not yet determined the impact on the financial statements.

Early implementation is encouraged. The County Office of Education is in the process of determining the effect on the financial reporting.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with I GASB Statement No. 38, 'Certain Financial Statement Note Disclosures,' violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

NOTE 3 – CASH AND INVESTMENTS

Cash in County Treasury

In accordance with *Education Code* Section 41001, the County Office of Education maintains substantially all of its cash in the Sierra County Treasury as part of the common investment pool (\$5,152,852 as of June 30, 2023). The fair value of the County Office of Education's portion of this pool as of that date, as provided by the pool sponsor, was \$5,004,513. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on Hand, in Banks, and in Revolving Fund

Cash balances on hand and in banks (\$0 as of June 30, 2023) and in the revolving fund (\$600) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

The County Office of Education is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The County Office of Education's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – CASH AND INVESTMENTS, continued

Cash on Hand, in Banks, and in Revolving Fund, continued

The County Office of Education's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023
<u>Governmental Activities:</u>				
Capital assets being depreciated				
Buildings and improvements	\$ 506,614	\$ 201,764	\$ -	\$ 708,378
Furniture and equipment	298,379	11,853	-	310,232
Total Capital Assets Being Depreciated	804,993	213,617	-	1,018,610
Less Accumulated Depreciation				
Land improvements		-	-	-
Buildings and improvements	307,038	13,060	-	320,098
Furniture and equipment	271,430	14,337	-	285,767
Total Accumulated Depreciation	578,468	27,397	-	605,865
Capital Assets, net	\$ 226,525	\$ 186,220	\$ -	\$ 412,745

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 - INTERFUND BALANCES AND ACTIVITIES

Do To/From Other Funds

There were no balances due to and from other funds at June 30, 2023.

Transfers To/From Other Funds

Interfund transfers consisted of the following for the year ending June 30, 2023:

Interfund Transfer Out	Interfund Transfer In	
	General Fund	Total
Adult Education Fund	12,390	12,390
Total	\$ 12,390	\$ 12,390

NOTE 6 – LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
Long-Term Liabilities					
Compensated absences	\$ 17,094	\$ -	\$ 1,561	\$ 15,533	\$ 15,533
Net pension liability	1,024,565	867,544	-	1,892,109	-
Net OPEB Liability	62,794	9,727	-	72,521	-
Total	\$ 1,104,453	\$ 877,271	\$ 1,561	\$ 1,980,163	\$ 15,533

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – JOINT VENTURES (JOINT POWERS AGREEMENTS)

The County Office of Education participates in two Joint Powers Agreements (JPAs), the Tri-Counties Schools Insurance Group and the Northeastern JPA. The insurance groups arrange for and provide property, liability, health and worker's compensation insurance for their members. The County Office of Education pays premiums commensurate with the level of coverage requested. These are partial self-insurance programs.

An executive committee consisting of representatives from each member's County Office of Education/District governs the JPA's. The governing boards control the operations of their JPA's independent of any influence by the County Office of Education beyond the County Office of Education's representation on the governing boards.

The JPA's are independently accountable for their fiscal matters. The insurance groups maintain their own accounting records. The budget is not subject to any approval other than that of the executive committee. The relationship between the County Office of Education and the JPA's is such that the JPA's are not component units of the County Office of Education for financial reporting purposes.

Condensed financial information for the JPA's for June 30, 2023 was not available as of our report date.

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the fiscal year ended June 30, 2023, the County Office of Education reported its proportionate share of the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 792,232	\$ 245,392	\$ 186,045	\$ 77,483
CalPERS	1,099,877	589,869	36,008	147,491
Total	\$ 1,892,109	\$ 835,261	\$ 222,053	\$ 224,974

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

The STRP provisions and benefits in effect at June 30, 2023, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions

Required member, County Office of Education, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the County Office of Education's total contributions were \$112,134.

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

At June 30, 2023, the County Office of Education reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the County Office of Education. The amount recognized by the County Office of Education 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 County Office of Education were as follows:

District's proportionate share of the net pension liability	\$	792,232
State's proportionate share of the net pension liability associated with the District		396,752
Total	\$	<u>1,188,984</u>

The net pension liability was measured as of June 30, 2022. The County Office of Education's proportion of the net pension liability was based on a projection of the County Office of Education's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The County Office of Education's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.0011 percent and 0.0013 percent, respectively, resulting in a net decrease in the proportionate share of 0.0002 percent.

For the year ended June 30, 2023, the County Office of Education recognized pension expense of \$77,483. In addition, the County Office of Education recognized pension expense and revenue of (\$29,674) for support provided by the State. At June 30, 2023, the County Office of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 38,766
Differences between expected and actual experience	650	59,391
Changes in assumptions	39,260	-
Net changes in proportionate share of net pension liability	93,348	87,888
District contributions subsequent to the measurement date	112,134	-
Total	<u>\$ 245,392</u>	<u>\$ 186,045</u>

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

The deferred outflows of resources related to pensions resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 8,523
2025	(41,042)
2026	(56,365)
2027	47,034
2028	(8,212)
Thereafter	(2,725)
	\$ (52,787)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

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. Based on the model for CalSTRS consulting actuary investment practice, a best estimate range was determined assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentile for the long-term distribution of annualized returns.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

The assumed asset allocation is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	42%	4.8%
Real Estate	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	-0.4%
	100%	

*20-year average

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 the contributions from plan members and employers will be made at statutory contribution rates. 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 occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 1,345,504	\$ 792,232	\$ 332,850

Pension Plan Fiduciary Net Position

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

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) and the Safety Risk Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These report(s) and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	25.37%	25.37%

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County Office of Education is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total County Office of Education contributions were \$147,588.

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

As of June 30, 2023, the County Office of Education reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$1,099,877. The net pension liability was measured as of June 30, 2022. The County Office of Education's proportion of the net pension liability was based on a projection of the County Office of Education's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The County Office of Education's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.0032 percent and 0.0022 percent, respectively, resulting in a net increase in the proportionate share of 0.0010 percent.

For the year ended June 30, 2023, the County Office of Education recognized pension benefit of \$147,491. At June 30, 2023, the County Office of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 129,866	\$ -
Differences between expected and actual experience	4,971	27,366
Changes in assumptions	81,362	-
Net changes in proportionate share of net pension liability	226,082	8,642
District contributions subsequent to the measurement date	147,588	-
Total	\$ 589,869	\$ 36,008

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

The deferred outflows of resources related to pensions resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 98,651
2025	90,256
2026	83,440
2027	133,926
	\$ 406,273

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 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 rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Discount Rate, continued

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 1,588,829	\$ 1,099,877	\$ 695,777

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in CalPERS' separately issued Annual Comprehensive Financial Report (ACFR).

On-Behalf Payments

The County Office of Education 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 \$126,295 to CalSTRS.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The County Office of Education's defined benefit OPEB plan (the Plan), provides OPEB for all permanent fulltime employees of the County Office of Education. The Plan is a single employer defined benefit OPEB plan administered by the County Office of Education. Authority to establish and amend the benefit terms and financing requirements lies with the County Office of Education's board of directors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

For the fiscal year ended June 30, 2023, the County Office of Education reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Benefit)
District Plan	\$ 72,521	\$ 41,653	\$ -	\$ (31,926)

**SIERRA COUNTY OFFICE OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, continued

Benefits Provided

Confidential and Classified Employees with a minimum of 25 years of experience 5 years with the County Office of Education, who have reached the age of 55, may elect to take advantage of their choice of one of the following offers:

- A. 1 year of retiree benefits (at the Tiered Rate) for medical, dental, and vision plans for the retiree, spouse and family, or
- B. \$13,840 for the term of 1 year

Certificated employees with a minimum of 25 years of experience 5 years with the County Office of Education, who have reached the age of 55, may elect to take advantage of their choice of one of the following offers:

- A. 3 years of retiree benefits (at the Tiered Rate) for medical, dental, and vision plans for the retiree, spouse and family, capped at the employer dollar contribution in the year of the unit member's final year of service, or
- B. A lump sum dollar amount per year for 3 years set up at the dollar contribution per paragraph "a" above made by the employer in the year of the unit members final year of service.

All contracts with County Office of Education employees will be renegotiated periodically in the future, thus costs and benefits are subject to change. Benefits and contribution requirements for the Other Post-Employment Benefits (OPEB) plan are established by various labor agreements.

For the County Office of Education, OPEB benefits are administered by its personnel. No separate financial statements are issued.

Employees Covered by Benefit Terms

At the June 30, 2022 measurement date, the following retirees were covered by the benefit terms:

	Number of Participants
Inactive Employees Receiving Benefits	1
Active Employees	2
	3

Total OPEB Liability

The County Office of Education's total OPEB liability of \$72,521 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

**SIERRA COUNTY OFFICE OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	June 30, 2022
Measurement date	June 30, 2022
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry Age, Level Percent of Pay
Inflation rate	2.50%
Discount rate	3.69%
Payroll increase	3.00%
Healthcare cost trend rate	6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2022-2029 and 4.00 percent for 2030 and later years.
Mortality rate	Certificated mortality rates for active employees from CalSTRS Experience Analysis (2015-2018). Classified mortality rates from CalPERS Experience Study (2000-2019).

Discount Rate

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

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, continued

Changes in Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2021	\$ 62,794	\$ -	\$ 62,794
Changes for the year:			
Service cost	1,752	-	1,752
Interest	1,064	-	1,064
Employer contributions	-	18,381	(18,381)
Changes of assumptions	7,648	-	7,648
Difference between expected and actual experience	17,644	-	17,644
Expected benefit payments	(18,381)	(18,381)	-
Net change	9,727	-	9,727
Balance June 30, 2022	\$ 72,521	\$ -	\$ 72,521

Changes of assumptions and other inputs reflect a change in the discount rate from 1.92% to 3.69% in measurement dates June 30, 2021, to June 30, 2022, respectively.

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

The following presents the total OPEB liability of the County Office of Education, as well as what the County Office of Education's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point-higher (4.69%) than the current discount rate:

	Discount Rate 1% Lower (2.69%)	Current Discount Rate (3.69%)	Discount Rate 1% Higher (4.69%)
Net OPEB liability	\$ 79,733	\$ 72,521	\$ 66,533

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, continued

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

The following presents the total OPEB liability of the County Office of Education, as well as what the County Office of Education's total OPEB liability would be, if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower (5.00% per year) or 1-percentage-point higher (7.00% per year) than the current healthcare cost trend rates:

	Trend Rate 1% Lower (5.00%)	Current Trend Rate (6.00%)	Trend Rate 1% Higher (7.00%)
Net OPEB liability	\$ 64,801	\$ 72,521	\$ 82,410

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

For the year ended June 30, 2023 the County Office of Education recognized OPEB expense of (\$31,926). At June 30, 2023 the County Office of Education reported deferred outflows of resources or deferred inflows of resources relating to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,880	\$ -
Change in assumptions	6,883	-
District contributions subsequent to the measurement date	18,890	-
	<u>\$ 41,653</u>	<u>\$ -</u>

At June 30, 2023, the County Office of Education reported deferred outflows of resources for the amount paid by the County Office of Education for OPEB as the benefits come due subsequent to measurement date of \$18,890.

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 2,529
2025	2,529
2026	2,529
2027	2,529
2028	2,529
Thereafter	10,118
	<u>\$ 22,763</u>

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Litigation

The County Office of Education is not involved in litigation.

State and Federal Allowances, Awards, and Grants

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

NOTE 11 – SUBSEQUENT EVENTS

Sierra County Office of Education has evaluated subsequent events for the period from June 30, 2023 through January 5, 2024 the date the financial statements were available to be issued. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**SIERRA COUNTY OFFICE OF EDUCATION
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	\$ 1,619,200	\$ 1,619,200	\$ 2,263,903	\$ 644,703
Federal sources	159,842	225,605	174,033	(51,572)
Other state sources	855,070	1,089,996	1,071,218	(18,778)
Other local sources	409,500	465,750	1,007,888	542,138
Total Revenues	3,043,612	3,400,551	4,517,042	1,116,491
EXPENDITURES				
Certificated salaries	649,703	679,315	491,859	187,456
Classified salaries	678,031	727,907	577,089	150,818
Employee benefits	704,123	781,970	668,703	113,267
Books and supplies	70,661	94,517	60,408	34,109
Services and other operating expenditures	604,448	899,048	603,118	295,930
Capital outlay	45,855	123,790	-	123,790
Other outgo				
Excluding transfers of indirect costs	49,428	49,428	-	49,428
Total Expenditures	2,802,249	3,355,975	2,401,177	954,798
Excess (Deficiency) of Revenues Over Expenditures	241,363	44,576	2,115,865	2,071,289
Other Financing Sources (Uses):				
Transfers in	52,722	64,604	85,871	21,267
Net Financing Sources (Uses)	52,722	64,604	85,871	21,267
NET CHANGE IN FUND BALANCE	294,085	109,180	2,201,736	2,092,556
Fund Balance - Beginning	5,046,255	5,046,255	5,046,255	-
Fund Balance - Ending	\$ 5,340,340	\$ 5,155,435	\$ 7,247,991	\$ 2,092,556

* General Fund amounts do not include activity related to the consolidation of the Fund 16, Forest Reserve Fund as required by GASB Statement No. 54.

**SIERRA COUNTY OFFICE OF EDUCATION
ADULT EDUCATION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
Federal sources	\$ 31,025	\$ 18,940	\$ 6,544	\$ (12,396)
Other state sources	306,200	280,724	299,167	18,443
Other local sources	-	190,509	186,553	(3,956)
Total Revenues	337,225	490,173	492,264	2,091
EXPENDITURES				
Certificated salaries	115,066	179,160	153,733	25,427
Classified salaries	32,809	37,447	32,571	4,876
Employee benefits	76,107	107,779	97,548	10,231
Books and supplies	26,467	125,122	22,209	102,913
Services and other operating expenditures	41,000	50,279	40,171	10,108
Capital outlay	39,054	222,796	98,078	124,718
Total Expenditures	330,503	722,583	444,310	278,273
Excess (Deficiency) of Revenues Over Expenditures	6,722	(232,410)	47,954	280,364
Other Financing Sources (Uses):				
Transfers out	(6,722)	(18,604)	(12,390)	6,214
Net Financing Sources (Uses)	(6,722)	(18,604)	(12,390)	6,214
NET CHANGE IN FUND BALANCE	-	(251,014)	35,564	286,578
Fund Balance - Beginning	251,014	251,014	251,014	-
Fund Balance - Ending	\$ 251,014	\$ -	\$ 286,578	\$ 286,578

**SIERRA COUNTY OFFICE OF EDUCATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 1,752	\$ 2,977	\$ 5,430	\$ 5,260	\$ 5,094	\$ 5,796
Interest	1,064	1,432	3,555	3,763	3,938	3,261
Changes of assumptions	7,648	9,360	-	-	-	(8,789)
Difference between expected and actual experience	17,644	(43,460)	-	-	-	-
Benefit payments	(18,381)	-	(10,349)	(18,548)	(3,571)	(27,681)
Other	-	-	-	-	(1,993)	-
Net change in total OPEB liability	9,727	(29,691)	(1,364)	(9,525)	3,468	(27,413)
Total OPEB liability, beginning of year	62,794	92,485	93,849	103,374	99,906	127,319
Total OPEB liability, end of year (a)	\$ 72,521	\$ 62,794	\$ 92,485	\$ 93,849	\$ 103,374	\$ 99,906
Plan fiduciary net position						
Employer contributions	\$ 18,381	\$ -	\$ 10,349	\$ 18,548	\$ 3,571	\$ 27,681
Expected benefit payments	(18,381)	-	(10,349)	(18,548)	(3,571)	(27,681)
Change in plan fiduciary net position	-	-	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability, ending (a) - (b)	\$ 72,521	\$ 62,794	\$ 92,485	\$ 93,849	\$ 103,374	\$ 99,906
Covered payroll	\$ 134,067	\$ 121,683	\$ 1,171,148	\$ 1,134,284	\$ 1,098,580	\$ 861,043
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Net OPEB liability as a percentage of covered payroll	54%	52%	8%	8%	9%	12%

Note: In the future, as data becomes available, ten years of information will be presented.

**SIERRA COUNTY OFFICE OF EDUCATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalSTRS					
District's proportion of the net pension liability	0.0011%	0.0013%	0.0012%	0.0011%	0.0010%
District's proportionate share of the net pension liability	\$ 792,232	\$ 569,050	\$ 1,126,441	\$ 973,498	\$ 919,609
State's proportionate share of the net pension liability associated with the District	396,752	286,329	580,676	531,112	526,545
Total	\$ 1,188,984	\$ 855,379	\$ 1,707,117	\$ 1,504,610	\$ 1,446,154
District's covered - employee payroll	\$ 617,695	\$ 711,814	\$ 711,814	\$ 641,556	\$ 618,833
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	128%	80%	158%	152%	149%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%
	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalPERS					
District's proportion of the net pension liability	0.0032%	0.0022%	0.0022%	0.0024%	0.0024%
District's proportionate share of the net pension liability	\$ 1,099,877	\$ 455,515	\$ 689,512	\$ 689,869	\$ 631,055
District's covered - employee payroll	\$ 533,300	\$ 374,952	\$ 374,952	\$ 371,655	\$ 374,028
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	206%	121%	184%	186%	169%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

Note: In the future, as data becomes available, ten years of information will be presented.

**SIERRA COUNTY OFFICE OF EDUCATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS				
District's proportion of the net pension liability	0.0010%	0.0007%	0.0011%	0.0007%
District's proportionate share of the net pension liability	\$ 889,661	\$ 620,236	\$ 497,299	\$ 269,092
State's proportionate share of the net pension liability associated with the District	528,221	323,525	268,306	139,965
Total	\$ 1,417,882	\$ 943,761	\$ 765,605	\$ 409,057
District's covered - employee payroll	\$ 548,850	\$ 508,613	\$ 341,351	\$ 336,050
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	162%	122%	146%	80%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS				
District's proportion of the net pension liability	0.0025%	0.0026%	0.0027%	0.0029%
District's proportionate share of the net pension liability	\$ 607,454	\$ 523,055	\$ 390,964	\$ 329,221
District's covered - employee payroll	\$ 312,193	\$ 313,538	\$ 294,962	\$ 294,958
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	195%	167%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

Note: In the future, as data becomes available, ten years of information will be presented.

**SIERRA COUNTY OFFICE OF EDUCATION
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023**

CalSTRS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 112,134	\$ 104,514	\$ 114,958	\$ 109,706	\$ 100,746
District's contributions in relation to the statutorily required contribution	112,134	104,514	114,958	109,706	100,746
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 587,089	\$ 617,695	\$ 711,814	\$ 641,556	\$ 618,833
District's contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.15%	17.10%	16.28%

CalPERS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 147,588	\$ 122,179	\$ 77,615	\$ 73,294	\$ 67,557
District's contributions in relation to the statutorily required contribution	147,588	122,179	77,615	73,294	67,557
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 581,742	\$ 533,300	\$ 374,952	\$ 371,655	\$ 374,028
District's contributions as a percentage of covered-employee payroll	25.37%	22.91%	20.70%	19.72%	18.06%

Note: In the future, as data becomes available, ten years of information will be presented.

**SIERRA COUNTY OFFICE OF EDUCATION
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023**

CalSTRS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 79,199	\$ 38,811	\$ 30,312	\$ 27,015
District's contributions in relation to the statutorily required contribution	79,199	38,811	30,312	27,015
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 548,850	\$ 508,613	\$ 381,088	\$ 336,050
District's contributions as a percentage of covered-employee payroll	14.43%	7.63%	7.95%	8.04%

CalPERS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 57,268	\$ 37,641	\$ 34,720	\$ 34,421
District's contributions in relation to the statutorily required contribution	57,268	37,641	34,720	34,421
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 368,995	\$ 270,994	\$ 317,658	\$ 294,958
District's contributions as a percentage of covered-employee payroll	15.52%	13.89%	10.93%	11.67%

Note: In the future, as data becomes available, ten years of information will be presented.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

The County Office of Education employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget 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.

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

Schedule of Changes in the Net OPEB Liability and Related Ratios

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

Change in Benefit Terms - There were no changes in benefit terms since the previous valuation for other postemployment benefits.

Change of Assumptions - The discount rate as of the June 30, 2021 measurement date was 1.92%, while the discount rate as of the June 30, 2022 measurement date was 3.69.

**SIERRA COUNTY OFFICE OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of the 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 County Office of Education's proportion (percentage) of the collective net pension liability, the County Office of Education's proportionate share (amount) of the collective net pension liability, the County Office of Education's covered-employee 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 both CalSTRS and CalPERS.

Changes of Assumptions - There were no changes of assumptions since the previous valuations for CalSTRS. The plan's discount rate was changed from 7.15 percent to 6.90 percent since the previous valuation for CalPERS.

Schedule of Contributions – Pensions

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 County Office of Education'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 County Office of Education's covered-employee 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 County Office of Education's covered-employee payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2023, the County Office of Education did not incur an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule for the General Fund and Adult Education Fund.

OTHER SUPPLEMENTARY INFORMATION

**SIERRA COUNTY OFFICE OF EDUCATION
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2023**

The Sierra County Office of Education was established in 1956 and operates in an area of approximately 1,600 square miles in Plumas and Sierra Counties. There were no changes in the area of operation during the year. The County Office of Education provides Special Education, Counseling, and County School services. Sierra County Office of Education has one school district, the Sierra-Plumas Joint Unified School District.

GOVERNING BOARD

Name	Office	Term Expires
Kelly Champion	President	December 2026
Annie Tipton	Vice President	December 2026
Dorie Gayner	Clerk	December 2026
Patty Hall	Member	December 2024
Christina Potter	Member	December 2024

ADMINISTRATION

James T. Berardi
Superintendent

Nona Griesert
Director of Business Services/CBO

**SIERRA COUNTY OFFICE OF EDUCATION
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	Second Period Report	Annual Report
	Certification No. (1FDA02C7)	Certification No. (AB1DB236)
County School Tuition		
Transitional Kindergarten through third	6.47	6.72
Fourth through Sixth	3.74	3.87
Seventh and Eighth	0.92	0.96
Ninth through twelfth	1.84	1.91
Total Regular ADA	12.97	13.46
Extended Year Special Education		
Transitional Kindergarten through third	0.54	0.54
Fourth through Sixth	-	-
Seventh and Eighth	-	-
Ninth through twelfth	0.16	0.16
Total Extended Year Special Education	0.70	0.70
ADA Totals	13.67	14.16

**SIERRA COUNTY OFFICE OF EDUCATION
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2023**

Grade Level	Minutes Requirement	2022-23 Actual Minutes	2022-23 Minutes	2022-23 Adjusted Minutes	Traditional Calendar			Multitrack Calendar	Status
			Credited Per Approved J-13 Waiver		2022-23 Actual Days Offered	2022-23 Days Credited Per Approved J-13 Waiver	2022-23 Adjusted Days		
Kindergarten	36,000	38,760	1,350	40,110	174	6	180	N/A	Complied
Grade 1	50,400	52,180	1,920	54,100	174	6	180	N/A	Complied
Grade 2	50,400	52,180	1,920	54,100	174	6	180	N/A	Complied
Grade 3	50,400	52,180	1,920	54,100	174	6	180	N/A	Complied
Grade 4	54,000	52,975	1,950	54,925	174	6	180	N/A	Complied
Grade 5	54,000	52,975	1,950	54,925	174	6	180	N/A	Complied
Grade 6	54,000	54,235	2,010	56,245	174	6	180	N/A	Complied
Grade 7	54,000	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 8	54,000	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 9	64,800	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 10	64,800	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 11	64,800	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 12	64,800	62,600	2,310	64,910	174	6	180	N/A	Complied

**SIERRA COUNTY OFFICE OF EDUCATION
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	\$ 3,158,050	\$ 4,602,913	\$ 3,484,378	\$ 2,933,822
Expenditures and Other Financing Uses	3,031,015	2,401,177	2,164,081	2,104,194
Net Change in Fund Balance	127,035	2,201,736	1,320,297	829,628
Ending Fund Balance	\$ 7,375,026	\$ 7,247,991	\$ 5,046,255	\$ 3,725,958
Available Reserves*	\$ 6,186,761	\$ 6,344,026	\$ 4,700,682	\$ 3,497,432
Available Reserves as a Percentage of Outgo	204.1%	264.2%	217.2%	166.2%
Long-term Debt	\$ 1,964,630	\$ 1,980,163	\$ 1,104,453	\$ 1,928,284
Average Daily				
COE ADA at P-2	14	14	20	20
Total ADA at P-2	14	14	20	20

The General Fund balance has increased by \$3,522,033 over the past two years. The fiscal year 2023-2024 budget projects an increase of \$127,035, or 1.75%. For a County Office of Education this size, the State recommends available reserves of at least 5 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in the past three years and anticipates incurring an operating surplus during the 2023-2024 fiscal year. Total long-term liabilities have increased by \$51,879 over the past two years.

Average daily attendance has decreased by 6 over the past two years. The County Office of Education anticipates no change in ADA during fiscal year 2023-2024.

* Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

** This schedule reflects General Fund budgetary fund basis, which excludes the Forest Reserve Fund.

**SIERRA COUNTY OFFICE OF EDUCATION
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Adult Education Fund
June 30, 2023 annual financial and budget report fund balance	\$ 6,963,592	\$ 290,034
Adjustments and reclassifications		
Increase (decrease) in total fund balance		
Adjustments to cash in county	429,282	-
FMV adjustment in cash in county	(144,883)	(3,456)
Net adjustments and reclassifications	284,399	(3,456)
June 30, 2023 audited financial statements fund balance	\$ 7,247,991	\$ 286,578

**SIERRA COUNTY OFFICE OF EDUCATION
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2023**

Charter School	Number	Included in Audit Report
None noted	N/A	N/A

**SIERRA COUNTY OFFICE OF EDUCATION
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSES OF SCHEDULES

Local Education Agency Organization Structure

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

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

The County Office of Education has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the County Office of Education and whether the County Office of Education complied with the provisions of *Education Code* Sections 46200 through 46206. The County Office of Education neither met nor exceeded its targeted funding.

County Office of Education must maintain their instructional minutes at the 1986-87 requirement as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

OTHER INDEPENDENT AUDITORS' REPORTS



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

Board of Trustees
Sierra County Office of Education
Loyalton, 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, the each major fund, and the aggregate remaining fund information of Sierra County Office of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Sierra County Office of Education's basic financial statements, and have issued our report thereon dated January 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sierra County Office of Education's internal control over financial reporting (internal control) as a basis for determining 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 Sierra County Office of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Sierra County Office of Education's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



San Diego, California
January 5, 2024



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Sierra County Office of Education
Loyalton, California

Report on State Compliance

Opinion on State Compliance

We have audited Sierra County Office of Education's (COE) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the COE's state program requirements identified below for the year ended June 30, 2023.

In our opinion, Sierra County Office of Education complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Not applicable
E. Continuation Education	Not applicable
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Not applicable
I. Classroom Teacher Salaries	Not applicable
J. Early Retirement Incentive	Not applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not applicable
N. Middle or Early College High Schools	Not applicable
O. K-3 Grade Span Adjustment	Not applicable
P. Transportation Maintenance of Effort	Not applicable
Q. Apprenticeship: Related and Supplemental Instruction	Not applicable

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools, continued:	
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not applicable
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. California Clean Energy Jobs Act	Not applicable
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Not applicable
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not applicable
Z. Immunizations	Not applicable
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Not applicable
EZ. Transitional Kindergarten	Not applicable
Charter Schools:	
AA. Attendance	Not applicable
BB. Mode of Instruction	Not applicable
CC. Nonclassroom-Based Instruction/Independent Study	Not applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Not applicable
EE. Annual Instructional Minutes - Classroom Based	Not applicable
FF. Charter School Facility Grant Program	Not applicable

The term Not Applicable is used above to mean either the County Office of Education did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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

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

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

CWDL, Certified Public Accountants

San Diego, California
January 5, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**SIERRA COUNTY OFFICE OF EDUCATION
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditors report?	No
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

**SIERRA COUNTY OFFICE OF EDUCATION
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statements findings for the year ended June 30, 2023.

**SIERRA COUNTY OFFICE OF EDUCATION
 STATE AWARD FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2023**

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

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

**SIERRA COUNTY OFFICE OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

There were no findings or questioned costs identified for the year ended June 30, 2022.



See what's possible.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT

**COUNTY OF SIERRA
LOYALTON, CALIFORNIA**

AUDIT REPORT

Fiscal Year Ended June 30, 2023

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Sierra-Plumas Joint Unified School District
Loyalton, California

Report on Audit of 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 Sierra-Plumas Joint Unified School District ("the District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Sierra-Plumas Joint 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sierra-Plumas Joint 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 based on 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sierra-Plumas Joint Unified School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying 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 January 5, 2024 on our consideration of Sierra-Plumas Joint 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 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 Sierra-Plumas Joint Unified School District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
January 5, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

INTRODUCTION

Our discussion and analysis of Sierra-Plumas Joint 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 (including notes and supplementary information), which follow this section.

FINANCIAL HIGHLIGHTS

- Total Net Position was \$6,572,496 at June 30, 2023. This was an increase of \$933,384 from prior year.
- Overall revenues were \$9,084,784 which is greater than expenses of \$8,151,400.
- The net cost of the District's programs was \$4,953,405 a decrease of \$134,371 from the prior year.
- The fund balance of the general fund was \$6,337,915, an increase from the prior year due to increases in revenues.

OVERVIEW OF FINANCIAL STATEMENTS

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 the District operations in more detail. The fund financial statements comprise the remaining statements.
- **Governmental Funds** statements tell how general government services were financed in the short term as well as what remains for future spending.

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

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 assets 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.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Government-Wide Statements, continued

The two government-wide statements report the District's net assets and how they have changed. Net assets, the difference between the assets and liabilities, are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has two kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information -does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government funds statements that explains the relationship (or differences) between them.
- Fiduciary funds - the District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use the assets to finance its operations.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was \$6,572,496 at June 30, 2023.

The significant changes from fiscal year 2023 to 2022 are:

- Current assets increased by \$1.2 million, primarily due to an overall increase in cash.
- Capital assets decreased by \$361.2 thousand due to depreciation expense during 2022-23.
- Increase in long-term liabilities from an increase in the net pension liability and net OPEB liability.

	Governmental Activities		
	2023	2022	Net Change
ASSETS AND DEFERRED OUTFLOWS			
Current and other assets	\$ 7,487,139	\$ 6,244,775	\$ 1,242,364
Capital assets	3,746,920	4,108,113	(361,193)
Deferred outflows	1,550,021	1,044,286	505,735
Total Assets and Deferred Outflows	12,784,080	11,397,174	1,386,906
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities	1,030,811	679,230	351,581
Long-term liabilities	4,383,427	3,031,857	1,351,570
Deferred inflows	797,346	2,046,975	(1,249,629)
Total Liabilities and Deferred Inflows	6,211,584	5,758,062	453,522
NET POSITION			
Net investment in capital assets	3,746,920	4,108,113	(361,193)
Restricted	2,512,802	594,869	1,917,933
Unrestricted	312,774	936,130	(623,356)
Total Net Position	\$ 6,572,496	\$ 5,639,112	\$ 933,384

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Changes in Net Position

The results of this year's operation for the District as a whole are reported in the *Statement of Activities* on page 12. The table below takes the information from the Statement and rearranges it slightly so you can see our total revenues for the year.

	Governmental Activities		
	2023	2022	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 87,746	\$ (3,031)	\$ 90,777
Operating grants and contributions	3,110,249	1,166,649	1,943,600
General revenues			
Property taxes	3,046,117	3,059,129	(13,012)
Unrestricted federal and state aid	2,838,673	3,825,220	(986,547)
Other	1,999	187,324	(185,325)
Total Revenues	9,084,784	8,235,291	849,493
EXPENSES			
Instruction	4,047,951	2,836,151	1,211,800
Instruction-related services	679,789	551,911	127,878
Pupil services	618,348	463,927	154,421
General administration	953,099	832,863	120,236
Plant services	1,114,883	1,033,763	81,120
Ancillary services	144,020	57,557	86,463
Community services	500	-	500
Other outgo	205,874	78,272	127,602
Depreciation (unallocated)	386,936	396,950	(10,014)
Total Expenses	8,151,400	6,251,394	1,900,006
CHANGE IN NET POSITION	933,384	1,983,897	(1,050,513)
Net Position - Beginning	5,639,112	3,655,215	1,983,897
Net Position - Ending	\$ 6,572,496	\$ 5,639,112	\$ 933,384

The District's total revenues totaled \$9,084,784. A majority of the revenue came from Property Taxes, which accounted for 33.53% of total revenues, and Unrestricted Federal and State Aid, which accounted for 31.25% of total revenues.

The total cost of all programs and services was \$8,151,400. The District's expenses are predominately related to instructional and instruction-related services for students which account for 65.6% of total cost. Administrative activities account for just 11.7% of total costs. The remaining expenses were for plant services (maintenance and operations), community services, ancillary services, and other outgo.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Governmental Activities

As reported in the *Statement of Activities*, the cost of all our governmental activities this year was \$8,151,400. However, this amount was offset by \$3,046,117 in local property taxes, \$3,059,129 in unrestricted Federal and State aid, and \$1,999 in other revenues. \$3,110,249 was received from those who benefited from the programs with grants and contributions.

In the table below, we have presented the net cost of each of the District's largest functions: instruction, instruction related services, pupil services, general administration, plant services, ancillary services, and other outgo. As discussed above, 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.

	Governmental Activities	
	Net Cost of Services	
	2023	2022
Instruction	1,410,941	2,149,165
Instruction-related services	616,605	526,929
Pupil services	318,618	297,310
General administration	910,843	751,612
Plant services	1,046,676	838,801
Ancillary services	56,412	48,737
Community services	500	-
Other outgo	205,874	78,272
Depreciation (unallocated)	386,936	396,950
	\$ 4,953,405	\$ 5,087,776

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was approved on March 14, 2023. A schedule of the District's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had invested \$11,140,678 in a broad range of capital assets including land, buildings and improvements, machinery and equipment and sold an unoccupied school building. More detailed information about the District's capital assets is presented in the notes to the financial statements.

	Governmental Activities		
	2023	2022	Net Change
CAPITAL ASSETS			
Land	\$ 157,192	\$ 157,192	\$ -
Land improvements	385,804	385,804	-
Buildings & improvements	8,770,545	8,770,545	-
Furniture & equipment	1,827,137	1,904,356	(77,219)
Accumulated depreciation	(7,393,758)	(7,109,784)	(283,974)
Total Capital Assets	\$ 3,746,920	\$ 4,108,113	\$ (361,193)

For the fiscal year ending June 30, 2024, the District projects spending \$115,000 for building improvements, new equipment & equipment replacement.

Long-Term Debt

The District had \$4,005,304 of net pension obligations associated with the unfunded portion of PERS and STRS. Other long-term liability obligations of the District are for other post-employment benefits and compensated absences as shown in the table below. More detailed information about the District's debt is presented in the notes to the financial statements.

	Governmental Activities		
	2023	2022	Net Change
LONG-TERM LIABILITIES			
Compensated absences	\$ 23,245	\$ 17,575	\$ 5,670
Net pension liability	4,005,304	2,823,954	1,181,350
Net OPEB liability	354,878	207,903	146,975
Less: current portion of long-term debt	(23,245)	(17,575)	(5,670)
Total Long-term Liabilities, non-current	\$ 4,360,182	\$ 3,031,857	\$ 1,328,325

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The uncertainty of federal and state funding can have a profound impact on the financial health of the District. Although no changes are currently anticipated, the federal and the state governments could implement budget cuts. Forest Reserve funding is preserved through Fiscal Year 2025-26 but remains uncertain afterwards.
- The continuing increases in premiums for health care insurance, retirement, and worker's compensation could have a significant effect on the future financial health of the District. The 2024 premium for health insurance increased over the 2023 composite premiums. Also, health care premiums and retirement liabilities are predicted to continue to increase into the foreseeable future.
- The budget assumptions used to prepare the budget for 2023/2024 included an 8.22% cost of living allowance (COLA) to LCFF. In addition, employer rate of 19.10% and 26.68% was used in 23/24 for CalSTRS and CalPERS contributions to California certificated and classified retirement systems, respectively.
- The inevitable increases in PERS and STRS contribution rates that will be necessary to fund the Net Pension Liability will likely require careful budgeting and planning.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

Sean Snider, Superintendent
Sierra-Plumas Joint Unified School District
Post Office Box 955
109 Beckwith Road
Loyalton, CA 96118
(530) 993-1660

BASIC FINANCIAL STATEMENTS

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,189,164
Accounts receivable	1,293,494
Prepaid expenses	4,481
Capital assets, not depreciated	157,192
Capital assets, net of accumulated depreciation	3,589,728
Total Assets	11,234,059
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	281,210
Deferred outflows related to pensions	1,268,811
Total Deferred Outflows of Resources	1,550,021
LIABILITIES	
Accrued liabilities	851,334
Unearned revenue	179,477
Long-term liabilities, current portion	23,245
Net pension liability	4,005,304
Net OPEB liability	354,878
Total Liabilities	5,414,238
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	32,153
Deferred inflows related to pensions	765,193
Total Deferred Inflows of Resources	797,346
NET POSITION	
Net investment in capital assets	3,746,920
Restricted:	
Educational programs	1,065,574
Capital projects	791,477
Child nutrition	9,856
Other restrictions	645,895
Unrestricted	312,774
Total Net Position	\$ 6,572,496

The accompanying notes are an integral part of this statement.

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

Function/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
Governmental Activities				
Instruction	\$ 4,047,951	\$ -	\$ 2,637,010	\$ (1,410,941)
Instruction-related services				
Instructional supervision and administration	3,215	-	2,366	(849)
Instructional library, media, and technology	23,494	-	8,621	(14,873)
School site administration	653,080	-	52,197	(600,883)
Pupil services				
Home-to-school transportation	364,396	-	-	(364,396)
Food services	233,775	341	297,720	64,286
All other pupil services	20,177	-	1,669	(18,508)
General administration				
Centralized data processing	136,038	-	3,733	(132,305)
All other general administration	817,061	-	38,523	(778,538)
Plant services	1,114,883	-	68,207	(1,046,676)
Ancillary services	144,020	87,405	203	(56,412)
Community services	500	-	-	(500)
Other outgo	205,874	-	-	(205,874)
Depreciation (unallocated)	386,936	-	-	(386,936)
Total Governmental Activities	\$ 8,151,400	\$ 87,746	\$ 3,110,249	(4,953,405)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				3,046,117
Federal and state aid not restricted for specific purposes				2,838,673
Interest and investment earnings				(72,852)
Interagency revenues				63,057
Miscellaneous				11,794
Subtotal, General Revenue				5,886,789
CHANGE IN NET POSITION				933,384
Net Position - Beginning				5,639,112
Net Position - Ending				\$ 6,572,496

The accompanying notes are an integral part of this statement.

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 6,108,132	\$ 81,032	\$ 6,189,164
Accounts receivable	1,256,113	37,381	1,293,494
Prepaid expenditures	4,481	-	4,481
Total Assets	\$ 7,368,726	\$ 118,413	\$ 7,487,139
LIABILITIES			
Accounts payable	\$ 851,334	\$ -	\$ 851,334
Unearned revenue	179,477	-	179,477
Total Liabilities	1,030,811	-	1,030,811
FUND BALANCES			
Nonspendable	8,581	-	8,581
Restricted	2,512,594	119,483	2,632,077
Committed	207,903	-	207,903
Unassigned	3,608,837	(1,070)	3,607,767
Total Fund Balances	6,337,915	118,413	6,456,328
Total Liabilities and Fund Balances	\$ 7,368,726	\$ 118,413	\$ 7,487,139

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

Total Fund Balance - Governmental Funds \$ 6,456,328

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

Capital assets:

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

Capital assets	\$	11,140,678	
Accumulated depreciation		(7,393,758)	3,746,920

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:

Net pension liability	\$	4,005,304	
Net OPEB liability		354,878	
Compensated absences payable		23,245	(4,383,427)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources relating to pensions:	\$	1,268,811	
Deferred inflows of resources relating to pensions:		(765,193)	503,618

Deferred outflows and inflows of resources related to other postemployment benefits (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 pensions are reported:

Deferred outflows of resources relating to OPEB	\$	281,210	
Deferred inflows of resources relating to OPEB		(32,153)	249,057

Total Net Position - Governmental Activities \$ 6,572,496

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES			
LCFF sources	\$ 5,407,382	\$ -	\$ 5,407,382
Federal sources	850,395	97,419	947,814
Other state sources	2,099,967	93,793	2,193,760
Other local sources	538,181	86,263	624,444
Total Revenues	8,895,925	277,475	9,173,400
EXPENDITURES			
Current			
Instruction	4,453,301	-	4,453,301
Instruction-related services			
Instructional supervision and administration	3,215	-	3,215
Instructional library, media, and technology	23,494	-	23,494
School site administration	689,884	-	689,884
Pupil services			
Home-to-school transportation	369,796	-	369,796
Food services	-	242,247	242,247
All other pupil services	20,371	-	20,371
General administration			
Centralized data processing	136,038	-	136,038
All other general administration	838,362	-	838,362
Plant services	1,148,052	-	1,148,052
Facilities acquisition and maintenance	125,063	-	125,063
Ancillary services	72,745	70,570	143,315
Community services	500	-	500
Transfers to other agencies	106,554	-	106,554
Total Expenditures	7,987,375	312,817	8,300,192
Excess (Deficiency) of Revenues			
Over Expenditures	908,550	(35,342)	873,208
OTHER FINANCING SOURCES (USES)			
Transfers in	750,000	41,958	791,958
Transfers out	(791,958)	-	(791,958)
Net Financing Sources (Uses)	(41,958)	41,958	-
NET CHANGE IN FUND BALANCE	866,592	6,616	873,208
Fund Balance - Beginning	5,471,323	111,797	5,583,120
Fund Balance - Ending	\$ 6,337,915	\$ 118,413	\$ 6,456,328

The accompanying notes are an integral part of this statement.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS 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 \$ 873,208

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

Capital outlay:

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

Expenditures for capital outlay:	\$ 25,743	
Depreciation expense:	<u>(386,936)</u>	(361,193)

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:

(5,670)

Pensions:

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

324,957

Postemployment benefits other than pensions (OPEB):

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

102,082

Change in Net Position of Governmental Activities

\$ 933,384

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

	Foundation Trust Fund
ASSETS	
Cash and cash equivalents	\$ 81,337
Investments	886,193
Total Assets	<u>967,530</u>
LIABILITIES	
Accounts payable	<u>25,000</u>
Total Liabilities	<u>25,000</u>
NET POSITION	
Held in trust	<u>942,530</u>
Total Net Position	<u>\$ 942,530</u>

The accompanying notes are an integral part of this statement.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Sierra-Plumas Joint Unified School District (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 accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, 'The Financial Reporting Entity,' include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

B. Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. Basis of Presentation, Basis of Accounting, continued

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

The District reports the following non-major governmental funds:

The Student Activity Special Revenue Fund, which is used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body. The amounts reported for student body funds represent the combined totals of all schools within the District.

Cafeteria Fund: The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

In addition, the District reports the following fund types:

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They 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. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

C. Encumbrances

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

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

D. Budgets and Budgetary Accounting

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

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

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

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

Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the Sierra County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Sierra County Treasury was not available.

Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

Asset Class	Years
Infrastructure	30 years
Buildings	50 years
Vehicles	2-15 years
Office Equipment	3-15 years
Computer Equipment	3-15 years

Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

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 since 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.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Sierra bills and collects the taxes for the District.

Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Non-spendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption, and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Fund Balances – Governmental Funds, continued

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 40 (Special Reserve for Capital Outlay Projects Fund) is merged with the General Fund for purposes of presentation in the audit report.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Pensions

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

G. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

H. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs for an asset or liability.

For the current fiscal year, the District did not have any recurring or nonrecurring fair value measurements.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

I. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

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 government end users (governments). Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The statement is effective for fiscal year 2022-23. The District has implemented GASB Statement No. 96 for the year ending June 30, 2023.

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.

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.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

I. New Accounting Pronouncements, continued

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.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – CASH AND INVESTMENTS

Summary of Cash and Investments

	Governmental Activities	Fiduciary Funds
Cash in county treasury	\$ 6,247,789	\$ 83,748
Cash on hand and in banks	119,275	-
Cash in revolving fund	4,100	-
Investments	-	886,193
Fair market value adjustment	(182,000)	(2,411)
Total	<u>\$ 6,189,164</u>	<u>\$ 967,530</u>

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Sierra County Treasury as part of the common investment pool (\$6,331,537 as of June 30, 2023). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$6,147,126. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

NOTE 3 – CASH AND INVESTMENTS, continued

Investments

The District's investments at June 30, 2023 are shown below:

Investment or Investment Type	Maturity	Fair Value
AT&T Corporation	N/A	\$ 50,674
Chevron Corporation	N/A	163,189
Constellation Energy Corporation	N/A	48,186
Dow Inc.	N/A	56,307
Exelon Corporation	N/A	62,609
Flex LNG LTD	N/A	31,728
Food Motor Company	N/A	13,172
Intel Corporation	N/A	35,667
Kinder Morgan Inc.	N/A	17,659
KKR & CO LP	N/A	148,022
Pfizer Inc.	N/A	35,956
Prologis Inc.	N/A	124,391
RBC Insured Deposits	N/A	50
RLJ Lodging Trust	N/A	10,270
Ventas Inc.	N/A	72,570
Warner Bros Discovery Inc.	N/A	15,743
		<u>\$ 886,193</u>

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – CASH AND INVESTMENTS, continued

The following tables present the fair value measurement of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and level with the fair value hierarchy in which the fair value measurements falls:

	Fair Value Measurement Using		
	Quoted Prices in		
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foundation Trust Fund			
AT&T Corporation	\$ 50,674	\$ -	\$ -
Chevron Corporation	163,189	-	-
Constellation Energy Corporation	48,186	-	-
Dow Inc.	56,307	-	-
Exelon Corporation	62,609	-	-
Flex LNG LTD	31,728	-	-
Food Motor Company	13,172	-	-
Intel Corporation	35,667	-	-
Kinder Morgan Inc.	17,659	-	-
KKR & CO LP	148,022	-	-
Pfizer Inc.	35,956	-	-
Prologis Inc.	124,391	-	-
RBC Insured Deposits	50	-	-
RLJ Lodging Trust	10,270	-	-
Ventas Inc.	72,570	-	-
Warner Bros Discovery Inc.	15,743	-	-
Total	\$ 886,193	\$ -	\$ -

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to credit risk.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – CASH AND INVESTMENTS, continued

Analysis of Specific Deposit and Investment Risks, continued

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – CASH AND INVESTMENTS, continued

Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term 'short-term' refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

NOTE 4 – CAPITAL ASSETS

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

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 157,192	\$ -	\$ -	\$ 157,192
Total Capital Assets not Being Depreciated	157,192	-	-	157,192
Capital assets being depreciated				
Land improvements	385,804	-	-	385,804
Buildings and improvements	8,770,545	-	-	8,770,545
Furniture and equipment	1,904,356	25,743	102,962	1,827,137
Total Capital Assets Being Depreciated	11,060,705	25,743	102,962	10,983,486
Total Capital Assets	11,217,897	25,743	102,962	11,140,678
Less Accumulated Depreciation				
Land improvements	202,385	25,721	-	228,106
Buildings and improvements	5,897,477	218,841	-	6,116,318
Furniture and equipment	1,009,922	142,374	102,962	1,049,334
Total Accumulated Depreciation	7,109,784	386,936	102,962	7,393,758
Capital Assets, net	\$ 4,108,113	\$ (361,193)	\$ -	\$ 3,746,920

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – INTERFUND BALANCES AND ACTIVITIES

Operating Transfers

Transfers to and from other funds at June 30, 2023 consisted of a transfer from the General Fund to the Cafeteria Fund in the amount of \$41,958 to supplement and support the operation of other funds. In addition, a transfer from General Fund to the Special Reserve for Capital Outlay Projects Fund (consolidated in the General Fund per GASB 54) in the amount of \$750,000 for future capital outlay projects.

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance			Balance		Due in
	July 1, 2022	Additions	Deductions	June 30, 2023		One Year
Long-Term Liabilities						
Compensated absences	\$ 17,575	\$ 5,670	\$ -	\$ 23,245	\$	23,245
Net pension liability	2,823,954	1,181,350	-	4,005,304		-
Net OPEB Liability	207,903	146,975	-	354,878		-
Total	\$ 3,049,432	\$ 1,333,995	\$ -	\$ 4,383,427	\$	23,245

NOTE 7 – JOINT VENTURES (JOINT POWER AGREEMENTS)

The District participates in three Joint Powers Agreements (JPA's), the Sierra Self Insurance Group, the Tri-Counties Schools Insurance Group, and the Northeastern JPA. The insurance groups arrange for and provide property, liability, health and worker's compensation insurance for their members. The District pays premiums commensurate with the level of coverage requested. These are partial self-insurance programs.

An executive committee consisting of representatives from each member's District governs the JPA's. The governing boards control the operations of their JPA's independent of any influence by the District beyond the District's representation on the governing boards.

The JPA's are independently accountable for their fiscal matters. The insurance groups maintain their own accounting records. The budget is not subject to any approval other than that of the executive committee. The relationship between the District and the JPA's is such that the JPA's are not component units of the District for financial reporting purposes.

Condensed financial information for the JPA's for June 30, 2023 was not available as of our report date.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the fiscal year ended June 30, 2023, the District reported its proportionate share of the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 2,365,900	\$ 723,988	\$ 530,449	\$ 192,351
CalPERS	1,639,404	544,823	234,744	119,514
Total	\$ 4,005,304	\$ 1,268,811	\$ 765,193	\$ 311,865

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Benefits Provided, continued

The STRP provisions and benefits in effect at June 30, 2023, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the District's total contributions were \$437,153.

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	\$ 2,365,900
State's proportionate share of the net pension liability associated with the District	1,184,850
Total	\$ 3,550,750

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

The net pension liability was measured as of June 30, 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 college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.0034 percent and 0.0037 percent, respectively, resulting in a net decrease in the proportionate share of 0.0003 percent.

For the year ended June 30, 2023, the District recognized pension expense of \$192,351. In addition, the District recognized pension expense and revenue of (\$88,617) 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 115,772
Differences between expected and actual experience	1,941	177,365
Changes in assumptions	117,243	-
Net changes in proportionate share of net pension liability	167,651	237,312
District contributions subsequent to the measurement date	437,153	-
Total	<u>\$ 723,988</u>	<u>\$ 530,449</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (31,799)
2025	(141,705)
2026	(187,465)
2027	150,018
2028	(24,525)
Thereafter	(8,138)
	<u>\$ (243,614)</u>

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

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

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	42%	4.8%
Real Estate	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	-0.4%
	100%	

*20-year average

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, 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 the contributions from plan members and employers will be made at statutory contribution rates. 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 occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 4,018,176	\$ 2,365,900	\$ 994,014

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) and the Safety Risk Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These report(s) and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2023, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	25.37%	25.37%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were \$199,669.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$1,639,404. The net pension liability was measured as of 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 college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.0048 percent and 0.0055 percent, respectively, resulting in a net decrease in the proportionate share of 0.0007 percent.

For the year ended June 30, 2023, the District recognized pension expense of \$119,514. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 193,572	\$ -
Differences between expected and actual experience	7,409	40,791
Changes in assumptions	121,275	-
Net changes in proportionate share of net pension liability	22,898	193,953
District contributions subsequent to the measurement date	199,669	-
Total	\$ 544,823	\$ 234,744

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 31,438
2025	14,039
2026	(10,313)
2027	75,246
	\$ 110,410

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 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.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 2,368,202	\$ 1,639,404	\$ 1,037,079

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 \$377,161 to CalSTRS.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

For the fiscal year ended June 30, 2023, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Benefit)
District Plan	\$ 354,878	\$ 281,210	\$ 32,153	\$ (102,082)

Plan Description

The District's defined benefit OPEB plan (the Plan), provides OPEB for all permanent fulltime employees of the District. The Plan is a single employer defined benefit OPEB plan administered by the District. Authority to establish and amend the benefit terms and financing requirements lies with the District's board of directors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Confidential and Classified Employees with a minimum of 25 years of experience 5 years with the District and County, who have reached the age of 55, may elect to take advantage of their choice of one of the following offers:

- A. 1 year of retiree benefits (at the Tiered Rate) for medical, dental, and vision plans for the retiree, spouse and family, or
- B. \$13,840 for the term of 1 year.

Certificated employees with a minimum of 25 years of experience 5 years with the District/County, who have reached the age of 55, may elect to take advantage of their choice of one of the following offers:

- A. 3 years of retiree benefits (at the Tiered Rate) for medical, dental, and vision plans for the retiree, spouse and family, capped at the employer dollar contribution in the year of the unit members final year of service, or;
- B. A lump sum dollar amount per year for 3 years set up at the dollar contribution per paragraph "a" above made by the employer in the year of the unit members final year of service.

All contracts with District employees will be renegotiated periodically in the future, thus costs and benefits are subject to change. Benefits and contribution requirements for the Other Post-Employment Benefits (OPEB) plan are established by various labor agreements.

For the District, OPEB benefits are administered by District personnel. No separate financial statements are issued.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS, continued

Employees Covered by Benefit Terms

At June 30, 2022, the measurement date, the following retirees were covered by the benefit terms:

	Number of Participants
Inactive Employees Receiving Benefits	2
Active Employees	8
	10

Total OPEB Liability

The District's total OPEB liability of \$354,878 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	June 30, 2022
Measurement date	June 30, 2022
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry Age, Level Percent of Pay
Inflation rate	2.50%
Discount rate	3.69%
Payroll increase	3.00%
Healthcare cost trend rate	6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2022-2029 and 4.00 percent for 2030 and later years.
Mortality rate	Certificated - Mortality Rates for active employees from CalSTRS Experience Analysis (2015-2018). Classified - Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS, continued

Discount Rate

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

Changes in Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2021	\$ 207,903	\$ -	\$ 207,903
Changes for the year:			
Service cost	14,794	-	14,794
Interest	3,481	-	3,481
Employer contributions	-	83,139	(83,139)
Changes of assumptions	(36,557)	-	(36,557)
Difference between expected and actual experience	248,396	-	248,396
Expected benefit payments	(83,139)	(83,139)	-
Net change	146,975	-	146,975
Balance June 30, 2022	\$ 354,878	\$ -	\$ 354,878

Changes of assumptions and other inputs reflect a change in the discount rate from 1.92% to 3.69% in measurement dates June 30, 2021, to June 30, 2022, respectively.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point-higher (4.69%) than the current discount rate:

	Discount Rate 1% Lower (2.69%)	Current Discount Rate (3.69%)	Discount Rate 1% Higher (4.69%)
Net OPEB liability	\$ 375,176	\$ 354,878	\$ 335,495

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS, continued

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower (5.00% per year) or 1-percentage-point higher (7.00% per year) than the current healthcare cost trend rates:

	Trend Rate 1% Lower (5.00%)	Current Trend Rate (6.00%)	Trend Rate 1% Higher (7.00%)
Net OPEB liability	\$ 326,379	\$ 354,878	\$ 387,333

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

For the year ended June 30, 2023 the District recognized OPEB expense of (\$102,082). At June 30, 2023 the District reported deferred outflows of resources or deferred inflows of resources relating to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 218,469	\$ -
Change in assumptions	-	32,153
District contributions subsequent to the measurement date	62,741	-
	<u>\$ 281,210</u>	<u>\$ 32,153</u>

At June 30, 2023, the District reported deferred outflows of resources for the amount paid by the District for OPEB as the benefits come due subsequent to measurement date of \$62,741.

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 25,523
2025	25,523
2026	25,523
2027	25,523
2028	25,523
Thereafter	58,701
	<u>\$ 186,316</u>

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Litigation

The District is not involved in litigation.

State and Federal Allowances, Awards, and Grants

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

NOTE 11 – SUBSEQUENT EVENTS

Sierra-Plumas Joint Unified School District has evaluated subsequent events for the period from June 30, 2023 through January 5, 2024, the date the financial statements were available to be issued. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**SIERRA-PLUMAS JOINT 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	\$ 6,275,730	\$ 6,275,730	\$ 5,407,382	\$ (868,348)
Federal sources	505,790	1,174,127	850,395	(323,732)
Other state sources	368,908	1,231,121	2,099,967	868,846
Other local sources	304,750	733,035	557,118	(175,917)
Total Revenues	7,455,178	9,414,013	8,914,862	(499,151)
EXPENDITURES				
Certificated salaries	2,420,825	2,881,797	2,480,094	401,703
Classified salaries	948,796	1,077,332	889,219	188,113
Employee benefits	1,801,080	2,173,798	1,971,679	202,119
Books and supplies	279,231	815,349	542,466	272,883
Services and other operating expenditures	1,504,285	2,746,991	1,815,305	931,686
Capital outlay	80,000	360,972	106,593	254,379
Other outgo				
Excluding transfers of indirect costs	104,450	104,450	106,554	(2,104)
Total Expenditures	7,138,667	10,160,689	7,911,910	2,248,779
Excess (Deficiency) of Revenues Over Expenditures	316,511	(746,676)	1,002,952	1,749,628
Other Financing Sources (Uses):				
Transfers out	(100,654)	(115,713)	(791,958)	(676,245)
Net Financing Sources (Uses)	(100,654)	(115,713)	(791,958)	(676,245)
NET CHANGE IN FUND BALANCE	215,857	(862,389)	210,994	1,073,383
Fund Balance - Beginning	5,358,229	5,358,229	5,358,229	-
Fund Balance - Ending	\$ 5,574,086	\$ 4,495,840	\$ 5,569,223	\$ 1,073,383

* General Fund amounts do not include activity related to the consolidation of the Fund 40, Special Reserve for Capital Outlay Projects Fund as required by GASB Statement No. 54.

SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 14,794	\$ 11,493	\$ 22,064	\$ 21,370	\$ 20,697	\$ 23,744
Interest	3,481	5,466	22,467	22,154	22,940	18,891
Changes of assumptions	(36,557)	40,204	-	-	-	143,248
Difference between expected and actual experience	248,396	(385,627)	-	-	-	-
Benefit payments	(83,139)	(58,018)	(33,337)	(38,308)	(69,360)	(62,657)
Other	-	-	-	-	(15,495)	-
Net change in total OPEB liability	146,975	(386,482)	11,194	5,216	(41,218)	123,226
Total OPEB liability, beginning of year	207,903	594,385	583,191	577,975	619,193	495,967
Total OPEB liability, end of year (a)	\$ 354,878	\$ 207,903	\$ 594,385	\$ 583,191	\$ 577,975	\$ 619,193
Plan fiduciary net position						
Employer contributions	\$ 83,139	\$ 58,018	\$ 33,337	\$ 38,308	\$ 69,360	\$ 62,657
Expected benefit payments	(83,139)	(58,018)	(33,337)	(38,308)	(69,360)	(62,657)
Change in plan fiduciary net position	-	-	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability, ending (a) - (b)	\$ 354,878	\$ 207,903	\$ 594,385	\$ 583,191	\$ 577,975	\$ 619,193
Covered payroll	\$ 683,179	\$ 669,140	\$ 3,828,328	\$ 3,707,824	\$ 3,591,113	\$ 2,519,555
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Net OPEB liability as a percentage of covered payroll	52%	31%	16%	16%	16%	25%

Note: In the future, as data becomes available, ten years of information will be presented.

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

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalSTRS					
District's proportion of the net pension liability	0.0034%	0.0037%	0.0036%	0.0340%	0.0033%
District's proportionate share of the net pension liability	\$ 2,365,900	\$ 1,700,575	\$ 3,520,199	\$ 3,027,678	\$ 3,072,827
State's proportionate share of the net pension liability associated with the District	1,184,850	855,681	1,814,649	1,651,814	1,759,421
Total	\$ 3,550,750	\$ 2,556,256	\$ 5,334,848	\$ 4,679,492	\$ 4,832,248
District's covered - employee payroll	\$ 2,042,790	\$ 2,100,533	\$ 2,000,567	\$ 1,869,889	\$ 1,812,686
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	116%	81%	176%	162%	170%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalPERS					
District's proportion of the net pension liability	0.0048%	0.0055%	0.0057%	0.0055%	0.0053%
District's proportionate share of the net pension liability	\$ 1,639,404	\$ 1,123,379	\$ 1,737,849	\$ 1,605,166	\$ 1,425,093
District's covered - employee payroll	\$ 711,410	\$ 800,222	\$ 807,190	\$ 768,846	\$ 706,869
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	230%	140%	215%	209%	202%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

Note: In the future, as data becomes available, ten years of information will be presented.

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

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS				
District's proportion of the net pension liability	0.0039%	0.0036%	0.0036%	0.0036%
District's proportionate share of the net pension liability	\$ 2,861,337	\$ 2,817,073	\$ 2,408,453	\$ 2,089,229
State's proportionate share of the net pension liability associated with the District	1,699,058	1,698,505	1,481,126	1,284,813
Total	\$ 4,560,395	\$ 4,515,578	\$ 3,889,579	\$ 3,374,042
District's covered - employee payroll	\$ 1,812,686	\$ 1,635,859	\$ 1,730,124	\$ 1,644,788
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	158%	172%	139%	127%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS				
District's proportion of the net pension liability	0.0060%	0.0062%	0.0061%	0.0063%
District's proportionate share of the net pension liability	\$ 1,442,384	\$ 1,251,552	\$ 901,198	\$ 715,203
District's covered - employee payroll	\$ 706,869	\$ 734,972	\$ 838,148	\$ 679,911
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	204%	170%	108%	105%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

Note: In the future, as data becomes available, ten years of information will be presented.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023**

CalSTRS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 437,153	\$ 345,640	\$ 339,236	\$ 342,097	\$ 304,419
District's contributions in relation to the statutorily required contribution	437,153	345,640	339,236	342,097	304,419
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,288,759	\$ 2,042,790	\$ 2,100,533	\$ 2,000,567	\$ 1,869,889
District's contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.15%	17.10%	16.28%

CalPERS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 199,669	\$ 162,984	\$ 165,646	\$ 159,186	\$ 138,869
District's contributions in relation to the statutorily required contribution	199,669	162,984	165,646	159,186	138,869
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 787,028	\$ 711,410	\$ 800,222	\$ 807,190	\$ 768,846
District's contributions as a percentage of covered-employee payroll	25.37%	22.91%	20.70%	19.72%	18.06%

Note: In the future, as data becomes available, ten years of information will be presented.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023**

CalSTRS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 261,570	\$ 184,031	\$ 238,081	\$ 132,605
District's contributions in relation to the statutorily required contribution	261,570	184,031	238,081	132,605
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,812,686	\$ 1,635,856	\$ 1,730,124	\$ 1,644,788
District's contributions as a percentage of covered-employee payroll	14.43%	11.25%	13.76%	8.06%

CalPERS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 113,552	\$ 83,351	\$ 80,032	\$ 75,170
District's contributions in relation to the statutorily required contribution	113,552	83,351	80,032	75,170
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 706,869	\$ 734,972	\$ 838,148	\$ 679,911
District's contributions as a percentage of covered-employee payroll	16.06%	11.34%	9.55%	11.06%

Note: In the future, as data becomes available, ten years of information will be presented.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget 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.

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

Schedule of Changes in the Net OPEB Liability and Related Ratios

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

Change in Benefit Terms - There were no changes in benefit terms since the previous valuation for other postemployment benefits.

Change of Assumptions - The discount rate as of the June 30, 2021 measurement date was 1.92%, while the discount rate as of the June 30, 2022 measurement date was 3.69%.

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES, contributions

Schedule of the 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-employee 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 both CalSTRS and CalPERS.

Changes of Assumptions - There were no changes in assumptions since the previous valuation for CalSTRS. The plans discount rate was changed from 7.15 percent to 6.90 percent since the previous valuation for CalPERS.

Schedule of Contributions – Pensions

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-employee 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-employee 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 as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Other outgo			
Excluding transfers of indirect costs	\$ 104,450	\$ 106,554	\$ 2,104
Other financing uses			
Transfers out	\$ 115,713	\$ 791,958	\$ 676,245

SUPPLEMENTARY INFORMATION

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

The Sierra-Plumas Joint Unified School District was established in 1951 and comprises an area of approximately 1,600 square miles located in Plumas and Sierra Counties. There were no changes in the boundaries of the District during the current year. The District is currently operating two elementary schools, one middle school, two high schools, and one continuation high school.

GOVERNING BOARD

Name	Office	Term Expires
Kelly Champion	President	December 2026
Annie Tipton	Vice President	December 2026
Dorie Gayner	Clerk	December 2026
Patty Hall	Member	December 2024
Christina Potter	Member	December 2024

ADMINISTRATION

Sean Snider
Superintendent

Nona Griesert
Director of Business Services/CBO

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Number	Pass-Through	Federal Expenditures
		Entity Identifying Number	
U.S. Department of Agriculture:			
<i>Passed Through California Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.553	13396	\$ 57,461
School Breakfast Needy	10.553	13526	16,655
National School Lunch Program Noncash Commodities	10.553	13396	8,962
Supply Chain Assistance for School Meals	10.555	15655	14,341
Total Child Nutrition Cluster			<u>97,419</u>
<i>Passed Through Sierra-Plumas County Office of Education</i>			
Forest Reserve Funds	10.665	10044	416,392
Total U.S. Department of Agriculture			<u>513,811</u>
U.S. Department of Education:			
<i>Passed Through California Department of Education</i>			
Education Stabilization Funds			
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	15,934
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	37,942
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	16,137
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	56,364
Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	12,936
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84425U	15620	18,758
American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	84.425	15566	1,788
Total Education Stabilization Funds			<u>159,859</u>
Title I Part A	84.010	14329	96,894
Carl D Perkins Career & Technical Education	84.048	14894	2,186
Title II, Part A, Supporting Effective Instruction	84.367	14341	17,532
Title IV Student Support & Academic Enrichment	84.424	15396	9,567
Title V, Part B, Rural & Low Income School Program	84.358	14356	10,788
Total U.S. Department of Education			<u>296,826</u>
Total Federal Financial Assistance			<u>\$ 810,637</u>

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	Second Period Report	Annual Report
	Certification No. (E969436B)	Certification No. (5A44DB7B)
Regular ADA		
Transitional Kindergarten through third	109.45	110.89
Fourth through Sixth	81.00	81.44
Seventh and Eighth	57.07	56.13
Ninth through twelfth	103.66	103.65
Total Regular ADA	351.18	352.11
ADA Totals	351.18	352.11

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

Grade Level	Minutes Requirement	2022-23 Actual Minutes	2022-23 Minutes	2022-23 Adjusted Minutes	Traditional Calendar			Multitrack Calendar	Status
			Credited Per Approved J-13 Waiver		2022-23 Actual Days Offered	2022-23 Days Credited Per Approved J-13 Waiver	2022-23 Adjusted Days		
Kindergarten	36,000	38,760	1,350	40,110	174	6	180	N/A	Complied
Grade 1	50,400	52,180	1,920	54,100	174	6	180	N/A	Complied
Grade 2	50,400	52,180	1,920	54,100	174	6	180	N/A	Complied
Grade 3	50,400	52,180	1,920	54,100	174	6	180	N/A	Complied
Grade 4	54,000	52,975	1,950	54,925	174	6	180	N/A	Complied
Grade 5	54,000	52,975	1,950	54,925	174	6	180	N/A	Complied
Grade 6	54,000	54,235	2,010	56,245	174	6	180	N/A	Complied
Grade 7	54,000	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 8	54,000	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 9	64,800	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 10	64,800	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 11	64,800	62,600	2,310	64,910	174	6	180	N/A	Complied
Grade 12	64,800	62,600	2,310	64,910	174	6	180	N/A	Complied

See note to the supplementary information.

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

	General Fund	Student Activity Special Revenue Fund	Cafeteria Special Revenue Fund	Special Reserve for Capital Outlay Projects Fund	Foundation Private-Purpose Trust Fund
June 30, 2023 annual financial and budget report fund balance	\$ 4,973,607	\$ -	\$ 208	\$ 791,477	\$ 739,736
Adjustments and reclassifications					
Increase (decrease) in total fund balance					
Fund balance transfer (GASB 54)	768,692	-	-	(768,692)	-
Adjustments to cash in county	753,761	-	-	-	-
FMV adjustment in cash in county	(158,145)	-	(1,070)	(22,785)	(2,411)
Investment activity	-	-	-	-	205,205
ASB balances and activity (GASB 84)	-	119,275	-	-	-
Net adjustments and reclassifications	1,364,308	119,275	(1,070)	(791,477)	202,794
June 30, 2023 audited financial statements fund balance	\$ 6,337,915	\$ 119,275	\$ (862)	\$ -	\$ 942,530

**SIERRA-PLUMAS JOINT 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	\$ 7,636,710	\$ 8,914,862	\$ 8,240,360	\$ 6,718,923
Expenditures and Other Financing Uses	9,078,613	8,703,868	6,656,474	6,337,317
Net Change in Fund Balance	(1,441,903)	210,994	1,583,886	381,606
Ending Fund Balance	\$ 4,127,320	\$ 5,569,223	\$ 5,358,229	\$ 3,774,343
Available Reserves*	\$ 2,762,430	\$ 3,631,622	\$ 4,388,768	\$ 2,737,356
Available Reserves as a Percentage of Outgo	30.4%	41.7%	65.9%	43.2%
Long-term Debt	\$ 4,360,182	\$ 4,383,427	\$ 3,049,432	\$ 5,875,729
Average Daily				
District ADA at P-2	351	351	348	409
Total ADA at P-2	351	351	348	409

The General Fund balance has increased by \$1,794,880 over the past two years. The fiscal year 2023-2024 budget projects a decrease of \$1,441,903, or 25.89%. For a district this size, the State recommends available reserves of at least 4 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating surplus in the past three years and anticipates incurring an operating deficit during the 2023-2024 fiscal year. Total long-term liabilities have decreased by \$1,492,302 over the past two years.

Average daily attendance has decreased by 58 over the past two years. The District anticipates no change in ADA during fiscal year 2023-2024.

* Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

** General Fund amounts do not include activity related to the consolidation of the Fund 40, Special Reserve for Capital Outlay Projects Fund as required by GASB Statement No. 54.

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

Charter School	Number	Included in Audit Report
None noted	N/A	N/A

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTE TO THE SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSES OF SCHEDULES

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.

Schedule of Expenditures of Federal Awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the Federal award activity of the Sierra-Plumas Joint Unified School District (the District) under programs of the federal government for the year ended June 30, 2023. The information 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

Summary of Significant Accounting Policies – Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The District has not elected to use the ten percent de minimis cost rate.

Schedule of Average Daily Attendance

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

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District neither met nor exceeded its targeted funding.

Districts must maintain their instructional minutes at the 1986-87 requirement as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

**SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT
NOTE TO THE SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSES OF SCHEDULES, continued

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.

Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

OTHER INDEPENDENT AUDITORS' REPORTS



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

Board of Trustees
Sierra-Plumas Joint Unified School District
Loyalton, 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 Sierra-Plumas Joint 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 Sierra-Plumas Joint Unified School District's basic financial statements, and have issued our report thereon dated January 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sierra-Plumas Joint 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 Sierra-Plumas Joint Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Sierra-Plumas Joint Unified School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



San Diego, California
January 5, 2024



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

Board of Trustees
Sierra-Plumas Joint Unified School District
Loyalton, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sierra-Plumas Joint Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sierra-Plumas Joint Unified School District's major federal programs for the year ended June 30, 2023. Sierra-Plumas Joint 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, Sierra-Plumas Joint 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 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 Sierra-Plumas Joint 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 on compliance for each major federal program. Our audit does not provide a legal determination of Sierra-Plumas Joint 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 laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Sierra-Plumas Joint Unified School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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.

CWDL, Certified Public Accountants

San Diego, California
January 5, 2024



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Sierra-Plumas Joint Unified School District
Loyalton, California

Report on State Compliance

Opinion on State Compliance

We have audited Sierra-Plumas Joint Unified School District's (District) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, Sierra-Plumas Joint Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditors’ Responsibilities for the Audit of Compliance

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

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

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

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	No
E. Continuation Education	Not applicable
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not applicable
N. Middle or Early College High Schools	Not applicable
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not applicable

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools, continued:	
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not applicable
TT. Home to School Transportation Reimbursement	Not applicable
UU. Independent Study Certification for ADA Loss Mitigation	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. California Clean Energy Jobs Act	Yes
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not applicable
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Not applicable
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	Not applicable
BB. Mode of Instruction	Not applicable
CC. Nonclassroom-Based Instruction/Independent Study	Not applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Not applicable
EE. Annual Instructional Minutes - Classroom Based	Not applicable
FF. 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 or the program applies to a different type of local education agency.

We did not perform testing for Independent Study because the ADA was immaterial.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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

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

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

CWDL, Certified Public Accountants

San Diego, California
January 5, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Is a going concern emphasis-of-matter paragraph included in the auditors report?	<u>No</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
<u>10.665</u>	<u>Forest Reserve Fund</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

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

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statement findings in 2022-23.

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

FIVE DIGIT CODE

50000

AB3627 FINDING TYPES

Federal Compliance

There were no Federal award findings or questioned costs identified in 2022-23

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

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

There were no State award findings or questioned costs identified in 2022-23.

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

There were no findings or questioned costs identified in 2021-22.