PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

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PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

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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, 2025, 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, 2025, 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.

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www.dennis-cpa.com

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").

2024-25 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 15, 2026 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.

N T Dennis Accountancy

January 15, 2026

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, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total net position was $38.7 million at June 30, 2025. This was an increase of $8.0 million over the prior net position.
- Overall expenses were $31.1 million, which was less than revenue of $39.1 million.
- The net cost of the District's programs was $15.0 million.
- The General Fund reported a decrease in fund balance of $0.1 million for the year. This decrease reflects the use of one-time funds, including the Arts, Music, and Instructional Materials Discretionary Funds, the Educator Effectiveness Grant, and the Kitchen Infrastructure and Training Grant, as well as one-time expenditures for a school bus and Chromebooks.

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OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section

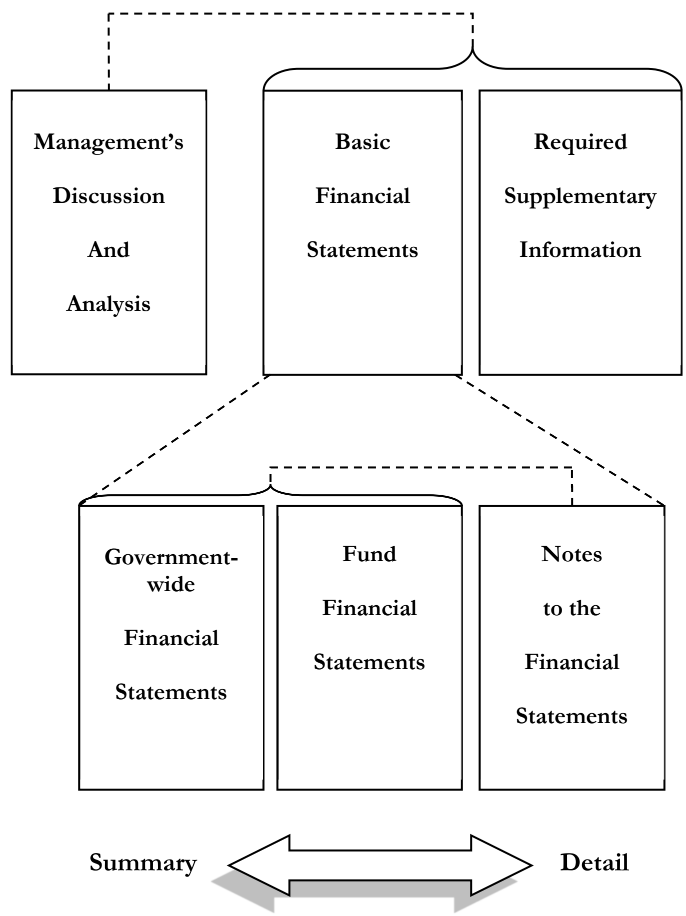
This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*, and *supplementary information*. The basic financial statements include two kinds of statements that present different views of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

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	❖ Statement of net position ❖ Statement of activities	❖ 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).

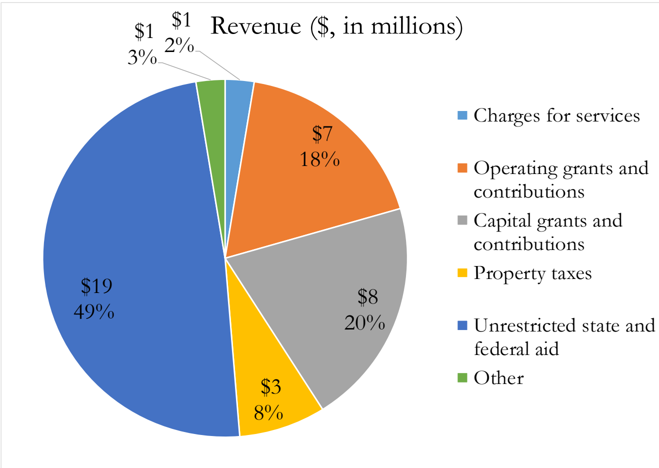
Governmental funds—Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at yearend that are available for spending. Consequently, the governmental 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.

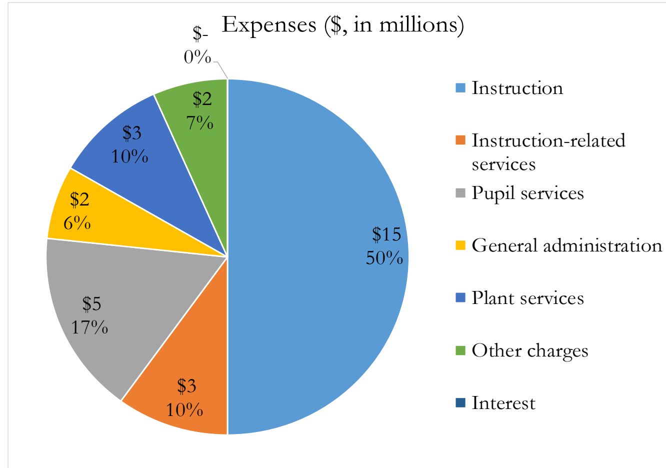
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. As of June 30, 2025, the District's net position increased, reflecting construction in progress for a fourth school site and investments in capital assets, including a school bus and transportation van.

Table 1 - Net Position

($ Amounts in millions)	2025	2024	$ Change	% Change
Current and other assets	$ 32.7	$ 25.5	$ 7.2	28%
Capital assets	33.9	33.0	0.9	3%
Total Assets	66.6	58.5	8.1	14%
Deferred outflows of resources	8.7	6.8	1.9	28%
Current liabilities	3.8	3.0	0.8	27%
Non-current liabilities	32.1	30.9	1.2	4%
Total Liabilities	35.9	33.9	2.0	6%
Deferred inflows of resources	0.7	0.7	-	0%
Net position				
Net investment in capital assets	19.7	17.9	1.8	10%
Restricted	23.6	17.2	6.4	37%
Unrestricted - (Deficit)	(4.6)	(4.4)	(0.2)	5%
Total Net Position	$ 38.7	$ 30.7	$ 8.0	26%





Changes in net position. The District's change in net position is primarily attributable to increased State funding within the General Fund and the Cafeteria Fund. Additional growth in revenues was realized from developer impact fees and Mello-Roos tax collections. Overall expenditures decreased slightly compared to the prior fiscal year.

Table 2 - Net Position

($ Amounts in millions)	2025	2024	$ Change	% Change
Program revenue				
Charges for services	$ 0.6	$ 2.9	$ (2.3)	-79%
Operating grants and contributions	7.1	7.1	-	0%
Capital grants and contributions	8.4	4.8	3.6	75%
General revenue				
Property taxes	3.4	3.4	-	0%
Unrestricted state and federal aid	18.6	16.6	2.0	12%
Other	1.0	0.9	0.1	11%
Total Revenue	39.1	35.7	3.4	10%
Expenses				
Instruction	15.4	16.3	(0.9)	-6%
Instruction-related services	3.1	3.7	(0.6)	-16%
Pupil services	5.3	5.2	0.1	2%
General administration	2.2	2.2	-	0%
Plant services	2.7	3.1	(0.4)	-13%
Other charges	2.0	2.0	-	0%
Interest	0.4	0.3	0.1	33%
Total Expenses	31.1	32.8	(1.7)	-5%
Increase in net position	$ 8.0	$ 2.9	$ 5.1	176%

Governmental Activities

Table 3 presents the cost of each of the District's five 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

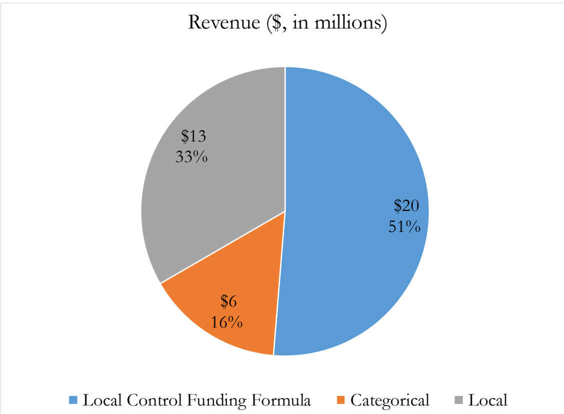
	Total Cost of Service		Net Cost of Services		
($ Amounts in millions)	2025	2024	2025	2024	% Change
Instruction	$ 15.4	$ 16.3	$ 10.5	$ 13.9	-24%
Instruction-related services	3.1	3.7	2.6	3.4	-24%
Pupil services	5.3	5.2	(1.1)	1.9	-158%
General administration	2.2	2.2	1.0	0.6	67%
Plant services	2.7	3.1	2.7	0.0	8900%
Other	2.5	2.3	(0.7)	1.0	-170%
Total	$ 31.2	$ 32.8	$ 15.0	$ 20.8	-28%

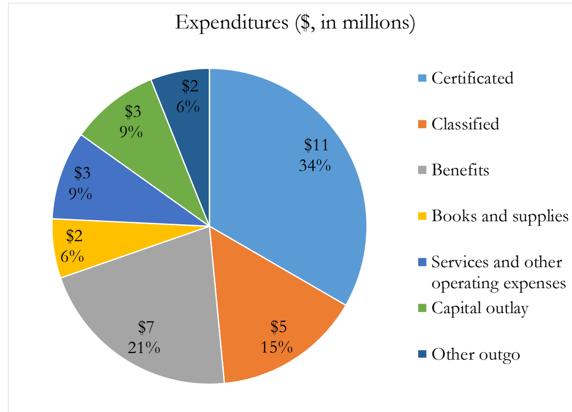
FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported *combined* fund balances of $29.8 million, this is above last year's ending fund balances of $23.5 million. The District's state funding increased due to growth in enrollment, along with a significant rise in developer impact fees.

Table 4 - Governmental Funds' Performance

($ Amounts in millions)	2025	2024	% Change
REVENUES			
Local Control Funding Formula	$ 19.8	$ 18.5	7%
Categorical	6.3	5.9	7%
Local	13.0	8.9	46%
Total Revenues	39.1	33.3	60%
EXPENDITURES			
Certificated	11.1	10.6	5%
Classified	5.2	4.8	8%
Benefits	6.7	6.3	6%
Books and supplies	2.0	1.7	18%
Services and other operating expenses	2.7	2.8	-4%
Capital outlay	3.0	0.8	275%
Other outgo	2.1	1.7	24%
Total Expenditures	32.8	28.7	n/a
NET CHANGE IN FUND BALANCE	$ 6.3	$ 4.6	n/a





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:

- **August Revisions:** Adjustments were made based on the enacted Budget Act, reflecting changes in LCFF funding, staffing, and other operating expenditures.
- **December (First Interim) Amendments:** Supplemental appropriations were approved to account for final staffing levels, carryover of Federal categorical funding, lottery funds, Home-to-School transportation reimbursements, Special Education funding, and Medi-Cal Billing Option funds. Beginning account balances were also updated to reflect actual balances.
- **Second Interim Revisions:** Adjustments were made to Federal, State, and Local grants, as well as to certificated salaries, transportation, maintenance, and Special Education expenditures.
- **April Revisions:** LCFF funding was increased, and final adjustments were made to expenditures.

Table 5 - General Fund and Budget Performance

	General Fund Activity			General Fund Budget		
($ Amounts in millions)	2025	2024	% Difference	Original Budget	Final Budget	% Difference
REVENUES						
Local Control Funding Formula	$ 19.6	$ 18.3	7%	$ 18.5	$ 19.5	-5%
Categorical	4.2	4.0	5%	3.8	3.9	-3%
Local	2.4	2.5	-4%	1.9	2.2	-14%
Total Revenues	26.2	24.8	6%	24.2	25.6	-5%
EXPENDITURES						
Salaries and benefits	22.2	20.9	6%	21.8	22.4	-3%
Supplies and services	2.9	3.0	-3%	2.9	3.1	-6%
Other	1.2	0.9	33%	0.8	1.2	-33%
Total Expenditures	26.3	24.8	6%	25.5	26.7	-4%
NET CHANGE IN FUND BALANCE	$ (0.1)	$ -	n/a	$ (1.3)	$ (1.1)	18%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Change in capital assets are a result of additional construction (construction in progress) and completion of new modulars and a new vehicle.

Table 6 - Capital Assets

($ Amounts in millions)	2025	2024	$ Change	% Change
Land and construction in progress	$ 8.7	$ 6.0	$ 2.7	45%
Buildings and equipment	61.0	60.7	0.3	0%
Accumulated depreciation	(35.8)	(33.7)	(2.1)	6%
Total Capital Assets	$ 33.9	$ 33.0	$ 0.9	3%

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

Table 7 - Long-Term Liabilities

($ Amounts in millions)	2025	2024	$ Change	% Change
Net pension liabilities	$ 18.4	$ 16.3	$ 2.1	13%
Net OPEB	0.1	0.1	-	0%
Compensated absences	0.2	0.3	(0.1)	-33%
Certificates of participation	7.0	7.4	(0.4)	-5%
Capital leases	1.4	1.6	(0.2)	-13%
Lease revenue bonds	3.1	-	3.1	n/a
Other long-term liabilities	2.7	6.0	(3.3)	-55%
Less current portion	(0.8)	(0.8)	-	0%
Total Long-term Liabilities	$ 32.1	$ 30.9	$ 1.2	4%

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District identified several factors that could impact its future financial position.

- The District has experienced enrollment growth in recent years and will require a fourth school to accommodate additional students.
- Revenue for the 2025-26 budget was projected using 2024-25 P2 ADA; however, enrollment growth is expected during the budget year.
- Public Employees Retirement System (PERS) employer contributions decreased slightly in the budget year but are projected to rise in future years as contribution rates increase.
- The State did provide a 2.30 percent COLA to the LCFF.
- The District carries forward approximately $368,000 in one-time grants into the 2025-26 school year.

These indicators were taken into account when adopting the general fund budget for 2025-26.

The budgeted amounts available for appropriation in the General Fund total $26.7 million, representing a 7.7 percent increase over the 2024-25 General Fund revenue of $24.8 million. Budgeted expenditures are projected to increase approximately 11 percent to $27 million. One-time funding has been allocated to address student needs, including learning loss, social-emotional support, and safety initiatives. District staff continuously monitor the budget throughout the year and make adjustments as necessary.

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.

STATEMENT OF NET POSITION
JUNE 30, 2025

($ Amounts in thousands)		Governmental Activities
ASSETS		
Cash and equivalents	$	30,888
Accrued receivables		1,722
Prepaid expenditures		49
Non-depreciable capital assets		8,683
Depreciable capital assets		25,209
Total Assets		66,551
DEFERRED OUTFLOWS OF RESOURCES		8,683
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	75,234
LIABILITIES		
Accrued liabilities	$	2,918
Unearned revenue		6
Non-current liabilities, current portion		844
Non-current liabilities, non-current portion		32,040
Total Liabilities		35,808
DEFERRED INFLOWS OF RESOURCES		679
NET POSITION		
Net investment in capital assets		19,674
Restricted for		
Capital projects		16,549
Debt service		3,564
Educational programs		3,508
Unrestricted (Deficit)		(4,548)
Total Net Position		38,747
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$	75,234

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

($ Amounts in thousands)		Program Revenues			Net (Expenses) Revenue and Changes in Net Position
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Instruction	$ 15,377	$ 1	$ 2,437	$ 2,431	$ (10,508)
Instruction - Related services					
Supervision of instruction and administration	800	-	119	118	(563)
Instructional library, media, and technology	326	-	19	19	(288)
School administration	1,929	3	103	106	(1,717)
Pupil Services					
Transportation	1,028	-	4	4	(1,020)
Food services	2,065	15	2,111	2,120	2,181
All other pupil services	2,165	251	801	1,050	(63)
General Administration					
Data processing services	484	-	-	-	(484)
All other general administration	1,715	20	160	997	(538)
Plant services	2,716	30	-	30	(2,656)
Ancillary services	1,245	273	991	1,260	1,279
Other debt service costs	449	-	-	-	(449)
Transfers to other agencies	781	-	314	313	(154)
Total Governmental Activities	$ 31,080	$ 593	$ 7,059	$ 8,448	(14,980)

General revenues	
Taxes and subventions	
Property taxes, levied for general purposes	2,268
Property taxes, levied for debt service	1,136
Federal and state aid not restricted for specific purposes	18,636
Interest and investment earnings/(loss)	1,007
Miscellaneous	(69)
Subtotal, General Revenue	22,988
CHANGE IN NET POSITION	8,008
Net Position - Beginning	30,739
Net Position - Ending	$ 38,747

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

GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2025

	General Fund	Capital Facilities Fund	Debt Service for Blended Component Unit Fund
ASSETS			
Cash and equivalents	$ 8,598,466	$ 16,050,501	$ 4,178,142
Accrued receivables	1,183,625	154,298	61,754
Due from other funds	321,048	658,287	-
Prepaid expenditures	47,125	-	-
TOTAL ASSETS	$ 10,150,264	$ 16,863,086	$ 4,239,896
LIABILITIES			
Accrued liabilities	$ 2,593,359	$ 60,842	$ -
Due to other funds	257,043	253,429	675,887
Unearned revenue	5,685	-	-
Total Liabilities	2,856,087	314,271	675,887
FUND BALANCE			
Nonspendable	52,225	-	-
Restricted	1,844,758	16,548,815	3,564,009
Committed	650,318	-	-
Assigned	3,198,671	-	-
Unassigned	1,548,205	-	-
Total Fund Balance	7,294,177	16,548,815	3,564,009
TOTAL LIABILITIES AND FUND BALANCE	$ 10,150,264	$ 16,863,086	$ 4,239,896

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

Non-Major Governmental Funds	Total Governmental Funds
$ 2,060,786	$ 30,887,895
322,023	1,721,700
257,043	1,236,378
2,291	49,416
$ 2,642,143	$ 33,895,389
154,466	2,808,667
50,019	1,236,378
-	5,685
204,485	4,050,730
2,791	55,016
1,663,120	23,620,702
769,708	1,420,026
2,039	3,200,710
-	1,548,205
2,437,658	29,844,659
$ 2,642,143	$ 33,895,389

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

	($ Amounts in thousands)		
Total Fund Balance - Governmental Funds			$ 29,845
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:	$ 69,657	
	Accumulated depreciation:	(35,765)	33,892
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 unmatured interest owing at the end of the period was:			(110)

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE STATEMENT OF NET POSITION, Continued
JUNE 30, 2025

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)	18,434	
Net OPEB Obligation	58	
Compensated absences payable	174	
Certificates of participation payable	6,994	
Capital leases payable	1,429	
Mello Roos Special Tax Bond	3,122	
Other general long-term debt	2,673	
Deferred loss on debt refunding	(488)	(32,396)

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	8,195
Deferred inflows of resources relating to pensions	(679)
Total Net Position - Governmental Activities:	$ 38,747

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

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Capital Facilities Fund	Debt Service for Blended Component Unit Fund
REVENUES			
LCFF sources	$ 19,594,018	$ -	$ -
Federal sources	603,119	-	-
Other state sources	3,583,042	-	-
Other local sources	2,466,113	8,954,300	1,290,955
Total Revenues	26,246,292	8,954,300	1,290,955
EXPENDITURES			
Current			
Instruction	14,614,023	-	-
Instruction - Related services			
Supervision of instruction and administration	747,563	-	-
Instructional library, media, and technology	301,873	-	-
School administration	1,802,166	-	-
Pupil Services			
Transportation	1,072,630	-	-
Food services	108,929	-	-
All other pupil services	1,966,442	-	-
General Administration			
Data processing services	449,005	-	-
All other general administration	1,232,059	325,934	-
Plant services	2,134,382	-	-
Ancillary services	962,881	-	-
Transfers to other agencies	781,093	-	-
Facilities acquisition and construction	-	2,705,536	-
Debt service			
Interest	50,573	224,964	69,235
Principal	139,160	433,323	249,046
Total Expenditures	26,362,779	3,689,757	318,281
Excess (Deficiency) of Revenues Over Expenditures	(116,487)	5,264,543	972,674
OTHER FINANCING SOURCES (USES)			
Transfers in	17,600	658,287	-
Transfers out	(8,244)	-	(675,887)
Net Financing Sources (Uses)	9,356	658,287	(675,887)
NET CHANGE IN FUND BALANCE	(107,131)	5,922,830	296,787
Beginning balance	7,401,308	10,625,985	3,267,222
Ending balance	$ 7,294,177	$ 16,548,815	$ 3,564,009

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

Non-Major Governmental Funds	Total Governmental Funds
$ 254,361	$ 19,848,379
838,913	1,442,032
1,261,698	4,844,740
241,395	12,952,763
2,596,367	39,087,914
-	14,614,023
-	747,563
-	301,873
-	1,802,166
-	1,072,630
1,837,483	1,946,412
-	1,966,442
-	449,005
50,019	1,608,012
345,710	2,480,092
157,398	1,120,279
-	781,093
-	2,705,536
-	344,772
-	821,529
2,390,610	32,761,427
205,757	6,326,487
8,244	684,131
-	(684,131)
8,244	-
214,001	6,326,487
2,223,657	23,518,172
$ 2,437,658	$ 29,844,659

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, 2025

($ Amounts in thousands)

Net Change in Fund Balances - Governmental Funds		$ 6,326
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:	$ 2,982	
Depreciation expense:	(2,091)	891
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:		821

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

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, 2025

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:	(33)
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	92
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:	(26)
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:	8
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:	(71)
Change in net position of Governmental Activities	$ 8,008

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

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.

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.

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 recoded 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.

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. <u>Assets, Liabilities, and Net Position and Fund Balances</u>

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, 2025, 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.

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:

Asset Class	Estimated Useful Life
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.

Sick leave is accumulated for each employee at the rate of one day for each month worked. Employee's sick leave balance may be converted to service credit in CalSTRS or CalPERS. It is generally more likely than not that the sick leave balance at June 30 will be converted to service credit, therefore credit for unused sick leave is considered part of the pension liability.

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.

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, 2025. 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 $23.6 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.

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, 2025 consist of the following:

	Governmental Activities
Deposits in financial institutions	$ 74,347
Cash in county	30,813,533
Money market	15
Total Cash and Cash Equivalents	$ 30,887,895

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%E	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%J	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50%K	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50%K	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, 2025, the bank balances totaled $89,174, all of which was insured through the FDIC.

Investment Type:	S & P Rating	Maturity (Years)	Fair Value Level		Fair Value
Cash in county	A - AA+	4.1	2	$	30,813,533
Money market	NR	1	1		15
			Total	$	30,813,548

NOTE 3 – ACCRUED RECEIVABLES

Receivables at June 30, 2025, were as follows:

	General Fund	Capital Facilities Fund	Debt Service for Blended Component Unit Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal Government					
Categorical aid	$ 233,839	$ -	$ -	$ 118,500	$ 352,339
State Government					
June categorical defarrals	361,160	-	-	-	361,160
Categorical aid	338,540	-	-	180,899	519,439
Lottery	121,723	-	-	-	121,723
Local Government					
Interest	89,524	154,298	61,754	21,809	327,385
Other Local Sources	38,839	-	-	815	39,654
Total	$ 1,183,625	$ 154,298	$ 61,754	$ 322,023	$ 1,721,700

All receivables are considered by management collectible in full.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

($ Amounts in thousands)	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025
Capital assets not being depreciated				
Land	$ 5,411	$ -	$ -	$ 5,411
Construction in progress	566	2,706	-	3,272
Non-Depreciable Capital Assets	5,977	2,706	-	8,683
Capital assets being depreciated				
Land improvements	$ 2,430	$ -	$ -	$ 2,430
Buildings & improvements	56,013	-	-	56,013
Furniture & equipment	2,161	276	-	2,437
Lease assets	94	-	-	94
Total Capital Assets Being Depreciated	60,698	276	-	60,974
Less Accumulated Depreciation				
Land improvements	1,165	160	-	1,325
Buildings & improvements	31,186	1,776	-	32,962
Furniture & equipment	1,266	137	-	1,403
Lease assets	57	18	-	75
Total Accumulated Depreciation	33,674	2,091	-	35,765
Depreciable Capital Assets, net	$ 27,024	$ (1,815)	$ -	$ 25,209
Total Capital Assets, net	$ 33,001	$ 891	$ -	$ 33,892

Depreciation expense: *($ Amounts in thousands)*	
Instruction	$ 1,190
Instructional services and administration	63
Instructional library, media, and technology	26
School site administration	142
Home-to-school transportation	117
Food service	81
All other pupil services	156
Centralized data processing	16
All other general administration	88
Plant services	139
Ancillary services	73
Total Depreciation	$ 2,091

NOTE 5 – INTERFUND BALANCES AND ACTIVITY

5 - A. Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2025, consist of the following:

	Due From Other Funds			
Due To Other Funds	**General Fund**	**Capital Facilities Fund**	**Non-Major Governmental Funds**	**Total**
General Fund	$ -	$ -	$ 257,043	$ 257,043
Capital Facilities Fund	253,429	-	-	253,429
Debt Service for Blended Component Unit Fund	17,600	658,287	-	675,887
Non-Major Governmental Funds	50,019	-	257,043	50,019
Total	$ 321,048	$ 658,287	$ 257,043	$ 1,236,378

The General Fund owes the Def. Maint. Fund for the LCFF transfer	$ 254,361
The General Fund owes the Cafeteria Fund for program costs	2,682
The Cafeteria Fund owes the General Fund for indirect costs	50,019
The Capital Facilities Fund owes the General Fund for Direct charges	253,429
The Debt Service for Blended Component Unit Fund owes the Capital Facilities Fund for debt service costs	658,287
The Debt Service for Blended Component Unit Fund owes the General Fund for debt service costs	17,600
Total	$ 1,236,378

5 - B. Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2025, consist of the following:

	Transfers In From Other Funds			
Transfers Out to Other Funds	**General Fund**	**Capital Facilities Fund**	**Non-Major Governmental Funds**	**Total**
General Fund	$ -	$ -	$ 8,244	$ 8,244
Debt Service for Blended Component Unit Fund	17,600	658,287	-	675,887
Total	$ 17,600	$ 658,287	$ 8,244	$ 684,131

The Debt Service for Blended Component Unit Fund transferred to the Capital Facilities Fund for debt service costs	$	658,287
The Debt Service for Blended Component Unit Fund transferred to the General Fund for debt service costs		17,600
The General Fund transferred to the County School Facilities Fund for negative cash		8,244
Total	$	684,131

NOTE 6 – ACCRUED PAYABLES

Payables at June 30, 2025, were as follows:

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	District-Wide	Total Governmental Activities
Payroll	$ 105,954	$ -	$ 5,688	$ -	$ 111,642
LCFF	1,696,656	-	-	-	1,696,656
Vendors payable	790,749	60,842	148,778	-	1,000,369
Interest payable	-	-	-	110,000	110,000
Total	$ 2,593,359	$ 60,842	$ 154,466	$ 110,000	$ 2,918,667

NOTE 7 – UNEARNED REVENUES

Unearned revenue at June 30, 2025, were as follows:

	General Fund
Federal sources	$ 5,685

NOTE 8– LONG-TERM LIABILITIES

8 - A. Long-Term Liabilities Summary

Long-term liability activity for the year ended June 30, 2025 was as follows:

($ Amounts in thousands)	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Balance Due in One Year
Mello Roos Special Tax Bond	$ 3,371	$ -	$ 249	$ 3,122	$ 259
Net Pension Liability ("NPL")	16,348	2,086	-	18,434	-
Net OPEB Obligation	67	-	9	58	-
Compensated absences payable	266	-	92	174	-
Certificates of participation payable	7,427	-	433	6,994	439
Leases payable	1,568	-	139	1,429	146
Plumas Lake Owner's Group	2,673	-	-	2,673	-
Deferred losses on debt refunding	(559)	-	(71)	(488)	-
Total	$ 31,161	$ 2,086	$ 851	$ 32,396	$ 844

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 Outstanding June 30, 2024	Redeemed	Bonds Outstanding June 30, 2025
2022	2035	2.12%	$ 2,979	$ 2,596	$ 193	$ 2,403
2022	2035	2.12%	887	775	56	719
				$ 3,371	$ 249	$ 3,122

The bonds mature through 2036 as follows:

($ Amounts in thousands)	CFD #1		CFD #2		
Year Ending June 30,	**Principal**	**Interest**	**Principal**	**Interest**	**Total**
2026	$ 199	$ 48	$ 60	$ 14	$ 321
2027	205	45	59	13	322
2028	210	40	63	12	325
2029	210	36	61	11	318
2030	214	31	65	9	319
2031 - 2035	1,124	86	339	27	1,576
2036	241	3	72	1	317
Totals	$ 2,403	$ 289	$ 719	$ 87	$ 3,498

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, 2025, resulted in net pension obligations and other related balances. The District is also responsible for a plan offered by Cal STRS.

($ Amounts in thousands)	Cal STRS	Cal PERS	Total
District's proportionate share of the net pension liability	$ (10,004)	$ (8,430)	$ (18,434)
Deferred Outflows of Resources	4,531	3,664	8,195
Deferred Inflows of Resources	(679)	-	(679)
District's proportionate share of the OPEB plan	(58)	-	(58)
Effect on Net Position	$ (6,210)	$ (4,766)	$ (10,976)

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

8 - D. Compensated Absence Balance

The long-term portion of accumulated unpaid employee leave for the District at June 30, 2025, amounted to $174,000. The General Fund would be responsible for the liability.

8 - E. Certificates of Participation ("COPSs")

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 Outstanding June 30, 2024	Redeemed	Bonds Outstanding June 30, 2025
2022	2035	3.35%	8,295	$ 7,427	$ 433	$ 6,994

The bonds mature through 2040 as follows:

($ Amounts in thousands)	COP		
Year Ending June 30,	**Principal**	**Interest**	**Total**
2026	439	211	$ 650
2027	454	197	651
2028	469	183	652
2029	484	168	652
2030	499	153	652
2031 - 2035	2,744	517	3,261
2036 - 2040	1,905	111	2,016
Totals	$ 6,994	$ 1,540	$ 8,534

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. The solar panels have a historical cost and accumulated depreciation of $2,234,198 and $1,191,572, respectively; and the copiers have a historical cost and accumulated depreciation of $93,949 and $75,108, respectively under capital lease arrangements.

The lease payment schedules are as follows:

($ Amounts in thousands)	**Solar Panels**		**Copiers**		
Year Ending June 30,	**Principal**	**Interest**	**Principal**	**Interest**	**Totals**
2026	$ 126	$ 46	$ 20	$ 0	$ 192
2027	133	42	1	0	176
2028	140	37	-	-	177
2029	148	32	-	-	180
2030	156	27	-	-	183
2031 - 2034	705	54	-	-	759
Totals	$ 1,408	$ 238	$ 21	$ 0	$ 1,667

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 2024-25 year. The outstanding liability at June 30, 2025 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.

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/files/d83bd9800/ACFR2023-24.pdf.

Benefits Provided. The STRP DB Program is based on a formula set by law using your age, service credit and final compensation:

- CalSTRS 2% at 60 (the age factor gradually decreases to 1.1% at age 50 if you retire before age 60, and increases to a maximum 2.4% at age 63 if you retire after age 60): Members first hired on or before December 31, 2012. At age 50 with at least 30 years of service credit or age 55 with five years of service credit.
- CalSTRS 2% at 62 (the age factor gradually decreases to 1.16% at age 55 if you retire before age 62 and increases to a maximum 2.4% at age 65 if you retire after age 62): Members first hired on or after January 1, 2013, At age 55 with at least five years of service.

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	Base rate	Supplemental rate per CalSTRS Funding Plan	Total rate
July 1, 2024	8.250%	10.850%	19.100%
July 1, 2025 – June 30, 2046	8.250%	[1]	[1]
July 1, 2046	8.250%	Increase from AB 1469 not applicable in 2046–47 and beyond	

[1] 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 20.25% and no lower than 8.25%.

District contributions to the pension plan from the District was $1,999,000 for the year ended June 30, 2025.

State's Contribution Rates:

Effective date	Base rate	Supplemental rate per CalSTRS Funding Plan	SBMA funding[1]	Total
July 1, 2024	2.017%	6.311%	2.500%	10.828%
July 1, 2025 – June 30, 2046	2.017%	[1]	2.500%	[1]
July 1, 2046	2.017%	[2]	2.500%	[2]

[1] 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%.
[2] From July 1, 2046, and thereafter, the board has limited authority to adjust the state contribution rate to fund the normal cost deficit or the unfunded obligation. The board cannot adjust the supplemental rate by more than 0.25% per year, and the supplemental rate may not exceed 1.505% in total. If there is neither an unfunded obligation nor a normal cost deficit, the supplemental contribution rate would be reduced to 0%.

STRP Contributions for DBS Program. For creditable service performed by DB Program members in excess of one year of service credit within one fiscal year, member contributions of either 8% (CalSTRS 2% at 60 members) or 9% (CalSTRS 2% at 62 members) and employer contributions of 8% are credited to the members' nominal DBS Program accounts (up to any applicable compensation cap). For CalSTRS 2% at 60 members only, member contributions of 8% and employer contributions of 8% for compensation as a result of limited-term payments or compensation determined to have been paid to enhance their DB Program benefits are also credited to DBS Program accounts.

STRP Contributions for CBB Program. Employers contribute 4.0% of applicable CBB Program participant salaries. Additionally, employers may enter into a collective bargaining agreement to pay different rates if certain minimum conditions are met.

STRP Contributions for RB Program. The RB Program is an excess benefits arrangement for DB Program members that is administered as a qualified excess benefit arrangement through a separate pension program apart from the other three STRP programs. Employer contributions that would otherwise be credited to the DB Program each month are instead credited to the RB Program to fund monthly program costs.

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

At June 30, 2025, 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:

	($ Amounts in thousands)
District's proportionate share of the net pension liability	$ 10,004
State's proportionate share of the net pension liability associated with the District	3,146
Total	$ 13,150

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. At June 30, 2025the District's proportion was as follows:

	Jun. 30, 2024	Jun. 30, 2023	Difference
Net Pension Liability Allocation Basis	0.0001489	0.0001509	-0.0000020

For the year ended June 30, 2025, the District recognized pension expense of $1,242,000 and revenue of $927,000 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

($ Amounts in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 694	$ -
Changes of assumptions	-	639
Net difference between projected and actual earnings on pension plan investments	-	40
Changes in proportion and differences between District contributions and and proportionate share of contributions	1,838	-
District contributions subsequent to the measurement date	1,999	-
Total	$ 4,531	$ 679

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

($ Amounts in thousands)		
Year ended June 30,		
2026	$ 2,561	$ 763
2027	562	(717)
2028	460	180
2029	441	225
2030	461	114
2031	46	114
Total	$ 4,531	$ 679

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, 2023, include:

Valuation Date	June 30, 2023
Experience Study [1]	July 1, 2007 – June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method
Investment Rate of Return [2]	7.10%
Consumer Price Inflation	2.75%
Payroll 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] Both a five-year period (July 1, 2017–June 30, 2022) and 15-year period were considered in the 2024 experience study; however, assumptions were primarily based on the results of the 15-year study. Additional information is available in the 2024 experience analysis report available at CalSTRS.com.
[2] Net of investment expenses but gross of administrative expenses.

Discount Rate. The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. 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 are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These 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 2024 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. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return [1]	Long-Term Expected Rate of Return [1,2]
Public Equity	38.0%	8.00%	5.25%
Real Estate	15.0%	6.80%	4.05%
Private Equity	14.0%	9.50%	6.75%
Fixed Income	14.0%	5.20%	2.45%
Risk Mitigating Strategies	10.0%	5.00%	2.25%
Inflation Sensitive	7.0%	6.40%	3.65%
Cash/Liquidity	2.0%	2.80%	0.05%

[1] 20- to 30-year geometric average.
[2] Real rates of return are net of assumed 2.75% inflation.

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:

($ Amounts in thousands)	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 17,792	$ 10,004	$ 3,499

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) as of June 30, 2024, are as follows *($ in millions)*:

Total Pension Liability	$ 408,181
Less: STRP Fiduciary Net Position	341,018
NPL of Employers and the State of California	$ 67,163
STRP Fiduciary Net Position as a % of the Total Pension Liability	80.6%

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/sites/default/files/documents/2025/01/acfr-2024.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. PEPRA 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 PEPRA 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. PEPRA 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.

Benefits Provided, continued

- 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 PEPRA members, the final compensation is not offset.

Contributions. CalPERS required employer contributions to be 27.05% of payroll. The report also reported an employee contribution rate of 7.0% for classic and PEPRA. Contributions to the pension plan from the District was $1,328,000 for the year ended June 30, 2025

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, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. At, the District reported a liability of $8,430,000 for its proportionate share of the net pension liability. At June 30, 2025, the District's proportion was as follows:

	Jun. 30, 2024	Jun. 30, 2023	Difference
Net Pension Liability Allocation Basis	0.0002359	0.0002135	0.0000224

For the year ended June 30, 2025, the District recognized pension expense of $2,113,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

($ Amounts in thousands)	Deferred Outflows of Resources
Differences between expected and actual experience	$ 647
Changes of assumptions	186
Net difference between projected and actual earnings on pension plan investments	328
Changes in proportion and differences between District contributions and proportionate share of contributions	1,175
District contributions subsequent to the measurement date	1,328
Total	$ 3,664

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

Year ended June 30,	*($ Amounts in thousands)*
2026	$ 2,288
2027	1,209
2028	271
2029	(104)
Total	$ 3,664

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	6.90%
Inflation	2.30%
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, 2.30% thereafter

[1] The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website

Long-term Expected Rate of Return. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are as followed:

Asset Class [1]	Assumed Asset Allocation	Real Return Years 1 – 10 [1,2]
Global Equity - cap-weighted	30.00 %	4.54 %
Global Equity non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

[1] An expected inflation of 2.30% used for this period.
[2] Figures are based on the 2021-22 Asset Liability Management study

Discount Rate. The discount rate used to measure the total pension liability for PERF B was 6.90%. 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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

($ Amounts in thousands)	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 12,525	$ 8,430	$ 5,050

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	$128,972,455
Less:	
Plan fiduciary net position	93,233,655
Net Pension Liability of Employers	$ 35,738,800
Fiduciary Net Position as a % of the Total Pension Liability	72.29%

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 has been essentially funded on a pay-as-you-go basis with a portion of contributions that would have otherwise been credited to the DB Program being diverted to the THBF to make MPP Program payments. Beginning in 2008, DB Program assets (technically the value of future contributions) in the amount of the MPP Program Actuarial Obligation (less any assets already in the THBF) are allocated for the purposes of paying the MPP Program benefits. The annual cost from a funding perspective is equal to contributions to the MPP Program. For the 2023-24 fiscal year, the actual cost was $23.1 million.

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

The total OPEB liability for the MPP Program as of June 30, 2024, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024.

At June 30, 2025, the District reported a liability of $58,000 for its proportionate share of the net OPEB liability. The District's proportion was as follows:

	Jun. 30, 2024	Jun. 30, 2023	Difference
Net OPEB Liability Allocation Basis	0.0002173	0.0002232	-0.0000059

For the year ended June 30, 2025, the District recognized pension expense of ($9,000).

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

Valuation Date	June 30, 2023
Experience study	July 1, 2007 – June 30, 2022
Measurement Date	June 30, 2024
Actuarial Cost Method	Individual Entry Age
Investment rate of return	3.93%
Medicare Part A and B Premium Costs Trend Rate	Approximately equivalent to a 4.09% to 6.62% increase each year for Medicare Part A and Part B, respectively.

Discount Rate. The MPP Program benefits are effectively funded on a pay-as-you-go basis through the THBF. Therefore, we have used a discount rate of 3.65% for June 30, 2023 and 3.93% for June 30, 2024. The discount rates are based on the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as specified in GASB. The Teachers' Retirement Board has adopted the 20-Bond GO Bond Buyer Index for these purposes.

Medicare costs trend rate. Future premiums are assumed to increase with a medical trend rate that varies by year, as shown in the following table:

	Assumed Annual Increase	
Years [1]	**Part A**	**Part B**
2023 – 2032	5.40%	6.62%
2033 – 2042	4.93%	5.59%
2043 – 2052	4.32%	4.54%
2053 & Later	4.09%	4.26%

[1] Trend rates indicate medical inflation in the specific year and therefore affect the premiums for the following year. For example, the projected 2024-2025 premium is the 2023-2024 premium increased by the assumed 2023-2024 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:

($ Amounts in thousands)	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 63	$ 58	$ 54

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	
($ Amounts in thousands)	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 54	$ 58	$ 63

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, 2022, are as follows *($ in millions)*:

Total OPEB liability	$2,299
Plus: MPP Program assets, deferred ouflows and inflows of resources	389
Net OPEB liability of employers	($2,688)
MPP Program fiduciary net position as a % of the total OPEB liability	(85.53%)

NOTE 11 – FUND BALANCE

Fund balance components at June 30, 2025, 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 expendit	47,125	-	-	2,291	49,416
Total Nonspendable	52,225	-	-	2,791	55,016
Spendable					
Restricted					
Educational programs					
Federal	-	-	-	1,594,373	1,594,373
State	1,255,702	-	-	-	1,255,702
Local	589,056	-	-	-	589,056
ASBs	-	-	-	68,747	68,747
Capital projects					
Developer fees	-	16,548,815	-	-	16,548,815
Debt service	-	-	3,564,009	-	3,564,009
Total Restricted	1,844,758	16,548,815	3,564,009	1,663,120	23,620,702
Committed					
COP Payment	650,318	-	-	-	650,318
Deferred maintenance	-	-	-	769,708	769,708
Total Committed	650,318	-	-	769,708	1,420,026
Assigned					
Lottery	35,013	-	-	-	35,013
EPA	3,163,658	-	-	-	3,163,658
Capital projects	-	-	-	2,039	2,039
Total Assigned	3,198,671	-	-	2,039	3,200,710
Unassigned					
Economic uncertainties	1,548,205	-	-	-	1,548,205
Total	$ 7,294,177	$ 16,548,815	$ 3,564,009	$ 2,437,658	$ 29,844,659

The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances. The district budget shall include a minimum reserve balance for economic uncertainties that is consistent with the percentage or amount specified in Title 5 California Code of Regulation §15450. In any year following the fiscal year in which the district is notified by the SPI that the amount of monies in the state Public School System Stabilization Account equals or exceeds three percent of the combined total of general fund revenues appropriated for school districts and allocated local proceeds of taxes, the district budget shall not contain a combined assigned or unassigned ending general fund balance that is in excess of 10 percent of these funds, unless the requirement is waived in accordance with Education Code §42127.01.

NOTE 12 – 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, 2025 the District made payments of $2,531,909 (Health, Dental, Vision), $271,774 (Workers' Comp), 298,434 to TCSIG, respectively.

NOTE 13 – CERTAIN RISK DISCLOSURES – JUNE DEFERRALS

Pursuant to Education Code §14041.6, the amount of $222,803,041 in state aid of the P-2 payment shall be deferred from June 2025 to July 2025. This results in a deferral of the full P-2 payment for all local educational agencies except those with an approved deferral exemption. The State Controller's Office estimates that payments for this apportionment will be issued to county treasurers on July 18, 2025. The P-2 payment for LEAs with an approved deferral exemption will be issued to the county treasurer on June 30, 2025. Effectively, this prevents an LEA from recognizing the June revenue in the current fiscal year, and therefore is recognized in the subsequent fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

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GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variances - Positive / (Negative) Final to Actual
	Original	Final	Actual	
REVENUES				
LCFF sources				
Principal apportionment	$ 16,972,505	$ 17,767,408	$ 17,580,515	$ (186,893)
County & district taxes	1,816,429	2,010,524	2,267,864	257,340
LCFF transfers	(245,175)	(267,443)	(254,361)	13,082
Federal revenue	581,349	592,256	603,119	10,863
Other state revenue	3,236,949	3,327,285	3,583,042	255,757
Other local revenue	1,944,929	2,240,379	2,466,113	225,734
Total Revenues	24,306,986	25,670,409	26,246,292	575,883
EXPENDITURES				
Certificated salaries	10,963,340	11,131,107	11,128,688	2,419
Classified salaries	4,353,526	4,678,398	4,618,218	60,180
Benefits	6,507,313	6,587,668	6,494,622	93,046
Supplies	780,166	936,531	1,009,724	(73,193)
Services and other operating expenditures	2,071,578	2,172,093	1,914,246	257,847
Capital outlay	65,000	290,487	276,474	14,013
Other outgo (excluding Transfers of Indirect Costs)	770,315	1,001,260	970,826	30,434
Other outgo - Transfers of Indirect Costs	(67,435)	(53,271)	(50,019)	(3,252)
Total Expenditures	25,443,803	26,744,273	26,362,779	381,494
Excess (Deficiency) of Revenues Over Expenditures	(1,136,817)	(1,073,864)	(116,487)	957,377
OTHER FINANCING SOURCES (USES)				
Transfers In	24,500	24,000	17,600	(6,400)
Transfers Out	-	-	(8,244)	(8,244)
Net Financing Sources (Uses)	24,500	24,000	9,356	(14,644)
NET CHANGE IN FUND BALANCE	(1,112,317)	(1,049,864)	(107,131)	942,733
Beginning balance	7,401,308	7,401,308	7,401,308	
Ending Balance	$ 6,288,991	$ 6,351,444	$ 7,294,177	$ 942,733

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Cal STRS *($ Amounts in*	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
District's proportion of the net pension liability	0.015%	0.015%	0.012%	0.012%	0.011%	0.011%	0.010%	0.010%	0.009%	0.009%
District's proportionate share of the net pension liability	$ 10,004	$ 11,494	$ 8,590	$ 5,545	$ 11,132	$ 9,543	$ 9,413	$ 9,217	$ 7,672	$ 6,336
State's proportionate share of the net pension liability associated with the District	3,146	3,723	2,875	1,856	3,787	3,369	3,427	3,424	2,783	2,192
Total	$ 13,150	$ 15,217	$ 11,465	$ 7,401	$ 14,919	$ 12,912	$ 12,840	$ 12,641	$ 10,455	$ 8,528
District's covered payroll	9,767	9,080	7,247	6,519	6,131	5,823	5,358	5,341	4,758	4,387
District's proportionate share of the net pension liability as a percentage of its covered payroll	102%	127%	119%	85%	182%	164%	176%	173%	161%	144%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%	73%	71%	70%	74%	77%

Cal PERS *($ Amounts in*	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
District's proportion of the net pension liability	0.024%	0.021%	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	$ 8,430	$ 7,731	$ 3,456	$ 4,597	$ 3,960	$ 3,672	$ 3,112	$ 2,547	$ 1,946	$ 1,484
District's covered payroll	$ 4,677	$ 3,729	$ 2,790	2,450	2,157	1,881	1,817	1,661	1,536	1,462
District's proportionate share of the net pension liability	180%	207%	124%	188%	184%	195%	171%	153%	127%	102%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	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 ($ Amounts in	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,999	$ 1,865	$ 1,735	$ 1,226	$ 1,053	$ 1,048	$ 948	$ 773	$ 672	$ 511
Contributions in relation to the contractually required contribution	(1,999)	(1,865)	(1,735)	(1,226)	(1,053)	(1,048)	(948)	(773)	(672)	(511)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,468	$ 9,767	$ 9,080	$ 7,247	$ 6,519	$ 6,131	$ 5,823	$ 5,358	$ 5,341	$ 4,758
Contributions as a percentage of covered payrc	19%	19%	19%	17%	16%	17%	16%	14%	13%	11%

Cal PERS ($ Amounts in	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,328	$ 1,248	$ 946	$ 639	$ 507	$ 425	$ 340	$ 282	$ 231	$ 182
Contributions in relation to the contractually required contribution	(1,328)	(1,248)	(946)	(639)	(507)	(425)	(340)	(282)	(231)	(182)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,909	$ 4,677	$ 3,729	$ 2,790	$ 2,450	$ 2,157	$ 1,881	$ 1,817	$ 1,661	$ 1,536
Contributions as a percentage of covered payrc	27%	27%	25%	23%	21%	20%	18%	16%	14%	12%

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

	2025	2024	2023	2022	2021	2020	2019	2018
District's Proportion of the collective net OPEB liability	58,000	68,000	61,000	73,000	62,000	61,000	60,000	66,000
District's proportionate share of the collective net OPEB liability	0.022%	0.022%	0.019%	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%	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 Payroll [1]

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, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing Number ("ALN")	Pass-Through Entity Identifying Number		Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:				
Federal Impact Aid (ESEA, Title VIII)	84.041	DF	$	24,784
Passed through California Department of Education (CDE):				
Every Student Suceeds Act ("ESSA"):				
Title I, Basic Grants Low-Income and Neglected	84.010	14329		132,962
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341		23,745
Title III, Immigrant Student Program	84.365	14346 & 15146		16,773
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396		10,672
Special Education Cluster (IDEA):				
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379		358,543
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430		15,747
Sec 611	84.027A	15197		19,728
Preschool Staff Development, Part B, Sec 619	84.173A	13431		166
Special Education Cluster (IDEA) Total				394,184
Total U. S. Department of Education				603,120

See accompanying note to supplementary information

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing Number ("ALN")	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE:			
Commodity Supplemental Food Program	10.565	DF	85,104
Passed through CDE:			
Child Nutrition Cluster **[1]**:			
NSL Sec 4 **[1]**	10.555	13523	110,846
NSL Sec 11 **[1]**	10.555	13524	335,177
School Breakfast Basic **[1]**	10.553	13525	137,535
School Breakfast Needy **[1]**	10.553	13526	10,477
School Programs (e.g., School Lunch, School Breakfast, Milk) **[1]**	10.555	13755	16,091
Child Nutrition Cluster Total **[1]**			610,126
CACFP COVID-19 Emergency Operational Costs Reimbursement	10.558	15577	53,797
Total U. S. Department of Agriculture			749,027
Total Federal Expenditures			$ 1,352,147

[1] - Major Program
DF - Direct Funded
No amount provided to subrecipients

See accompanying note to supplementary information

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025

	Second Period Attendance Report	Annual Attendance Report
Regular ADA [A-1]		
TK / K -3	765	767
Grades 4 - 6	537	537
Grades 7-8	326	325
Total Regular ADA	1,628	1,629
Special Education (Extended year / nonpublic) [A-2 through A-4]		
TK / K -3	1	1
Grades 4 - 6	2	2
Grades 7-8	4	4
Total Special Education (Extended year / nonpublic)	7	7
Total ADA	1,635	1,636

See accompanying note to supplementary information

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025

Grade Level	Education Code § 46207(a) Minutes' Requirements	Current Year Minutes	Number of Instructional Days Offered	Status
Kindergarten	36,000	58,280	180	Complied
Grade 1	50,400	57,420	180	Complied
Grade 2	50,400	57,420	180	Complied
Grade 3	50,400	57,420	180	Complied
Grade 4	54,000	57,420	180	Complied
Grade 5	54,000	57,420	180	Complied
Grade 6	54,000	59,644	180	Complied
Grade 7	54,000	59,644	180	Complied
Grade 8	54,000	59,644	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, 2025

	2026 (Budget)	2025	2024	2023
GENERAL FUND:				
Revenues	$ 27,078,192	$ 26,246,292	$ 24,780,773	$ 24,464,816
Transfers in	28,000	17,600	17,100	16,100
Total	27,106,192	26,263,892	24,797,873	24,480,916
Expenditures	28,190,175	26,362,779	24,671,094	22,101,774
Other uses and transfers out	-	8,244	-	-
Total	28,190,175	26,371,023	24,671,094	22,101,774
INCREASE/(DECREASE) IN FUND BALANCE	$ (1,083,983)	$ (107,131)	$ 126,779	$ 2,379,142
ENDING FUND BALANCE	$ 6,210,194	$ 7,294,177	$ 7,401,308	$ 7,142,327
AVAILABLE RESERVES	$ 1,691,411	$ 1,548,205	$ 1,630,432	$ 1,187,261
AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO	6%	6%	7%	5%
LONG-TERM DEBT	NA	$ 32,884,000	$ 31,720,000	$ 30,970,000
AVERAGE DAILY ATTENDANCE AT P-2	1,637	1,635	1,560	1,459

The General Fund balance has increased by $151,850 over the past two years. The fiscal year 2025-26 budget projects a decrease of $1,083,983 (fifteen 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 increased by $1,914,000 over the past two years.

Average daily attendance has increased by 176 ADA over the past two years. An increase of two ADA is anticipated during fiscal year 2025-26.

See accompanying note to supplementary information

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

FUND BALANCE	**General Fund**	**Student Activity Special Revenue Fund**	**Cafeteria Special Revenue Fund**	**Deferred Maintenance Fund**	**Capital Facilities Fund**	**Special Reserve Fund for Capital Outlay Projects**	**Capital Project for Blended Component Unit Fund**	**Debt Service for Blended Component Unit Fund**
Balance, June 30, 2025								
Unaudited Actuals:	$ 7,327,737	$ 71,579	$ 1,601,486	$ 771,602	$ 16,612,455	$ 1,902	$ 126	$ 3,568,740
Increase in:								
Cash in county	367,095	-	-	-	-	-	-	10,169
Cash in county valuation	-	66	-	-	-	-	-	-
Decrease in:								
Cash in county	-	(2,035)	-	-	-	-	-	-
Cash in county valuation	(26,118)	-	(4,322)	(1,894)	(63,640)	10	1	(14,900)
Cash in banks	-	(863)	-	-	-	-	-	-
Accrued receivable	(120,602)	-	-	-	-	-	-	-
Audited financial statement	$ 7,294,177	$ 68,747	$ 1,597,164	$ 769,708	$ 16,548,815	$ 1,912	$ 127	$ 3,564,009

See accompanying note to supplementary information

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
FOR THE YEAR ENDED JUNE 30, 2025

MEMBER	OFFICE	TERM EXPIRES
Angela Covil	President	December 2026
Aaron Cask	Vice President	December 2026
John Barnes	Member	December 2028
Veronica Brown	Member	December 2026
Cody Hess	Member	December 2028

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.

PLUMAS LAKE ELEMENTARY SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2025

	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	$ 68,747	$ 1,345,371	$ 644,651	$ 1,892	$ 125	$ 2,060,786
Accrued receivables	-	314,475	7,526	20	2	322,023
Due from other funds	-	2,682	254,361	-	-	257,043
Prepaid expenditures	-	2,291	-	-	-	2,291
TOTAL ASSETS	$ 68,747	$ 1,664,819	$ 906,538	$ 1,912	$ 127	$ 2,642,143
LIABILITIES						
Accrued liabilities	$ -	$ 17,636	$ 136,830	$ -	$ -	$ 154,466
Due to other funds	-	50,019	-	-	-	50,019
Total Liabilities	-	67,655	136,830	-	-	204,485
FUND BALANCE						
Nonspendable	-	2,791	-	-	-	2,791
Restricted	68,747	1,594,373	-	-	-	1,663,120
Committed	-	-	769,708	-	-	769,708
Assigned	-	-	-	1,912	127	2,039
Total Fund Balance	68,747	1,597,164	769,708	1,912	127	2,437,658
TOTAL LIABILITIES AND FUN	$ 68,747	$ 1,664,819	$ 906,538	$ 1,912	$ 127	$ 2,642,143

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, 2025

	Student Activity Special Revenue Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project for Blended Component Unit Fund	Non-Major Governmental Funds
REVENUES							
LCFF sources	$ -	$ -	$ 254,361	$ -	$ -	$ -	$ 254,361
Federal sources	-	838,913	-	-	-	-	838,913
Other state sources	-	1,261,698	-	-	-	-	1,261,698
Other local sources	163,530	59,778	26,225	(8,244)	99	7	241,395
	163,530	2,160,389	280,586	(8,244)	99	7	2,596,367
EXPENDITURES							
Current							
Pupil Services							
Food services	-	1,837,483	-	-	-	-	1,837,483
General Administration							
All other general administration	-	50,019	-	-	-	-	50,019
Plant services	-	-	345,710	-	-	-	345,710
Ancillary services	157,398	-	-	-	-	-	157,398
Total Expenditures	157,398	1,887,502	345,710	-	-	-	2,390,610
Excess (Deficiency) of Revenues Over Expenditures	6,132	272,887	(65,124)	(8,244)	99	7	205,757
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	8,244	-	-	8,244
NET CHANGE IN FUND BALANCE	6,132	272,887	(65,124)	-	99	7	214,001
Beginning balance	62,615	1,324,277	834,832	-	1,813	120	2,223,657
Ending balance	$ 68,747	$ 1,597,164	$ 769,708	$ -	$ 1,912	$ 127	$ 2,437,658

See accompanying note to supplementary information

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. The indirect cost rate process in California is based on the California Department of Education's (CDE's) federally approved indirect cost plan for K–12 LEAs, which include school districts, joint powers agencies, county offices of education, and charter schools. California's plan includes specific guidelines on indirect cost components, including the indirect cost pool, base costs, and the carry-forward adjustment. The United States Department of Education has approved the fixed-with-carry-forward restricted rate methodology for calculating indirect cost rates for California LEAs. CDE has been delegated authority to calculate and approve indirect cost rates annually for LEAs.

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 §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 §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 §47612 and 47612.5; showing by grade level the number(s) of instructional minutes specified in Education Code §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 Instructional Time, continued

6) For school districts and charter schools that are pending a Form J-13A approval, list the actual minutes and days in the instructional minutes and days offered columns, add columns that list the minutes and days per the submitted Form J-13A and the total minutes and days including pending Form J-13A , adding the actual offering to the amount of minutes and days that may be credited per the submitted Form J-13A. Include a footnote stating that the school district or charter school is pending a Form J-13A approval, identifying number of days and minutes that may be approved. Note: If the actual instructional minutes or days offered did not meet the instructional time requirements, the LEA is not in compliance with the instructional time requirements and a finding should be reported. Submission of a J-13A to the California Department of Education does not guarantee approval of the requested minutes and days.

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.

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, or a statement that there were no changes in a school district's boundaries, whichever applies;
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.

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.

District has not sponsored any charter schools

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.

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OTHER INDEPENDENT AUDITOR'S REPORT

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RT DENNIS ACCOUNTANCY

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, 2025, 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 15, 2026.

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 instances of noncompliance that are required to be reported under *Government Auditing Standards.* The reported noncompliance are the audit adjustments with the amounts in the accompanying Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.

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.

R T Dennis Accountancy

January 15, 2026

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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, 2025. 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, 2025.

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.

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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.

N T Dennis Accountancy

January 15, 2026

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

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

REPORT ON STATE COMPLIANCE

We have examined Plumas Lake Elementary School District's compliance with *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* ("the State Audit Guide") during the year ended June 30, 2025. Management of Plumas Lake Elementary School District is responsible for Plumas Lake Elementary School District's compliance with the applicable items listed on the following page. Our responsibility is to express an opinion on Plumas Lake Elementary School District's compliance with the applicable items listed on the following page based on our examination.

Our examination was conducted in accordance with AT-C §315, *Compliance Attestation*, of the 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 applicable items listed on the following page. An examination involves performing procedures to obtain evidence about whether Plumas Lake Elementary School District complied with the applicable items listed on the following page. 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 items listed on the following page.

Our examination disclosed material noncompliance applicable to Plumas Lake Elementary School District during the year ended June 30, 2025. We consider the noncompliance described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 to be material noncompliance.

In our opinion, except for the material noncompliance described in the preceding paragraph, Plumas Lake Elementary School District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2025.

Emphasis-of-Matter

As a result of the American Institute of Certified Public Accountants' ("AICPA") issuance of Statement of Audit Standard No. 141, the State Controller's Office issued an illustrative example for the *Independent Auditor's Report on State Compliance,* which included a reference to internal control testing. However, the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* sites no requisite internal controls or an internal control framework Local Education Agencies ("LEA") are to follow. As such, it would be inappropriate for the auditor to test and express an opinion on internal controls as it would relate to state compliance. Therefore, the auditor follows AT-C §315, *Compliance Attestation.*

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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.

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	Yes
B.	Teacher Certification And Misassignments	Yes
D.	Independent Study	Not Applicable [1]
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 or Programs	Not Applicable [1]
O.	K-3 Grade Span Adjustment	Yes
Q.	Apprenticeship: Related and Supplemental Instruction	Not Applicable [1]
R.	Comprehensive School Safety Plan	Yes
S.	District of Choice	Not Applicable [1]
TT.	Home To School Transportation Reimbursement	Yes

[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.	Proposition 28 Arts and Music in Schools	Yes
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
ZA.	Educator Effectivness	Yes
ZB.	Expanded Learning Opportunities Grant (ELO-G)	Not Applicable [1]
ZC.	Career Technical Education Incentive Grant	Not Applicable [1]
ZD.	Expanded Learning Opportunities Program	Yes
ZE.	Transitional Kindergaten	Yes
ZF.	Kindergarten Continuance	Yes
Charter Schools		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.

N T Dennis Accountancy

January 15, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	Yes

FEDERAL AWARDS

Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

AL Number	Name of Federal Program of Cluster
10.553 & 10.555	Child Nutrition Cluster

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

STATE AWARDS

Type of auditors' report issued on compliance for State programs:	Qualified

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

No Financial Statement Findings were noted in the current year.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

No Federal Award Findings were noted in the current year.

Five Digit Code	AB 3627 Finding Type
40000	State Compliance

2025-001 ***Expended Learning Opportunities Program ("ELOP") 40000***

Criteria Verify in-person before or after school expanded learning opportunities were offered on every school day and, when added to the school day, were no less than nine hours, pursuant to Education Code §46120(b)(1)(A).

a. Review the school attendance calendar and bell (class) schedules of the sampled schools, in conjunction with the schedules for Expanded Learning Opportunities Programs. If applicable, review any board resolution that documented an emergency closure to satisfy the condition of Education Code section 46120(b)(9).
b. Verify that Expanded Learning Opportunity Programs were offered on all individual school days.

NOTE:
ED §46120(b)(1)(A), does NOT exist. However, ED §46120(b)(4)(A) state's, "On schooldays, as described in §46100 and §s 46110 to 46119, inclusive, and days on which school is taught for the purpose of meeting the 180-instructional-day offering as described in §46208 for school districts and the 175-instructional-day offering as described in §11960 of Title 5 of the California Code of Regulations for charter schools, in-person before or after school expanded learning opportunities that, when added to daily instructional minutes, recess, and meals, are no fewer than nine hours of combined instructional time, recess, meals, and expanded learning opportunities per instructional day.

Condition: The District offered ELOP on 175 instructional days of the required 180 instructional days

Effect: The District was five (5) days below the requirement. This required a penalty calculation of the deficient days. The calculation produced a penalty amount of $24,747.

Cause: According to the LEA, the state was not entirely clear with the LEA's staff what the daily requirements were, this was further reinforced by the fact the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* didn't cite the correct Education Code §.

Repeat No, this is not a repeat finding

Corrective Action Plan: In order to comply with ELOP requirements, the Plumas Lake ESD is offered on all individual school days in the 2025-26 school year.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

No Findings were noted in the prior year.

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