



**PLUMAS LAKE
ELEMENTARY
SCHOOL DISTRICT**

**ANNUAL FINANCIAL
REPORT**

JUNE 30, 2022

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

PLUMAS LAKE, CALIFORNIA

JUNE 30, 2022

MEMBER	OFFICE	TERM EXPIRES
David Villanueva	President	December 2024
Michelle Perrault	Vice President	December 2024
Angela Covil	Member	December 2022
Frankye Doig	Member	December 2022
Aaron Cask	Member	December 2022

ADMINISTRATION

Jeff Roberts, Ed. D.

Superintendent

Ajit Kang

Director of Business Services

ORGANIZATION

The Plumas Lake Elementary School District (the “District”) is located in the southwest portion of Yuba County (the “County”) and includes a portion of the incorporated area of the City of Marysville, and a small portion of the town of Arboga, an adjacent unincorporated territory (no changes noted). The District may have been formed in 1860, and is located approximately 40 miles from downtown Sacramento, and about 85 miles from San Francisco. U.S. Highway 70 passes through the District and is a connector between Sacramento, Yuba and Butte Counties. U.S. Interstate 5, the principal north-south highway connecting the Pacific coastal states, is located approximately 25 miles west of the District. The District currently operates two elementary schools for grades K-5 and one intermediate school for grades 6-8.

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PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Plumas Lake Elementary School District
Plumas Lake, California

REPORT ON THE FINANCIAL STATEMENTS

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plumas Lake Elementary School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Plumas Lake Elementary School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Plumas Lake Elementary School District, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Plumas Lake Elementary 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

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

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 Plumas Lake Elementary School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

RT DENNIS
ACCOUNTANCY

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and other postemployment schedules on pages 5–13 and 53–56, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plumas Lake Elementary School District's basic financial statements. The following schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements:

Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") requires a Schedule of Expenditures of Federal Awards ("SEFA").

2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting requires:

- ❖ LEA Organization Structure
- ❖ Schedule of ADA
- ❖ Schedule of Instructional Time
- ❖ Schedule of Financial Trends and Analysis
- ❖ Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
- ❖ Schedule of Charter Schools

The above listed schedules are 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 above mentioned schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Financial Report

Management is responsible for the other information in the Annual Financial Report. The other information comprises the Combining Statements of Non-Major Governmental Funds but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023 on our consideration of Plumas Lake Elementary 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plumas Lake Elementary School District's internal control over financial reporting and compliance.



January 23, 2023



Plumas Lake Elementary School District

Each student will reach their fullest potential as we strive for district excellence through sound leadership, effective communication, accountability, and investment in our staff.

- Cobblestone Elementary (K-5)
- Rio Del Oro Elementary (K-5)
- Riverside Meadows Intermediate (6-8)

Dr. Jeff Roberts, Superintendent

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of Plumas Lake Elementary School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total net position was \$22.8 million at June 30, 2022. This was an increase of \$2.7 million over the prior net position.
- Overall expenses were \$19.6 million, which was less than revenue of \$22.3 million.
- The total cost of the District's programs was \$11.8 million.
- The general fund reported an increase in fund balance this year of \$0.3 million, which included an increase in one-time revenue as well as LCFF/State Aid, State lottery funds and a savings in expenditures:
 - State Lottery funding increased \$64,865 due to an increase per ADA apportionments.
 - Federal revenue was below budget by \$121,209 due to a decrease in Title I & GEER funds.
 - Local revenue increased due to an increase of \$76,667 in COVID personnel grant funds.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section

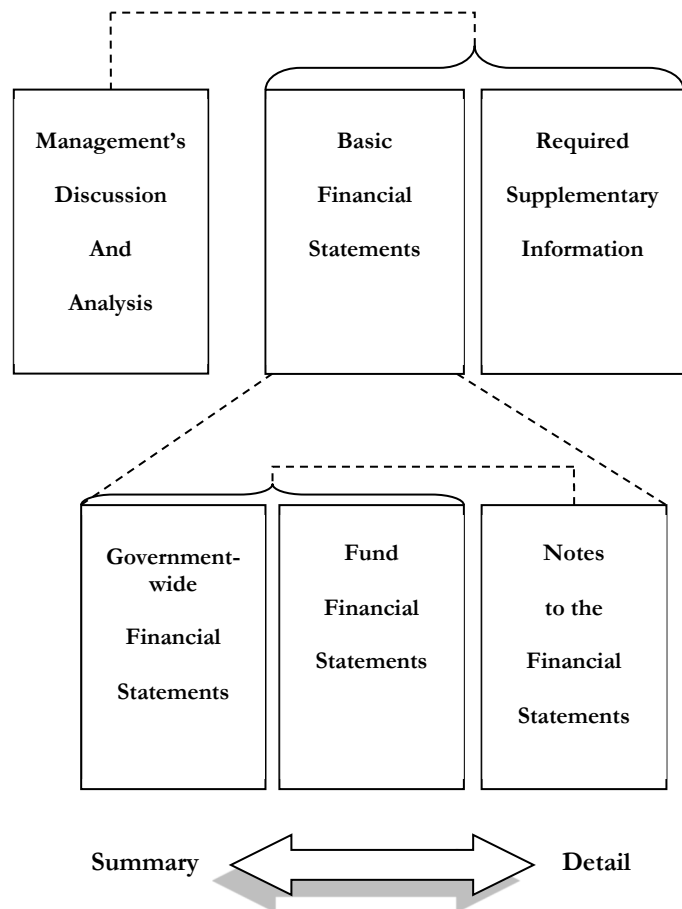
This annual report consists of four parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*, and *supplementary information*. The basic financial statements include two kinds of statements that present different views of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

Figure A-1
Required Components of Plumas Lake Elementary School District’s Annual Financial Report

The first two statements are district-wide financial statements that provide both short-term and long-term information about the District’s overall financial status. The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.

– The *governmental funds* statements tell how *general government* services like 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 statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



The next page summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2022

Major Features of Plumas Lake Elementary School District’s Government-wide and Fund Financial Statements

	Government-wide Statements	Governmental Funds
Scope	Entire District government (except fiduciary funds) and the District’s component units	The activities of the District that are not fiduciary.
Required financial statements	<ul style="list-style-type: none"> ❖ Statement of net position ❖ Statement of activities 	<ul style="list-style-type: none"> ❖ Balance sheet ❖ Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

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

The two district-wide statements report the District’s net position and how they have changed. Net position—the difference between the District’s 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 position are an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds—not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

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

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 yearend that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences) between them.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

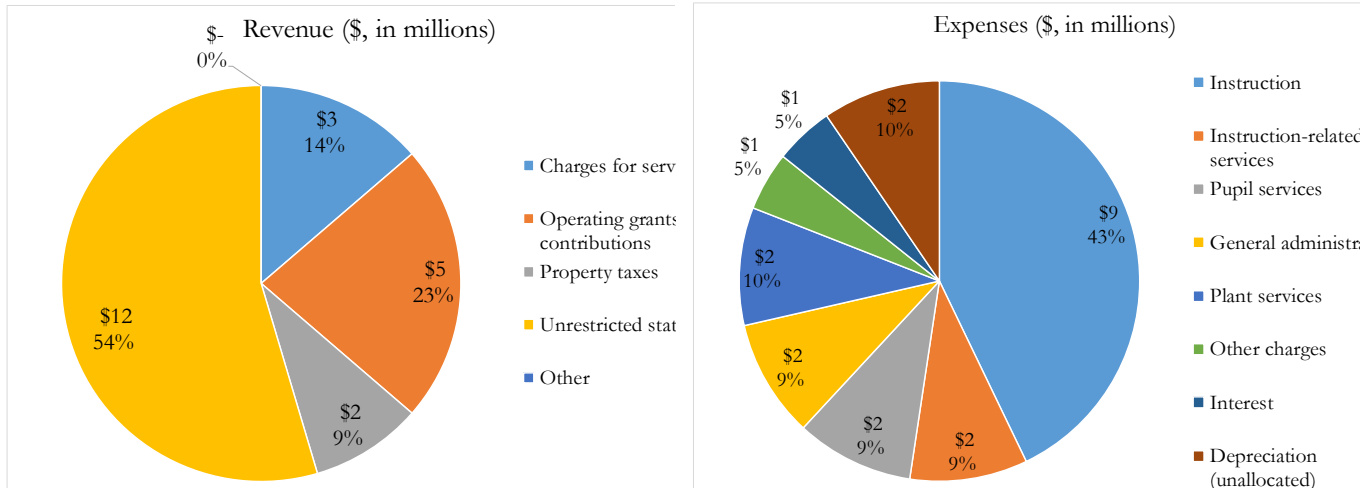
Net position. The District’s net position increased on June 30, 2022. Most of this improvement in the District’s financial position came from construction in progress for addition of portables and modular at the elementary school sites. The District also purchased a vehicle, as special education transportation needs have increased.

Table 1 - Net Position

<i>(\$ Amounts in millions)</i>	2022	2021	\$ Change	% Change
Current and other assets	\$ 18.1	\$ 15.9	\$ 2.2	14%
Capital assets	35.4	33.8	1.6	5%
Total Assets	53.5	49.7	3.8	8%
Deferred outflows of resources	5.5	5.1	0.4	8%
Current liabilities	4.9	2.2	2.7	123%
Non-current liabilities	25.0	32.1	(7.1)	-22%
Total Liabilities	29.9	34.3	(4.4)	-13%
Deferred inflows of resources	6.3	0.4	5.9	1475%
Net position				
Net investment in capital assets	18.7	19.5	(0.8)	-4%
Restricted	9.4	7.6	1.8	24%
Unrestricted	(5.3)	(7.0)	1.7	-24%
Total Net Position	\$ 22.8	\$ 20.1	\$ 2.7	13%

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2022



Changes in net position. The District’s change in activity is a result of an increase in one-time funding from the State as well as a decrease in overall expenditures.

Table 2 - Net Position

	(\$ Amounts in millions)		2022	2021	\$ Change	% Change
Program revenue						
Charges for services	\$	2.9	\$	4.4	\$ (1.5)	-34%
Operating grants and contributions		4.8		3.4	1.4	41%
General revenue						
Property taxes		2.4		2.1	0.3	14%
Unrestricted state aid		11.8		11.3	0.5	4%
Other		0.4		0.6	(0.2)	-33%
Total Revenue		22.3		21.8	0.5	2%
Expenses						
Instruction		8.8		9.6	(0.8)	-8%
Instruction-related services		1.8		2.1	(0.3)	-14%
Pupil services		2.4		2.1	0.3	14%
General administration		1.5		1.4	0.1	7%
Plant services		1.8		1.8	-	0%
Other charges		0.7		0.4	0.3	75%
Interest		0.6		0.6	-	0%
Depreciation (unallocated)		2.0		2.0	-	0%
Total Expenses		19.6		20.0	(0.4)	-2%
Increase in net position	\$	2.7	\$	1.8	\$ 0.9	50%

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2022

Governmental Activities

Table 3 presents the cost of each of the District’s four largest programs—instruction and instruction related, student services, plant services—and all others, as well as each program’s *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

Table 3 - Net Cost of Governmental Activity

	Total Cost of Services		Net Cost of Services		
	2022	2021	2022	2021	% Change
<i>(\$ Amounts in millions)</i>					
Instruction	\$ 8.8	\$ 9.6	\$ 6.8	\$ 7.9	-14%
Instruction-related services	1.8	2.1	1.6	1.8	-11%
Pupil services	2.4	2.1	0.4	0.8	-50%
General administration	1.5	1.4	(0.9)	(2.5)	-64%
Plant services	1.8	1.8	1.7	1.8	-6%
Other	3.3	3.0	2.2	2.8	-21%
Total	\$ 19.6	\$ 20.0	\$ 11.8	\$ 12.6	-6%

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

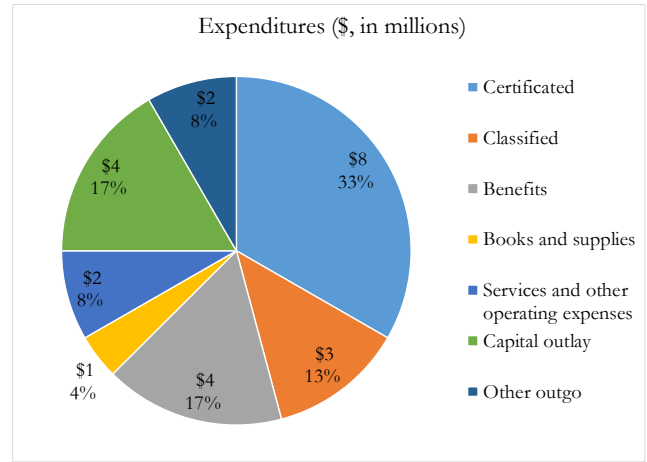
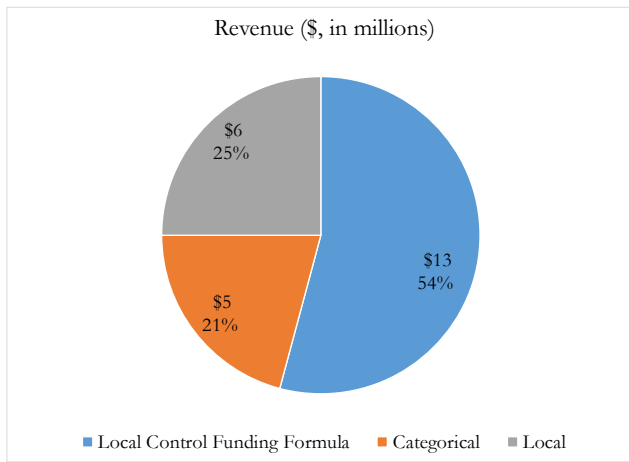
As the District completed the year, its governmental funds reported *combined* fund balances of \$14.1 million, below last year’s ending fund balances of \$14.7 million. Reason for this was the District used reserves in the Capital Facilities Funds to purchase and install portables/modulars at the elementary school sites to house students due to growth in the district.

Table 4 - Governmental Funds' Performance

	2022	2021	% Change
<i>(\$ Amounts in millions)</i>			
REVENUES			
Local Control Funding Formula	\$ 13.0	\$ 12.3	6%
Categorical	4.7	3.6	31%
Local	5.5	5.8	-5%
Total Revenues	23.2	21.7	31%
EXPENDITURES			
Certificated	7.9	7.0	13%
Classified	2.9	2.5	16%
Benefits	4.4	3.8	16%
Books and supplies	1.2	1.0	20%
Services and other operating expenses	2.0	1.4	43%
Capital outlay	3.6	-	n/a
Other outgo	1.9	1.6	19%
Total Expenditures	23.9	17.3	n/a
Net financing activities	0.2	-	n/a
NET CHANGE IN FUND BALANCE	\$ (0.5)	\$ 4.4	n/a

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2022



General Fund Budgetary Highlights

Over the course of the year, the School Board revised the District budget several times. These budget amendments fall into two categories:

- ❖ Revisions made in September based on the enacted Budget Act and reflect adjustments for staffing and other operating expenditures.
- ❖ Amendments and supplemental appropriations approved in December (First Interim) to reflect final staffing, carryover in Federal categorical funding and the actual beginning account balances (correcting the estimated amounts in the budget adopted in June 2021).
- ❖ Changes made in the Second Interim are to account for the mid-year staffing changes and decrease in operating costs as well as adjustments of revenue in the Cafeteria and Capital Facilities Funds.
- ❖ Revisions made in May for negotiated raises and to adjust for other operating expenditures.

Table 5 - General Fund and Budget Performance

(\$ Amounts in millions)	General Fund Activity			General Fund Budget		
	2022	2021	% Difference	Original Budget	Final Budget	% Difference
REVENUES						
Local Control Funding Formula	\$ 12.8	\$ 12.1	6%	\$ 12.7	\$ 12.7	0%
Categorical	3.5	2.8	25%	1.7	2.7	-37%
Local	1.3	1.1	18%	1.2	1.4	-14%
Total Revenues	17.6	16.0	10%	15.6	16.8	-7%
EXPENDITURES						
Salaries and benefits	14.7	13.1	12%	13.8	13.6	1%
Supplies and services	2.0	1.7	18%	2.1	2.5	-16%
Other	0.9	0.6	50%	1.2	0.6	100%
Total Expenditures	17.6	15.4	14%	17.1	16.7	2%
Net financing activities	0.1	-	n/a	-	-	n/a
NET CHANGE IN FUND BALANCE	\$ 0.1	\$ 0.6	-83%	\$ (1.5)	\$ 0.1	-1600%

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Change in capital assets are a result of additional construction (construction in progress) and new copier equipment (partially a result of the new accounting standard for leases).

Table 6 - Capital Assets

<i>(\$ Amounts in millions)</i>	2022	2021	\$ Change	% Change
Land and construction in progress	\$ 8.9	\$ 5.4	\$ 3.5	65%
Buildings and equipment	55.9	55.8	0.1	0%
Accumulated depreciation	(29.4)	(27.4)	(2.0)	7%
Total Capital Assets	\$ 35.4	\$ 33.8	\$ 1.6	5%

Long-term Debt. Change in debt is a result of a significant decrease in in pension liabilities (as of the measurement date).

Table 7 - Long-Term Liabilities

<i>(\$ Amounts in millions)</i>	2022	2021	\$ Change	% Change
Net pension liabilities	\$ 9.0	\$ 15.7	\$ (6.7)	-43%
Net OPEB	0.1	0.1	-	0%
Compensated absences	0.0	0.0	-	0%
Certificates of participation	8.3	8.4	(0.1)	-1%
Capital leases	1.8	1.8	-	0%
Lease revenue bonds	3.9	4.0	(0.1)	-3%
Other long-term liabilities	2.7	2.7	-	0%
Less current portion	(0.8)	(0.6)	(0.2)	33%
Total Long-term Liabilities	\$ 25.0	\$ 32.1	\$ (7.1)	-22%

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued **JUNE 30, 2022**

FACTORS BEARING ON THE DISTRICT'S FUTURE

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 District has experienced growth in enrollment in recent years, and has a bond on the November ballot.
- ❖ The District used 2021-22 P2 ADA to project revenue for the budget year; and has been frozen by the California Department of Education.
- ❖ State Teachers' Retirement (STRS) and Public Employees Retirement System (PERS) employer contributions increased in the budget year and will increase in subsequent years as rates increase. The State did not provide relief in one-time funding to school districts, as has been the case in prior years.
- ❖ The State did provide a 6.56 percent COLA to the LCFF funding as well as an additional one-time LCFF investment of 6.56 percent.
- ❖ The District will be receiving one-time federal funding that will be used to maintain programs that were implemented during the 2021-22 school year.

These indicators were taken into account when adopting the general fund budget for 2022-23.

Amounts available for appropriation in the General fund budget are \$21.9 million (not including STRS On-Behalf), a slight increase of 24.4 percent over the 2021-22 General fund revenue of \$17.7 million. The District will receive about \$2.1 million in one-time funding in 2022-2023 for use during the school year. The District expects to receive additional state funding, and will use the funding in subsequent years to maintain programs put in place due to the pandemic.

Budgeted expenditures are expected to increase about 15.6 percent to \$20 million. The District has one-time funding to address student needs (learning loss, social-emotional needs, safety needs) in 2022-23. District staff will continuously monitor the budget throughout the year and make adjustments accordingly.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The 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 money it receives. If you have any questions about this report, or need additional financial information, contact Dr. Jeff Roberts, Superintendent or Ajit Kang, Director of Business Services, 2743 Plumas School Road, Plumas Lake, CA 95961, (530) 743-4428.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2022

	<i>(\$ Amounts in thousands)</i>	Governmental Activities
ASSETS		
Cash and equivalents	\$	16,687
Accrued receivables		1,297
Prepaid expenditures		127
Non-depreciable capital assets		8,886
Depreciable capital assets		26,520
Total Assets		53,517
DEFERRED OUTFLOWS OF RESOURCES		5,545
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	59,062
LIABILITIES		
Accrued liabilities	\$	3,771
Unearned revenue		311
Non-current liabilities, current portion		831
Non-current liabilities, non-current portion		24,993
Total Liabilities		29,906
DEFERRED INFLOWS OF RESOURCES		6,288
NET POSITION		
Net investment in capital assets		18,729
Restricted for		
Capital projects		5,377
Debt service		2,632
Educational programs		1,397
Unrestricted (Deficit)		(5,267)
Total Net Position		22,868
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$	59,062

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

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Function/Programs	Expenses	Program Revenues		Net
		Charges for Services	Operating Grants and Contributions	(Expenses) Revenue and Changes in Net Position
				Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 8,807	\$ 4	\$ 1,987	\$ (6,816)
Instruction - Related services				
Supervision of instruction and administration	524	14	100	(410)
Instructional library, media, and technology	191	-	10	(181)
School administration	1,132	-	171	(961)
Pupil Services				
Transportation	341	-	-	(341)
Food services	902	7	1,222	327
All other pupil services	1,126	102	670	(354)
General Administration				
Data processing services	251	-	4	(247)
All other general administration	1,229	2,335	111	1,217
Plant services	1,817	38	59	(1,720)
Ancillary services	118	-	136	18
Other debt service costs	583	-	-	(583)
Transfers to other agencies	556	438	319	201
Depreciation (Unallocated)	1,976	-	-	(1,976)
Total Governmental Activities	19,553	2,938	4,789	(11,826)
General revenues				
Taxes and subventions				
				1,477
				954
				11,782
				69
				285
Subtotal, General Revenue				14,567
CHANGE IN NET POSITION				2,741
Net Position - Beginning				20,127
Net Position - Ending				\$ 22,868

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

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2022

	General Fund	Capital Facilities Fund	Debt Service for Blended Component Unit Fund
ASSETS			
Cash and equivalents	\$ 7,143,088	\$ 5,736,122	\$ 2,890,044
Accrued receivables	1,003,800	-	-
Due from other funds	129,205	241,686	-
Prepaid expenditures	127,139	-	-
Total Assets	8,403,232	5,977,808	2,890,044
TOTAL ASSETS	\$ 8,403,232	\$ 5,977,808	\$ 2,890,044
LIABILITIES			
Accrued liabilities	\$ 3,152,977	\$ 513,070	\$ -
Due to other funds	175,946	87,706	257,948
Unearned revenue	311,124	-	-
Total Liabilities	3,640,047	600,776	257,948
FUND BALANCE			
Nonspendable	132,239	-	-
Restricted	848,003	5,377,032	2,632,096
Committed	-	-	-
Assigned	1,391,819	-	-
Unassigned	2,391,124	-	-
Total Fund Balance	4,763,185	5,377,032	2,632,096
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,403,232	\$ 5,977,808	\$ 2,890,044

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 917,977	\$ 16,687,231
293,455	1,297,255
175,946	546,837
-	127,139
1,387,378	18,658,462
\$ 1,387,378	\$ 18,658,462

16,157	3,682,204
25,237	546,837
-	311,124
41,394	4,540,165
500	132,739
548,595	9,405,726
795,015	795,015
1,874	1,393,693
-	2,391,124
1,345,984	14,118,297
\$ 1,387,378	\$ 18,658,462

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2022**

(\$ Amounts in thousands)

Total Fund Balance - Governmental Funds \$ 14,118

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

Capital assets:

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

Capital assets relating to governmental activities, at historical cost:	\$ 64,801	
Accumulated depreciation:	<u>(29,395)</u>	35,406

Unmatured interest on long-term debt:

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

(89)

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

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION, Continued
JUNE 30, 2022**

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 (Asset)	9,001	
Net OPEB Obligation	73	
Compensated absences payable	90	
Certificates of participation payable	8,295	
Capital leases payable	1,826	
Mello Roos Special Tax Bond	3,866	
Other general long-term debt	2,673	
Deferred loss on debt refunding	<u>(570)</u>	(25,254)

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	4,975
Deferred inflows of resources relating to pensions	<u>(6,288)</u>

Total Net Position - Governmental Activities: **\$ 22,868**

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

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Capital Facilities Fund	Debt Service for Blended Component Unit Fund
REVENUES			
LCFF sources	\$ 12,774,823	\$ -	\$ -
Federal sources	839,214	-	-
Other state sources	2,613,506	-	-
Other local sources	1,423,869	2,961,539	966,526
Total Revenues	17,651,412	2,961,539	966,526
EXPENDITURES			
Current			
Instruction	10,089,251	-	-
Instruction - Related services			
Supervision of instruction and administration	599,494	-	-
Instructional library, media, and technology	215,957	-	-
School administration	1,267,812	-	-
Pupil Services			
Transportation	353,889	-	-
Food services	12,679	-	-
All other pupil services	1,243,867	-	-
General Administration			
Data processing services	256,668	-	-
All other general administration	1,041,601	232,385	-
Plant services	1,697,232	501	-
Ancillary services	15,440	-	-
Transfers to other agencies	556,318	-	-
Facilities acquisition and construction	94,000	3,475,000	-
Debt service			
Interest	62,723	451,925	277,561
Principal	117,000	335,000	207,000
Total Expenditures	17,623,931	4,494,811	484,561
Excess (Deficiency) of Revenues Over Expenditures	27,481	(1,533,272)	481,965
OTHER FINANCING SOURCES (USES)			
Transfers in	16,262	241,686	-
Sources	94,000	8,295,394	3,866,306
Transfers out	-	-	(257,948)
Uses	-	(8,160,394)	(3,882,252)
Net Financing Sources (Uses)	110,262	376,686	(273,894)
NET CHANGE IN FUND BALANCE	137,743	(1,156,586)	208,071
Beginning balance	4,625,442	6,533,618	2,424,025
Ending balance	\$ 4,763,185	\$ 5,377,032	\$ 2,632,096

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 175,299	\$ 12,950,122
1,128,219	1,967,433
72,978	2,686,484
147,769	5,499,703
<u>1,524,265</u>	<u>23,103,742</u>
-	10,089,251
-	599,494
-	215,957
-	1,267,812
-	353,889
908,435	921,114
-	1,243,867
-	256,668
25,237	1,299,223
215,512	1,913,245
104,760	120,200
-	556,318
-	3,569,000
-	792,209
-	659,000
<u>1,253,944</u>	<u>23,857,247</u>
270,321	(753,505)
-	257,948
-	12,255,700
-	(257,948)
-	(12,042,646)
<u>-</u>	<u>213,054</u>
270,321	(540,451)
1,075,663	14,658,748
<u>\$ 1,345,984</u>	<u>\$ 14,118,297</u>

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

(\$ Amounts in thousands)

Net Change in Fund Balances - Governmental Funds \$ (540)

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:	\$ 3,608	
Depreciation expense:	(1,976)	1,632

Debt service:

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

12,702

Debt proceeds:

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

(12,256)

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

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES,
Continued
FOR THE YEAR ENDED JUNE 30, 2022**

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: 102

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 (5)

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: 1,009

Postemployment benefits other than pensions ("OPEB"):

In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was: (11)

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding, for the period is: 108

Change in net position of Governmental Activities \$ 2,741

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

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 - A. Description of Financial Statements

Education Code §41010 requires Plumas Lake Elementary School District, or a local educational agencies (“LEA”), to follow the definitions, instructions, and procedures in the California School Accounting Manual. The manual provides accounting policies and procedures, as well as guidance in implementing those policies and procedures, which include basis of accounting, revenue and expenditure recognition, fund types, types of transactions, methods of posting transactions, including adjusting entries, documentation required to substantiate certain transactions, year-end closing process, including the recording of accruals and deferrals.

1 - B. Financial Reporting Entity

The Plumas Lake Elementary School District was established in 1883, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K – 8 as mandated by the State and/or Federal agencies. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. For Plumas Lake Elementary School District, this includes general operations, food service, and student related activities of the District.

1 - C. Blended Component Unit

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component units is essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Plumas Lake Elementary School District 2016 Lease Financing Corporation (the “Corporation”) is a nonprofit, public benefit corporation, incorporated under the laws of the State of California. The Corporation was formed to provide financing assistance to the District for the construction and acquisition of major capital facilities. Upon completion of the subject transactions, the District intends to occupy the Corporation's facilities under a lease, purchase agreement effective through the year 2044. At the end of the lease term, title of the Corporation's property will pass to the District for no additional consideration. The financial activity for the Corporation is presented in the financial statements as the part of the Capital Facilities Fund.

The District has determined that Community Facilities District No. 1 and No. 2 meet the criteria as a component unit and therefore are presented in the Districts general-purpose financial statements. The Community Facilities Districts were established to issue Mello-Roos Bonds as described in Note 8 - B. The Community Facilities District is reported as Funds 49 and 52 and does not issue separate financial statements.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2022

1 - D. Related Organizations

Joint Powers Authority (“JPA”). The District is associated with three JPAs. These organizations do not meet the criteria for inclusion as a component unit of the District. Additional information is presented in Note 13 to the financial statements. These organizations are, Tri-County Schools Insurance Group (TCSIG) and Schools Excess Liability Fund (SELF).

1 - E. Basis of Presentation

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

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

Fund Financial Statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. *Governmental funds* are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Major Governmental Funds

General Fund. This is the chief operating fund for all LEAs. It is used to account for the ordinary operations of an LEA. All transactions except those accounted for in another fund are accounted for in this fund.

Capital Facilities Fund. This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* §17620–§17626). The authority for these levies may be county/city ordinances (*Government Code* §65970–§65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (*Government Code* §66006).

Debt Service Fund for Blended Component Units. This fund is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the LEA under generally accepted accounting principles (“GAAP”). The Mello-Roos Community Facilities Act of 1982 (*Government Code* §53311 et seq.) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a "Community Facilities District" (“CFD”) for the purpose of selling tax-exempt bonds to finance public improvements and services.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2022

Non-Major Governmental Funds

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

Student Activity Special Revenue Fund. This fund may be used by authorizing LEAs to account separately for the associated student body (“ASB”) activities of LEA that would otherwise be reported in the authorizing LEA’s general fund. The student body accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code* §48930–§48938).

Cafeteria Special Revenue Fund. This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* §38090–§38093). The Cafeteria Special Revenue Fund (Fund 13) shall be used only for those expenditures authorized by the governing board as necessary for the operation of the LEA’s food service program (*Education Code* §38091 and §38100).

Deferred Maintenance Fund. This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* §17582).

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

Special Reserve Fund for Capital Outlay Projects. This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* §42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49. Other authorized resources that may be deposited to the Special Reserve Fund for Capital Outlay Projects (Fund 40) are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code* §17462) and rentals and leases of real property specifically authorized for deposit to the fund by the governing board (*Education Code* §41003).

Capital Project Fund for Blended Component Units. This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the LEA under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code* §53311 et seq.) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a "Community Facilities District" (“CFD”) for the purpose of selling tax-exempt bonds to finance public improvements and services.

1 - F. Basis of Accounting – Measurement Focus

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

Net Position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net position use.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

Governmental Funds. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. All other revenue items are considered to be measurable and available only when the District receives cash. Local Control Funding Formula (“LCFF”), property taxes, and grant awards are recorded the same as what is described for Government-Wide Statements. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits 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.

Eliminating Internal Activity. Transactions between funds that would be treated as revenues, expenditures, or expenses if they involve entities external to the District are accounted for as revenues, expenditures, or expenses in the funds. At year-end, outstanding balances between funds are reported in the fund financial statements. Amounts reported in the funds as Due to or Due from Other Funds are eliminated in the governmental columns of the statement of net position.

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

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

1 - G. Assets, Liabilities, and Net Position and Fund Balances

Deposits and Investments. The cash balances of substantially all funds are pooled and invested by the Yuba County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2022, based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash in County." Earnings on cash in county are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

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

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

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

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

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 donation. The District maintains a capitalization threshold of \$20,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	31
Site Improvements	20 – 30
Equipment	5 – 10

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

Accrued Liabilities and Long-Term Obligations. All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

Compensated Absences. Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of the liability is not reported separately.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net positions of both the California State Teacher's Retirement System ("CalSTRS") and California Public Employee Retirement System ("CalPERS") and additions to/deductions from CalSTRS' and CalPERS' fiduciary net positions have been determined on the same basis as they are reported by CalSTRS and CalPERS, respectively. 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.

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

Nonspendable – The portion of fund balance reflecting assets not in spendable form, either because they will never convert to cash (such as prepaid items) or must remain intact pursuant to legal or contractual requirements (such as the revolving account or principal of a permanent endowment).

Restricted – The portion of fund balance representing resources subject to legally enforceable constraints externally imposed either by resource providers (e.g., grantors or creditors) or by law through constitutional provisions or enabling legislation.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2022

Committed – The portion of fund balance representing resources whose use is constrained by limitations self-imposed by the LEA through formal action of its highest level of decision-making authority. The constraints can be modified or removed only through the same process by which they were imposed. The action imposing the constraint must be made by the end of the reporting period. The actual amounts may be determined at a later date, prior to the issuance of the financial statements.

Assigned – The portion of fund balance representing resources that are intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported as restricted or committed. Intent may be established either by the LEA’s highest level of decision-making authority or by a designated body or official. Constraints giving rise to assigned fund balance may be imposed at any time before the financial statements are issued. The constraints may be modified or removed by a process less formal than is required to remove constraints that give rise to committed fund balance. In governmental fund types other than the general fund, this is the residual fund balance classification.

Unassigned – In the general fund, residual fund balance in excess of amounts reported in the nonspendable, restricted, committed, or assigned fund balance classifications and net of Reserve for Economic Uncertainties. In all governmental funds including the general fund, the excess of nonspendable, restricted, and committed fund balance over total fund balance (deficits). Assigned amounts must be reduced or eliminated if a deficit exists.

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

Net Position. Net Position represents the difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The District has related debt outstanding as of June 30, 2022. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The district-wide financial statements report \$9.4 million of restricted net position.

1 - H. Revenues, Expenditures/Expense

Revenues – Exchange and Non-Exchange Transactions. The LCFF and other state apportionments are government mandated non-exchange transactions and are recognized when all eligibility requirements have been met. When the annual calculation of the LCFF is made and the District's actual tax receipts, as reported by the county auditor, is subtracted the result determines the annual state aid to which the LEA is entitled. If the difference between the calculated annual state aid and the state aid received on the second principal apportionment is positive a receivable is recorded, and if it is negative a payable is recorded.

The District recognizes property tax revenues actually received as reported on California Department of Education (“CDE”)’s Principal Apportionment Data Collection Software, used by county offices of education and county auditors to report school district and county taxes. The District makes no accrual for property taxes receivable as of June 30.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

The District receives grant awards that are "reimbursement type" or "expenditure driven." The eligibility requirements of these awards have not been met until the LEA has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received but unspent at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended.

The District also receives funds for which they have fulfilled specific eligibility requirements or have provided a particular service. Once the LEAs have provided these services, they have earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period that the service is provided, and any carryover becomes a part of the LEA's ending fund balance.

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

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

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

NOTE 2 – DEPOSITS AND INVESTMENTS

2 - A. Summary of Deposit and Investment Balances

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

	Governmental Activities
Deposits in financial institutions	\$ 71,181
Cash in county	16,606,513
Money market	9,537
<hr/>	
Total Cash and Cash Equivalents	<hr/> \$ 16,687,231

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022**

2 - B. Policies and Practices

INVESTMENT TYPE	MAX. MATURITY	MAX % OF PORTFOLIO	MIN QUALITY	GOV'T CODE	§s
Local Agency Bonds	5 years	None	None	53601(a)	
U.S. Treasury Obligations	5 years	None	None	53601(b)	
State Obligations— CA And Others	5 years	None	None	53601(d)	
CA Local Agency Obligations	5 years	None	None	53601(e)	
U.S Agency Obligations	5 years	None	None	53601(f)	
Bankers' Acceptances	180 days	40% ^{oE}	None	53601(g)	
Commercial Paper— Non-Pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)	
Commercial Paper— Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)	
Negotiable Certificates of Deposit	5 years	30% ^{oJ}	None	53601(i)	
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.	
Placement Service Deposits	5 years	50% ^{oK}	None	53601.8 and 53635.8	
Placement Service Certificates of Deposit	5 years	50% ^{oK}	None	53601.8 and 53635.8	
Repurchase Agreements	1 year	None	None	53601(j)	
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)	
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)	
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)	
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)	
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)	
County Pooled Investment Funds	N/A	None	None	27133	
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)	
Local Agency Investment Fund ("LAIF")	N/A	None	None	16429.1	
Voluntary Investment Program Fund	N/A	None	None	16340	
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)	
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603	

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

2 - C. Cash Deposits

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the District's deposits may not be returned. The District's deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation ("FDIC") or are collateralized as required by Statutes of the State. As of June 30, 2022, the bank balances totaled \$74,884, all of which was insured through the FDIC.

Investment Type:	S & P Rating	Maturity (Days)	Reported Value	Fair Value Level	Fair Value
Cash in county	A - AA+	357	\$ 16,606,513	2	\$ 16,120,125
Money market	NR	1	9,537	1	9,537
Total			\$ 16,616,050		\$ 16,129,662

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 3 – ACCRUED RECEIVABLES

Receivables at June 30, 2022, were as follows:

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal Government			
Categorical aid	\$ 697,651	\$ 275,600	\$ 973,251
State Government			
Categorical aid	190,681	17,578	208,259
Lottery	76,186	-	76,186
Other Local Sources	39,282	277	39,559
Total	\$ 1,003,800	\$ 293,455	\$ 1,297,255

All receivables are considered by management collectible in full.

NOTE 4 – CAPITAL ASSETS

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

<i>(\$ Amounts in thousands)</i>	Balance July 01, 2021	Additions	Balance June 30, 2022
Capital assets not being depreciated			
Land	\$ 5,411	\$ -	\$ 5,411
Construction in progress	-	3,475	3,475
Non-Depreciable Capital Assets	5,411	3,475	8,886
Capital assets being depreciated			
Land improvements	\$ 2,430	\$ -	\$ 2,430
Buildings & improvements	51,603	-	51,603
Furniture & equipment	1,749	133	1,882
Total Capital Assets Being Depreciated	55,782	133	55,915
Less Accumulated Depreciation			
Land improvements	685	160	845
Buildings & improvements	25,814	1,690	27,504
Furniture & equipment	920	126	1,046
Total Accumulated Depreciation	27,419	1,976	29,395
Depreciable Capital Assets, net	\$ 28,363	\$ (1,843)	\$ 26,520
Total Capital Assets, net	\$ 33,774	\$ 1,632	\$ 35,406

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 5 – INTERFUND BALANCES AND ACTIVITY

5 - A. Balances Due to/from Other Funds

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

Due To Other Funds	Due From Other Funds			Total
	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ 175,946	\$ 175,946
Capital Facilities Fund	87,706		-	87,706
Debt Service for Blended Component Unit Fund	16,262	241,686	-	257,948
Non-Major Governmental Funds	25,237	-	175,946	25,237
Total	\$ 129,205	\$ 241,686	\$ 175,946	\$ 546,837

The General Fund owes the Def. Maint. Fund for the LCFF transfer	\$ 175,332
The General Fund owes the Cafeteria Fund for program costs	614
The Cafeteria Fund owes the General Fund for indirect costs	25,237
The Capital Facilities Fund owes the General Fund for Direct charges	87,706
The Debt Service for Blended Component Unit Fund owes the Capital Facilities Fund for refinance charges	241,686
The Debt Service for Blended Component Unit Fund owes the General Fund for refinance charges	16,262
Total	\$ 546,837

5 - B. Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2022, consist of the following:

Transfers Out to Other Funds	Transfers In From Other Funds		Total
	General Fund	Capital Facilities Fund	
Debt Service for Blended Component Unit Fund	\$ 16,262	\$ 241,686	\$ 257,948

The Debt Service for Blended Component Unit Fund owes the Capital Facilities Fund for refinance charges	\$ 241,686
The Debt Service for Blended Component Unit Fund owes the General Fund for refinance charges	16,262
Total	\$ 257,948

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 6 – ACCRUED PAYABLES

Payables at June 30, 2022, were as follows:

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	District-Wide	Total Governmental Activities
Payroll	\$ 90,131	\$ -	\$ 7,674	\$ -	\$ 97,805
LCFF	2,547,829	-	-	-	2,547,829
Vendors payable	492,280	513,070	7,766	-	1,013,116
Interest payable	-	-	-	89,000	89,000
Other liabilities	22,737	-	717	-	23,454
Total	\$ 3,152,977	\$ 513,070	\$ 16,157	\$ 89,000	\$ 3,771,204

NOTE 7 – UNEARNED REVENUES

Unearned revenue at June 30, 2022, were as follows:

	General Fund
Federal sources	\$ 133,080
State sources	178,044
Total	\$ 311,124

NOTE 8 – LONG-TERM LIABILITIES

8 - A. Long-Term Liabilities Summary

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Balance			Balance	Balance Due
(\$ Amounts in thousands)	July 01, 2021	Additions	Deductions	June 30, 2022	in One Year
Mello Roos Special Tax Bond	\$ 4,026	\$ 3,866	\$ 4,026	\$ 3,866	\$ 245
Net Pension Liability ("NPL")	15,729	-	6,728	9,001	-
Net OPEB Obligation	62	11	-	73	-
Compensated absences payable	85	5	-	90	-
Certificates of participation payable	8,355	8,295	8,355	8,295	461
Leases payable	1,849	94	117	1,826	125
Plumas Lake Owner's Group	2,673	-	-	2,673	-
Discounts and deferred losses on debt refunding	(259)	(570)	(259)	(570)	-
Total	\$ 32,520	\$ 11,701	\$ 18,967	\$ 25,254	\$ 831

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

8 - B. Mello Roos Special Tax Bonded Debt

In March of 2022 the District's CFD Nos. 1 & 2 refinanced the previously refinanced bonds. The difference in cash flow requirements between these two issues is a reduction of \$342,772 for CFD #1 and \$102,413 for SFD #2. This resulted in an economic loss, however, of \$84,000 which will be amortized over the life of the bonds.

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2022
				Outstanding June 30, 2021	(Defeased) / Issued	Redeemed	
2015	2036	3.75%	\$ 4,099	\$ 3,103	\$ (2,943)	\$ 160	\$ -
2015	2036	3.75%	1,189	923	(876)	47	-
2022	2035	2.12%	2,979	-	2,979	-	2,979
2022	2035	2.12%	887	-	887	-	887
				\$ 4,026	\$ 47	\$ 207	\$ 3,866

The bonds mature through 2036 as follows:

Year Ending June 30,	CFD #1		CFD #2		Total
	Principal	Interest	Principal	Interest	
2023	\$ 191	\$ 56	\$ 54	\$ 17	\$ 318
2024	192	57	58	17	324
2025	193	53	56	16	318
2026	199	48	60	14	321
2027	205	45	59	13	322
2028 - 2032	1,075	155	316	47	1,593
2033 - 2036	924	40	284	12	1,260
Totals	\$ 2,979	\$ 454	\$ 887	\$ 136	\$ 4,456

8 - C. NPL and OPEB

The District's pension activities between the District and Cal STRS and Cal PERS for the year ended June 30, 2022, resulted in net pension obligations and other related balances. The District is also responsible for a plan offered by Cal STRS.

	Cal STRS		Cal PERS		Total
District's proportionate share of the net pension liability	\$	(5,545)	\$	(3,456)	\$ (9,001)
Deferred Outflows of Resources		3,583		1,392	4,975
Deferred Inflows of Resources		(4,962)		(1,326)	(6,288)
District's proportionate share of the OPEB plan		(73)		-	(73)
Effect on Net Position	\$	(6,997)	\$	(3,390)	\$ (10,387)

See Note 9 for additional information regarding the pension plans and activities, and Note 10 for the OPEB plan.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

8 - D. Compensated Absence Balance

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2022, amounted to \$90,000. The General Fund would be responsible for the liability.

8 - E. Certificates of Participation (“COPS”)

In June 2022 the Corporation refinanced the COPS. The difference in cash flow requirements between these two issues is a reduction of \$748,531. This resulted in an economic loss of \$486,000 which will be amortized over the life of the bonds.

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds	
				Outstanding June 30, 2021	(Defeased) / Issued	Redeemed	Outstanding June 30, 2022	
2013	2043	3.0% - 4.5%	\$ 3,705	\$ 3,415	\$ (3,315)	\$ 100	\$ -	
2013	238	3.0% - 4.0%	6,205	4,940	(4,705)	235	-	
2022	2035	2.12%	2,979	-	8,295	-	8,295	
				\$ 8,355	\$ 275	\$ 335	\$ 8,295	

The bonds mature through 2040 as follows:

Year Ending June 30,	COP		
	Principal	Interest	Total
2023	\$ 461	\$ 185	\$ 646
2024	407	238	645
2025	433	225	658
2026	439	211	650
2027	454	197	651
2028 - 2032	2,496	762	3,258
2033 - 2037	2,921	340	3,261
2038 - 2040	684	30	714
Totals	\$ 8,295	\$ 2,188	\$ 10,483

8 - F. Leases Payable

On September 1, 2016, the District entered into a site lease agreement with the Public Property Financing Corporation of California (the Corporation) to fund the District’s solar projects. The District is leasing District sites to the Corporation. During the lease, the corporation is providing site improvement which consist of solar panels and any construction needed (in association with the solar panels) at the three school sites. The capital lease has been funded by Clean Renewable Energy Bonds that were issued for \$2,194,000, with an annual interest rate of 3.33%. The bond debt service payments is the same schedule as the capital lease payment schedule.

In June 2021 the District entered into a five year lease agreement to lease eight copiers, for \$94,000 with a 2.18% annual interest rate.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

The lease payment schedules are as follows:

Year Ending June 30,	Solar Panels		Copiers		Totals
	Principal	Interest	Principal	Interest	
2023	\$ 107	\$ 57	\$ 18	\$ 2	\$ 184
2024	113	54	19	1	187
2025	120	50	19	1	190
2026	126	46	20	0	192
2027	133	42	2	0	177
2028 - 2032	780	136	-	-	916
2033 - 2037	369	16	-	-	385
Totals	\$ 1,748	\$ 401	\$ 78	\$ 4	\$ 2,231

8 - G. Plumas Lake Owner’s Group

The District’s development of the Rio Del Oro Elementary School was funded in part by the Plumas Lake Owners Group (PLOG). Upon completion of the school site, the District acquired a liability in the amount of \$7,014,232. The payment terms of the liability are that the District makes payments if there is adequate cash flow in the Capital Facilities Fund from developer fees. This liability is non-interest bearing. The District did not make any payments during the 2021-22 year. The outstanding liability at June 30, 2022 is \$2,673,000.

NOTE 9 – DEFINED BENEFIT PENSIONS

9 - A. CalSTRS

Plan Description. CalSTRS administers a hybrid retirement system consisting of a defined benefit plan, two defined contribution plans, a postemployment benefit plan, and a fund used to account for ancillary activities associated with various deferred compensation plans and programs:

- ❖ State Teachers’ Retirement Plan (“STRP”)
- ❖ CalSTRS Pension 2
 - 403(b) plan
 - 457(b) plan
- ❖ Medicare Premium Payment (“MPP”) Program
- ❖ Teachers’ Deferred Compensation Fund (“TDCF”)

CalSTRS provides pension benefits, including disability and survivor benefits, to California full-time and part-time public school teachers from pre-kindergarten through community college and certain other employees of the public school system. The Teachers’ Retirement Law (California *Education Code* § 22000 et seq.), as enacted and amended by the California Legislature, established these plans and CalSTRS as the administrator. The terms of the plans may be amended through legislation.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

The STRP is a multiple employer, cost-sharing defined benefit plan comprised of four programs: Defined Benefit (“DB”) Program, Defined Benefit Supplement (“DBS”) Program, Cash Balance Benefit (“CBB”) 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 nonemployer contributing entity to the STRP. CalSTRS issues a publicly available financial report that can be obtained at <https://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided. The STRP DB Program has two benefit formulas:

- ❖ CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS
- ❖ CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS

The 2% refers to the percentage of your final compensation that you’ll receive as a retirement benefit for every year of service credit, also known as the age factor. Other differences between the two benefit structures are final compensation, age factors, normal retirement age, creditable compensation cap and contribution rate. In addition, 2% at 62 members aren’t eligible for benefit enhancements, the Reduced Benefit Election or the CalSTRS Replacement Benefits Program.

Member’s Contribution Rates:

Effective Date	2% at 60 Members	2 % at 62 Members
July 1, 2016	10.25%	10.205%

Employer’s Contribution Rates:

Effective date	Pre-AB 1469 rate	Increase per funding plan	SB 90 and AB 84 impact ¹	Total
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 – June 30, 2046	8.250%	²	N/A	²
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046–47		

¹ Pursuant to SB 90 and AB 84, the fiscal year 2018–19 state contribution of approximately \$2.2 billion made in advance on behalf of employers will be used to pay the contributions required by employers for the 2019–20, 2020–21 and 2021–22 fiscal years, such that employers will remit 1.030%, 2.950% and 2.180% less, respectively, than is required by the CalSTRS Funding Plan.

² The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

State’s Contribution Rates:

Effective date	Base rate	AB 1469 increase for 1990 benefit structure	SBMA funding¹	Total
July 1, 2021	2.017%	6.311%	2.500%	10.828% ²
July 1, 2021 – June 30, 2046	2.017%	2	2.500%	2
July 1, 2046	2.017%	3	2.500%	3

¹ The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code §22954.

² The board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, supplemental contribution rate imposed would be reduced to 0%.

³ From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation. Contributions to the pension plan from the District was \$1,266,207 for the year ended June 30, 2022.

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

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

	<i>(\$ Amounts in thousands)</i>	
District's proportionate share of the net pension liability	\$	5,545
State's proportionate share of the net pension liability associated with the District		1,856
Total	\$	7,401

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. At June 30, 2022, the District’s proportion was as follows:

	<u>Jun. 30, 2021</u>	<u>Jun. 30, 2020</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0001218	0.0001149	0.0000069

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

For the year ended June 30, 2022, the District recognized pension expense of \$441,000 and revenue of \$809,000 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<i>(\$ Amounts in thousands)</i>	
Differences between expected and actual experience	\$ -	\$ 576
Changes of assumptions	786	-
Net difference between projected and actual earnings on pension plan investments	-	4,386
Changes in proportion and differences between District contributions and and proportionate share of contributions	1,571	-
District contributions subsequent to the measurement date	1,226	-
Total	\$ 3,583	\$ 4,962

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

		<i>(\$ Amounts in thousands)</i>	
Year ended June 30,			
	2023	\$ 1,952	\$ 1,237
	2024	718	1,121
	2025	311	1,154
	2026	274	1,316
	2027	234	75
	2028	94	59
Total		\$ 3,583	\$ 4,962

Actuarial Assumptions and Discount Rate Information

Actuarial Assumptions. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability as of June 30, 2021, include:

Valuation Date	June 30, 2020
Experience Study	July 1, 2015 – June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return ³	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2% simple for DB (annually) Maintain 85% purchasing power level for DB Not applicable for DBS/CBB

¹ Net of investment expenses, but gross of administrative expenses.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

Discount Rate. The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases as disclosed previously. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The 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. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return ¹
Public Equity	42.0%	4.8%
Real Estate	15.0%	3.6%
Private Equity	13.0%	6.3%
Fixed Income	12.0%	1.3%
Risk Mitigating Strategies	10.0%	1.8%
Inflation Sensitive	6.0%	3.3%
Cash/Liquidity	2.0%	(0.4%)

¹ 20-years average

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. Presented below is the net pension liability of employer using the current discount rate of 7.10%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
<i>(\$ Amounts in thousands)</i>	(6.10%)	(7.10%)	(8.10%)
District's proportionate share of the net pension liability	\$ 11,287	\$ 5,545	\$ 779

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report. The components of the net pension liability (NPL) of the STRP for participating employers and the state (nonemployer contributing entity), are as follows (*\$ in millions*):

Total Pension Liability	\$355,801
Less: STRP Fiduciary Net Position	310,293
NPL of Employers and the State of California	\$ 45,508
STRP Fiduciary Net Position as a % of the Total Pension Liability	87.2%

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

9 - B. Cal PERS

Plan Description. The Schools Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF B) is administered by the California Public Employees' Retirement System (CalPERS or the System). Plan membership consists of nonteaching and noncertified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California. The Plan excludes school safety members who participate either in the agent multiple-employer defined benefit pension plan or the public agency cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, depending on the number of active members.

The Plan was established to provide retirement, death and disability benefits to nonteaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2020.pdf>.

Benefits Provided. The Service Retirement benefit is a monthly allowance equal to the product of benefit factor, years of service, and final compensation.

- ❖ The *benefit factor* for classic members comes from the 2% at 55 benefit factor table. PEPRAs members hired on or after January 1, 2013 are subject to the 2% at 62 benefit factor table.
- ❖ The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- ❖ The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). For new PEPRAs members hired after January 1, 2013 final compensation is based on the monthly average of the member's highest 36 consecutive months' full-time equivalent monthly pay. PEPRAs members have a cap on the annual salary that can be used to calculate final compensation for all new members based on the Social Security Contribution and Benefit Base.
- ❖ The employees in this plan may or may not be covered by Social Security. For employees with service prior to January 1, 2001 covered by Social Security, the final compensation is offset by \$133.33 (or by one-third if, the final compensation is less than \$400). For PEPRAs members, the final compensation is not offset.

Contributions. CalPERS required employer contributions to be 22.91% of payroll. The report also reported an employee contribution rate of 7.0% for classic and PEPRAs. Contributions to the pension plan from the District was \$639,207 for the year ended June 30, 2022.

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

The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. At June 30, 2022, the District reported a liability of \$3,456,000 for its proportionate share of the net pension liability. At June 30, 2022, the District's proportion was as follows:

	<u>Jun. 30, 2021</u>	<u>Jun. 30, 2020</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0001700	0.0001498	0.0000202

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

For the year ended June 30, 2022, the District recognized pension expense of \$414,000. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<i>(\$ Amounts in thousands)</i>	
Changes of assumptions	\$ 95	\$ -
Net difference between projected and actual earnings on pension plan investments		1,326
Changes in proportion and differences between District contributions and proportionate share of contributions	658	-
District contributions subsequent to the measurement date	639	-
Total	\$ 1,392	\$ 1,326

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

		<i>(\$ Amounts in thousands)</i>	
Year ended June 30,			
	2023	\$ 954	\$ 333
	2024	274	306
	2025	163	319
	2026	1	368
Total		\$ 1,392	\$ 1,326

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The collective total pension liability was based on the following assumptions:

Investment rate of return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	2.0% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 – 10 ²	Real Return Years 11+ ^{3,4}
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	(0.92%)

¹ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation rate of 2.00% used for this period.

³ An expected inflation rate of 2.92% used for this period.

⁴ Figures are based on the previous ALM of 2017.

Discount Rate. The discount rate used to measure the total pension liability for PERF B was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability calculated using a discount rate of 7.15%, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
<i>(\$ Amounts in thousands)</i>	(6.15%)	(7.15%)	(8.15%)
District's proportionate share of the net pension liability	\$ 5,827	\$ 3,456	\$ 1,487

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS Comprehensive Annual Financial Report. The components of the employers' collective net pension liability related to the Plan as of June 30, 2021 (*\$ in thousands*):

Total pension liability	\$106,857,488
Less:	
Plan fiduciary net position	86,523,056
Net Pension Liability of Employers	\$ 20,334,432

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 10 – POSTEMPLOYMENT HEALTHCARE PLAN (Cal STRS)

Plan Description. CalSTRS administers a postemployment benefit plan Medicare Premium Payment (“MPP”) Program. The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (“OPEB”) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (“THBF”).

Benefits Provided. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRP DB Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A.

Contributions. The MPP Program is funded on a pay-as-you go basis from a portion of monthly contributions, by Districts in the retirement system. In accordance with California *Education Code* §25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program. Total contributions directed to the MPP Program for year 2020-21 was \$27.0 million. The MPP Program contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2021, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the California State Treasurer.

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

The calculations contained in this analysis have been performed using the results of the June 30, 2020 Medicare Premium Payment (MPP) Program actuarial funding, with certain revisions to assumptions as required by GASB 74 and 75 and described later in this report. The liabilities have been projected to June 30, 2021 and combined with the actual Teachers' Health Benefit Fund (THBF) assets of June 30, 2021. At June 30, 2022, the District reported a liability of \$73,000 for its proportionate share of the net OPEB liability. The District's proportion was as follows:

	<u>Jun. 30, 2021</u>	<u>Jun. 30, 2020</u>	<u>Difference</u>
Net OPEB Liability Allocation Basis	0.0001831	0.0001741	0.0000090

For the year ended June 30, 2022, the District recognized pension expense of \$11,000.

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The total OPEB liability for the MPP Program as of June 30, 2021, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total OPEB liability to June 30, 2021. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total OPEB liability as of June 30, 2021, include:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry age normal
Inflation	2.75%
Discount Rate	2.16
Medicare Part A and B Premium Costs Trend Rate	See Medicare Costs Trend Rate

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

Discount Rate. The plan's fiduciary net position was not projected to be sufficient to make more than one month of future benefit payments. Therefore, the municipal bond rate is applied to all future benefit payments. The long-term expected rate of return has been set to the discount rate due to the fact that the liabilities of the fund exceed the assets leading to a negative fiduciary net position.

Medicare costs trend rate. The June 30, 2019, valuation uses the 2020 Medicare Part A and Part B premiums as the basis for future premium calculations. Future premiums are assumed to increase with a medical trend rate that varies by year, as shown in the following table:

Years ¹	Assumed Annual Increase	
	Part A	Part B
2019 – 2028	4.3%	5.5%
2029 – 2038	5.0%	5.1%
2039 – 2048	4.9%	4.5%
2019 & Later	4.3%	4.4%

¹ Trend rates indicate medical inflation in the specific year and therefore affect the premiums for the following year. For example, the projected 2020-2021 premium is the 2019-2020 premium increased by the assumed 2019-2020 trend rate.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rates. Presented below is the net OPEB liability of employers using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
<i>(\$ Amounts in thousands)</i>	(1.16%)	(2.16%)	(3.16%)
District's proportionate share of the net OPEB liability	\$ 81	\$ 73	\$ 67

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Cost Trend Rates. Presented below is the net OPEB liability of employers using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are 1% lower and 1% higher than the current rate:

	Medicare Costs		
	1% Decrease	Trend Rate	1% Increase
<i>(\$ Amounts in thousands)</i>	(4.5%)	(5.5%)	(6.5%)
District's proportionate share of the net OPEB liability	\$ 63	\$ 73	\$ 77

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS Comprehensive Annual Financial Report, but there are effectively NO assets in the trust, as noted below. The components of the net OPEB liability of the MPP Program for participating employers as of June 30, 2021, are as follows (*\$ in millions*):

Total OPEB liability	\$396
Less: MPP Program fiduciary net position	(3)
Net OPEB liability of employers	\$399
MPP Program fiduciary net position as a % of the total OPEB liability	(0.80%)

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 11 – FUND BALANCE

Fund balance components at June 30, 2022, were as follows:

	General Fund	Capital Facilities Fund	Debt Service for Blended Component Unit Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Non-restricted					
Reserve for revolving cash	\$ 5,100	\$ -	\$ -	\$ 500	\$ 5,600
Reserve for prepaid expediti	127,139	-	-	-	127,139
Total Nonspendable	132,239	-	-	500	132,739
Spendable					
Restricted					
Educational programs					
Federal	-	-	-	483,014	483,014
State	651,730	-	-	-	651,730
Local	196,273	-	-	-	196,273
ASBs	-	-	-	65,581	65,581
Capital projects					
Developer fees	-	5,377,032	-	-	5,377,032
Debt service	-	-	2,632,096	-	2,632,096
Total Restricted	848,003	5,377,032	2,632,096	548,595	9,405,726
Committed - Deferred Maintenance				795,015	795,015
Assigned					
Lottery	91,877	-	-	-	91,877
EPA site salaries	1,299,942	-	-	-	1,299,942
Capital projects	-	-	-	1,874	1,874
Total Assigned	1,391,819	-	-	1,874	1,393,693
Unassigned					
Economic uncertainties	1,051,796	-	-	-	1,051,796
Unassigned	1,339,328	-	-	-	1,339,328
Total Unassigned	2,391,124	-	-	-	2,391,124
Total	\$ 4,763,185	\$ 5,377,032	\$ 2,632,096	\$ 1,345,984	\$ 14,118,297

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than two months of general fund operating expenditures, or 17 percent of General Fund expenditures and other financing uses.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 12 – COMMITMENTS

Construction. In November 2021, the District entered into a “lease-lesaeback” agreement with a contractor. However, no actual financing occurred, as the “lease-leaseback payments are generally tied to the construction performance, therefore this is not reflected as a long-term liability. The total contract amount was for \$3,849,336. As of June 30, 2022, the District has an outstanding commitment of \$1,303,733 for the remainder of the construction.

NOTE 13 – PARTICIPATION IN A JOINT POWERS AUTHORITY

The District is a member of two joint powers authorities (“JPAs”). The first is the Tri-County Schools Insurance Group (“TCSIG”) to provide health, dental, vision, and life insurance, to the District’s certificated and classified employees. Additionally, TCSIG provides property and liability insurance up to \$5,000,000 and provides workers’ compensation insurance. The second is the School Excess Liability Fund (“SELF”) to provide liability and property insurance in excess of \$5,000,000. The relationships are such that the JPAs are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these financial statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2022, the District made payments of \$1,525,026 (Health, Dental, Vision), \$173,443 (Workers’ Comp), \$25,567 and \$235,381 to SELF and TCSIG, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

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PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>			Variances - Positive / (Negative) Final to Actual
	Original	Final	Actual	
REVENUES				
LCFF sources				
Principal apportionment	\$ 11,672,979	\$ 11,513,395	\$ 11,473,576	\$ (39,819)
County & district taxes	1,151,678	1,320,019	1,476,546	156,527
LCFF transfers	(170,711)	(167,595)	(175,299)	(7,704)
Federal revenue	492,713	905,151	839,214	(65,937)
Other state revenue	1,235,605	1,748,063	2,613,506	865,443
Other local revenue	1,160,757	1,367,580	1,423,869	56,289
Total Revenues	15,543,021	16,686,613	17,651,412	964,799
EXPENDITURES				
Certificated salaries	7,628,205	7,686,136	7,893,921	(207,785)
Classified salaries	2,525,922	2,517,958	2,581,403	(63,445)
Benefits	3,629,386	3,431,985	4,263,123	(831,138)
Supplies	767,495	768,916	690,061	78,855
Services and other operating expenditures	1,354,441	1,769,296	1,351,619	417,677
Capital outlay	-	80,440	133,000	(52,560)
Other outgo (excluding Transfers of Indirect Costs)	1,199,789	531,277	736,041	(204,764)
Other outgo - Transfers of Indirect Costs	(34,119)	(26,304)	(25,237)	(1,067)
Total Expenditures	17,071,119	16,759,704	17,623,931	(864,227)
Excess (Deficiency) of Revenues				
Over Expenditures	(1,528,098)	(73,091)	27,481	100,572
OTHER FINANCING SOURCES (USES)				
Interfund transfers	24,500	24,500	16,262	(8,238)
Sources	-	-	94,000	94,000
Net Financing Sources (Uses)	24,500	24,500	110,262	85,762
NET CHANGE IN FUND BALANCE				
Beginning balance	4,625,442	4,625,442	4,625,442	
Ending Balance	\$ 3,121,844	\$ 4,576,851	\$ 4,763,185	\$ 186,334

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Cal STRS	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability <i>(\$ Amounts in thousands)</i>	0.012%	0.011%	0.011%	0.010%	0.010%	0.009%	0.009%	0.009%
District's proportionate share of the net pension liability	\$ 5,545	\$ 11,132	\$ 9,543	\$ 9,413	\$ 9,217	\$ 7,672	\$ 6,336	\$ 5,100
State's proportionate share of the net pension liability associated with the District	1,856	3,787	3,369	3,427	3,424	2,783	2,192	1,955
Total	\$ 7,401	\$ 14,919	\$ 12,912	\$ 12,840	\$ 12,641	\$ 10,455	\$ 8,528	\$ 7,055
District's covered payroll	6,519	6,131	5,823	5,358	4,758	4,387	3,913	3,744
District's proportionate share of the net pension liability as a percentage of its covered payroll	85%	182%	164%	176%	194%	175%	162%	136%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%	70%	74%	77%	76%
Cal PERS	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset) <i>(\$ Amounts in thousands)</i>	0.017%	0.015%	0.014%	0.014%	0.013%	0.013%	0.013%	0.013%
District's proportionate share of the net pension liability	\$ 3,456	\$ 4,597	\$ 3,960	\$ 3,672	\$ 3,112	\$ 2,547	\$ 1,946	\$ 1,484
District's covered payroll	\$ 2,450	2,157	1,881	1,817	1,661	1,536	1,462	1,374
District's proportionate share of the net pension liability as a percentage of its covered payroll	141%	213%	211%	202%	187%	166%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%	72%	74%	79%	83%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS

Cal STRS	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,226	\$ 1,053	\$ 1,048	\$ 948	\$ 773	\$ 672	\$ 511	\$ 390
Contributions in relation to the contractually required contribution	(1,226)	(1,053)	(1,048)	(948)	(773)	(672)	(511)	(390)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,247	\$ 6,519	\$ 6,131	\$ 5,823	\$ 5,358	\$ 5,341	\$ 4,758	\$ 4,387
Contributions as a percentage of covered payroll	17%	16%	17%	16%	14%	13%	11%	9%
Cal PERS	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 639	\$ 507	\$ 425	\$ 340	\$ 282	\$ 231	\$ 182	\$ 172
Contributions in relation to the contractually required contribution	(639)	(507)	(425)	(340)	(282)	(231)	(182)	(172)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,790	\$ 2,450	\$ 2,157	\$ 1,881	\$ 1,817	\$ 1,661	\$ 1,536	\$ 1,462
Contributions as a percentage of covered payroll	23%	21%	20%	18%	16%	14%	12%	12%

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	2022	2021	2020	2019	2018
District's Proportion of the collective net OPEB liability	73,000	62,000	61,000	60,000	66,000
District's proportionate share of the collective net OPEB liability	0.018%	0.017%	0.016%	0.016%	0.016%
Covered Payroll ¹	\$ -	\$ -	\$ -	\$ -	-
Total OPEB liability as a percentage of covered payroll	0%	0%	0%	0%	0%
District Has No Assets Accumulated in a Trust to Pay Related Benefits					

The District makes no contributions to the plan. Rather, CalSTRS siphons benefit payments from all the school districts' regular pension contributions.

Covered Payroll¹
 Total OPEB liability as a percentage of covered payroll

¹ Defined as the payroll on which contributions to a pension plan are based, but for CalSTRS OPEB there are no contributions based on payroll

District Has No Material Assets Accumulated in a Trust to Pay Related Benefits

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

SUPPLEMENTARY INFORMATION

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**PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing ("AL") Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Federal Impact Aid (ESEA, Title VIII)	84.041	DF	\$ 25,469
Passed through California Department of Education (CDE):			
Every Student Succeeds Act ("ESSA"):			
Title I, Basic Grants Low-Income and Neglected	84.010	14329	179,061
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	23,006
Title III, English Learner Student Program	84.365	14346	10,112
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	10,000
Education Stabilization Fund (ESF):			
Elementary and Secondary School Emergency Relief (ESSER)			
Fund [1]	84.425	15536	9
Governor's Emergency Education Relief (GEER) Fund: Learning			
Loss Mitigation [1]	84.425C	15517	55,837
Expanded Learning Opportunities (ELO) Grant ESSER II State			
Reserve [1]	84.425	15618	121,443
ELO Grant GEER II [1]	84.425	15619	28,648
ELO Grant GEER III, State Reserve, Emergency Needs [1]	84.425	15620	49,854
ELO Grant GEER III, State Reserve, Learning Loss [1]	84.425	15621	46,712
Total ESF			302,503
Special Education Cluster (IDEA)			
Basic Local Assistance Entitlement, Part B, Sec 611 [1]	84.027	13379	258,334
Local Assistance, Part B, Sec 611, Private School ISPs [1]	84.027	10115	2,489
Preschool Grants, Part B, Section 619 (Age 3-4-5) [1]	84.173	13430	12,555
Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611 [1]	84.027A	15197	15,552
Preschool Staff Development, Part B, Sec 619 [1]	84.173A	13431	133
Special Education Cluster (IDEA) Total			289,063
Total U. S. Department of Education			839,214

See accompanying note to supplementary information

**PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing ("AL") Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE:			
Commodities	10.565	DF	6,422
Passed through CDE:			
Child Nutrition Cluster			
NSL Sec 4	10.555	13523	63,724
NSL Sec 11	10.555	13524	609,764
School Breakfast Basic	10.553	13525	11,272
School Breakfast Needy	10.553	13526	178,912
Child Nutrition Cluster Total			863,672
Pandemic EBT Local Administrative Grant	10.649	15644	614
Total U. S. Department of Agriculture			870,708
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through CDE:			
Billing Option	93.778	10013	24,948
Total U. S. Department of Health & Human Services			24,948
Total Federal Expenditures			\$ 1,734,870

[1] - Major Program

DF - Direct Funded

No amount provided to subrecipients

**PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Second Period Attendance Report</u>	<u>Annual Attendance Report</u>
Regular ADA		
TK / K -3	601	603
Grades 4 - 6	475	476
Grades 7-8	262	262
Total Regular ADA	1,338	1,341
Extended Year Special Education		
TK / K -3	0	0
Grades 4 - 6	0	0
Grades 7-8	0	0
Total Extended Year Special Education	1	1
Special Education - Nonpublic, Nonsectarian		
TK / K -3	0	0
Grades 4 - 6	2	2
Total Special Education - Nonpublic, Nonsectarian	2	2
Total ADA	1,341	1,343

See accompanying note to supplementary information

**PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2022**

Grade Level	Education Code § 46207(a) Minutes' Requirements	Current Year Minutes	Number of Instructional Days Offered	Status
Kindergarten	36,000	60,220	180	Complied
Grade 1	50,400	57,520	180	Complied
Grade 2	50,400	57,520	180	Complied
Grade 3	50,400	57,520	180	Complied
Grade 4	54,000	57,520	180	Complied
Grade 5	54,000	57,520	180	Complied
Grade 6	54,000	63,855	180	Complied
Grade 7	54,000	63,855	180	Complied
Grade 8	54,000	63,855	180	Complied

See accompanying note to supplementary information

**PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

	2023 (Budget)	2022	2021	2020
GENERAL FUND:				
Revenues	\$ 19,721,120	\$ 17,651,412	\$ 16,009,311	\$ 15,476,884
Transfers in	24,500	110,262	16,222	15,862
Total	19,745,620	17,761,674	16,025,533	15,492,746
Expenditures	19,810,711	17,623,931	15,374,457	15,261,459
Other uses and transfers out	-	-	-	6,658
Total	19,810,711	17,623,931	15,374,457	15,268,117
INCREASE/(DECREASE)				
IN FUND BALANCE	\$ (65,091)	\$ 137,743	\$ 651,076	\$ 224,629
ENDING FUND BALANCE	\$ 4,698,094	\$ 4,763,185	\$ 4,625,442	\$ 3,974,366
AVAILABLE RESERVES	\$ 1,188,643	\$ 2,391,124	\$ 3,062,074	\$ 3,099,410
AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO	6%	14%	20%	20%
LONG-TERM DEBT	NA	\$ 25,825,000	\$ 32,779,000	\$ 31,155,000
AVERAGE DAILY ATTENDANCE AT P-2	1,387	1,341	1,323	1,323

The General Fund balance has increased by \$781,819 over the past two years. The fiscal year 2022-23 budget projects a decrease of \$65,091 (one percent). For a district this size, the State recommends available reserves of at least three percent of General Fund expenditures, transfers out, and other uses (total outgo).

Total long term obligations have decreased by \$5,330,000 over the past two years.

Average daily attendance has increased by eighteen ADA over the past two years. An increase of forty-six ADA is anticipated during fiscal year 2022-23.

¹ Available reserves consist of all unassigned fund balance within the General Fund

**PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

No adjustments noted

**SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2022**

District has not sponsored any charter schools

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 JUNE 30, 2022

	Student Activity Special Revenue Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project for Blended Component Unit Fund	Non-Major Governmental Funds
ASSETS						
Cash and equivalents	\$ 65,581	\$ 230,043	\$ 620,479	\$ 1,757	\$ 117	\$ 917,977
Accrued receivables	-	293,455	-	-	-	293,455
Due from other funds	-	614	175,332	-	-	175,946
TOTAL ASSETS	\$ 65,581	\$ 524,112	\$ 795,811	\$ 1,757	\$ 117	\$ 1,387,378
LIABILITIES						
Accrued liabilities	\$ -	\$ 15,361	\$ 796	\$ -	\$ -	\$ 16,157
Due to other funds	-	25,237	-	-	-	25,237
Total Liabilities	-	40,598	796	-	-	41,394
FUND BALANCE						
Nonspendable	-	500	-	-	-	500
Restricted	65,581	483,014	-	-	-	548,595
Committed	-	-	795,015	-	-	795,015
Assigned	-	-	-	1,757	117	1,874
Total Fund Balance	65,581	483,514	795,015	1,757	117	1,345,984
TOTAL LIABILITIES AND FUN	\$ 65,581	\$ 524,112	\$ 795,811	\$ 1,757	\$ 117	\$ 1,387,378

See accompanying note to supplementary information

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	Student Activity Special Revenue Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project for Blended Component Unit Fund	Non-Major Governmental Funds
REVENUES						
LCFF sources	\$ -	\$ -	\$ 175,299	\$ -	\$ -	\$ 175,299
Federal sources	-	1,128,219	-	-	-	1,128,219
Other state sources	-	72,978	-	-	-	72,978
Other local sources	135,844	8,760	3,155	9	1	147,769
	135,844	1,209,957	178,454	9	1	1,524,265
EXPENDITURES						
Current						
Pupil Services						
Food services	-	908,435	-	-	-	908,435
General Administration						
All other general administration	-	25,237	-	-	-	25,237
Plant services	-	-	215,512	-	-	215,512
Ancillary services	104,760	-	-	-	-	104,760
Total Expenditures	104,760	933,672	215,512	-	-	1,253,944
NET CHANGE IN FUND BALANCE						
Beginning balance	31,084	276,285	(37,058)	9	1	270,321
Ending balance	\$ 65,581	\$ 483,514	\$ 795,015	\$ 1,757	\$ 117	\$ 1,345,984

See accompanying note to supplementary information

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as applicable.

There are no balances of loan or loan guarantee programs (“loans”) outstanding at the end of the audit period. The District has not elected to use the 10% de minimis cost rate.

Schedule of ADA

Displays ADA data for both the Second Period and Annual reports, by grade span and program as appropriate; and separately for each charter school, shows the total ADA and the ADA generated through classroom-based instruction by grade span, as appropriate; and if there are any ADA adjustments due to audit findings, displays additional columns for the Second Period and Annual reports reflecting the final ADA after audit finding adjustments, shown by grade span.

Schedule of Instructional Time

Displays, for school districts, including basic aid districts, data that show whether the district complied with article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code; showing by grade level:

- 1) The number(s) of instructional minutes specified in Education Code section 46207(a);
- 2) For all districts, the instructional minutes offered during the year audited showing the school with the lowest number of minutes offered at each grade level;
- 3) For all districts, the number of instructional days offered during the year audited on the traditional calendar and on any multitrack year-round calendars; and whether the district complied with the instructional minutes and day’s provisions.
- 4) For charter schools, data that show whether the charter school complied with Education Code sections 47612 and 47612.5; showing by grade level the number(s) of instructional minutes specified in Education Code section 47612.5; the instructional minutes offered during the year audited showing the school location with the lowest number of minutes offered at each grade level; the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendars; and whether the charter school complied with the instructional minutes and days provisions.
- 5) For school districts and charter schools that received a Form J-13A approval, list the actual minutes and days in the instructional minutes and days offered columns, add columns that list the credited minutes and days per the approved Form J-13A and the total minutes and days offered, adding the actual offering to the amount of minutes and days credited per the approved Form J-13A. Include a footnote stating that the school district or charter school received an approved J-13A identifying number or days and minutes approved.

Schedule of Financial Trends and Analysis

Displays information regarding the auditee's financial position and going concern status, in the form of actual financial and attendance figures for at least the most recent three-year period (ending with the audit year), plus the current year's budget, for the following items: general fund financial activity, including total revenue, expenditures, and other sources and uses; general fund balance; available reserve balances (funds designated for economic uncertainty, and any other remaining undesignated fund balance) within the general fund or special reserve fund; available reserve balances expressed as a percentage of total general fund outgo (expenditures, transfers out, and other uses), including a comparison to the applicable state-recommended available reserve percentage; total long-term debt; and elementary and secondary second principal ADA; and, when the auditee's percentage of available reserves to total general fund outgo is below the state-recommended percentage, management's plans for increasing the auditee's available reserve percentage.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

Displays the differences between the ending fund balance(s) from the audited financial statements and the unaudited ending fund balance(s) from the annual financial and budget report for each fund in which a variance occurred.

Schedule of Charter Schools

Listing all charter schools chartered by the school district or county office of education. For each charter school, include the charter school number and indicate whether or not the charter school is included in the school district or county office of education audit.

Combining Statements – Non-Major Governmental Funds

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Local Education Agency Organization Structure

LEA Organization Structure, setting forth the following information, at a minimum:

- 1) The date on which the LEA was established, and for charter schools the date and granting authority of each charter;
- 2) The date and a general description of any change during the year audited in a school district's boundaries;
- 3) The numbers by type of schools in the LEA;
- 4) The names, titles, terms, and term expiration dates of all members of the governing board; and
- 5) The names, with their titles, of the superintendent, chief business official, and deputy/associate/assistant superintendents.

This schedule is located in the front of the report.

OTHER INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S 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*

The Board of Trustees
Plumas Lake Elementary School District
Plumas Lake, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plumas Lake Elementary School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Plumas Lake Elementary School District's basic financial statements, and have issued our report thereon dated January 23, 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered Plumas Lake Elementary School District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plumas Lake Elementary School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Plumas Lake Elementary 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Plumas Lake Elementary 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.

January 23, 2023

RT DENNIS
ACCOUNTANCY



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees
Plumas Lake Elementary School District
Plumas Lake, California

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Plumas Lake Elementary 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 Plumas Lake Elementary 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 Plumas Lake Elementary School District's federal programs.

RT DENNIS
ACCOUNTANCY

Auditor's 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 Plumas Lake Elementary 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 Plumas Lake Elementary 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 Plumas Lake Elementary 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 Plumas Lake Elementary School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Plumas Lake Elementary 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.

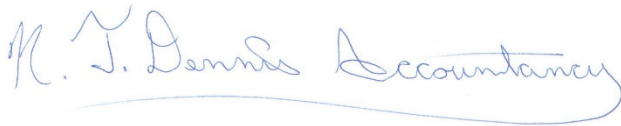
Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in blue ink that reads "R. J. Dennis Accountancy". The signature is written in a cursive style and is underlined with a single blue line.

January 23, 2023

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Plumas Lake Elementary School District
Plumas Lake, California

REPORT ON STATE COMPLIANCE

Opinion on State Compliance

We have examined Plumas Lake Elementary School District's compliance with the 2021-22 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* ("the State Audit Guide"), prescribed by the *California Code of Regulation*, Title 5 §19810, et seq., applicable to Plumas Lake Elementary School District's state compliance requirements as listed on the next pages for the year ended June 30, 2022..

In our opinion, Plumas Lake Elementary School District complied, in all material respects, with the applicable programs from the State Audit Guide, as listed on the next page during the year-ended June 30, 2022.

Basis for Opinion on State Compliance

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Plumas Lake Elementary School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Plumas Lake Elementary School District complied with the specified requirements.

Responsibilities of Management for State Compliance

Management of Plumas Lake Elementary School District is responsible for the District's compliance with the specified requirements.

Auditor's Responsibilities for the Examination of State Compliance

Our responsibility is to express an opinion on Plumas Lake Elementary School District's compliance with the specified requirements based on our examination. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on Plumas Lake Elementary School District's compliance with specified requirements.

RT DENNIS
ACCOUNTANCY

In connection with the audit referred to on the previous page, we selected and tested transactions and records to determine the Plumas Lake Elementary School District's compliance with the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
A. Attendance and Distance Learning	Yes
B. Teacher Certification And Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	Not Applicable ¹
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio Of Administrative Employees To Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable ¹
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable ¹
N. Middle or Early College High Schools	Not Applicable ¹
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable ¹
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable ¹

¹ District does not have this program or is otherwise not applicable to the District.

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices Of Education, And Charter Schools	
T. California Clean Energy Jobs Act	Not Applicable ¹
U. After/Before School Education and Safety Program	Not Applicable ¹
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 ¹
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Not Applicable ¹
DZ. In Person Instruction Grant	Yes
Charter Schools ¹	Not Applicable ¹

¹ District does not have this program or is otherwise not applicable to the District.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the State Audit Guide. Accordingly, this report is not suitable for any other purpose.



January 23, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</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(s):	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>AL Number</u>	<u>Name of Federal Program of Cluster</u>
84.425	Education Stabilization Fund (ESF):
84.027 & 84.173	Special Ed: IDEA

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

Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>
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PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

No Financial Statement Findings were noted in the current year.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

No Federal Award Findings were noted in the current year.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

No State Award Findings were noted in the current year.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

No Findings were noted in the prior year.