



**YUBA COUNTY  
OFFICE OF  
EDUCATION**

**ANNUAL  
FINANCIAL REPORT**

**JUNE 30, 2023**



**YUBA COUNTY OFFICE OF EDUCATION**

**OF YUBA COUNTY**

**MARYSVILLE, CALIFORNIA**

**JUNE 30, 2023**

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**GOVERNING BOARD**

<b>MEMBER</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
John Nicoletti	President (Area 2)	December 2024
Marjorie Renicker	Vice President (Area 3)	December 2024
Katharine Rosser	Trustee (Area 1)	December 2026
Desiree Hastey	Trustee (Area 4)	December 2024
Tracy Bishop	Trustee (Area 5)	December 2026

**ADMINISTRATION**

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Rob Gregor	County Superintendent
Francisco Reveles, Ed.D. (resigned June 2023)	County Superintendent
Aaron Thornsberry, CPA (Inactive)	Chief Business Official

**ORGANIZATION**

The Yuba County Office of Education (COE) was established in 1852. The COE coordinates the educational programs among school districts within Yuba County. The COE also provides professional and financial assistance to school districts and has general responsibilities to support and monitor all schools in the county. The activities of the COE are governed by five trustees comprising the Yuba County Board of Education. Each trustee is elected by the residents of an area approximating the county supervisory districts.

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Yuba County Office of Education  
Marysville, California

### ***REPORT ON THE FINANCIAL STATEMENTS***

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Yuba County Office of Education'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, the business-type activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 Yuba County Office of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.<sup>3</sup>

#### ***Responsibilities of Management for the Financial Statements***

Yuba County Office of Education'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 Yuba County Office of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

RT DENNIS  
ACCOUNTANCY

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- ❖ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Yuba County Office of Education's internal control. Accordingly, no such opinion is expressed.<sup>5</sup>
- ❖ 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 Yuba County Office of Education's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and other postemployment schedules on pages 5–17 and 67–72, 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 Yuba County Office of Education'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").

*2022-23 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

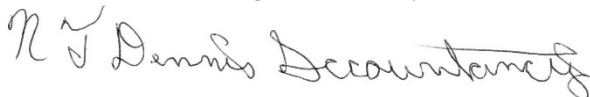
The above listed schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 31, 2024 on our consideration of Yuba County Office of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Yuba County Office of Education's internal control over financial reporting and compliance.



January 31, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INTRODUCTION

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

### FINANCIAL HIGHLIGHTS

- ▶ Total net position of both governmental and business-type activities increased about 62%. There was a significant decrease in net pension liabilities and better operating performance.
- ▶ During the year, the Yuba County Office of Education's total revenues were \$55.2 million and expenses were \$49.8 million.
- ▶ The net cost of the Yuba County Office of Education's governmental activities programs increased \$0.1 million to \$6.4 million.
- ▶ The County School Services Fund (general fund) reported an increase in fund balance this year of \$3.9 million mostly increased from other state revenues and from local sources.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of four parts—*management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *supplementary information*, which presents federal awards, state required schedules, and combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the COE:

**Figure A-1**  
**Required Components of Yuba County Office of Education’s Annual Financial Report**

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

The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.

*Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*.

*Fiduciary fund* statements provide information about the financial relationships—the warrant pass-through fund—in which the COE acts solely as a *custodian* for the benefit of others, to whom the resources in question belong.

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 COE’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

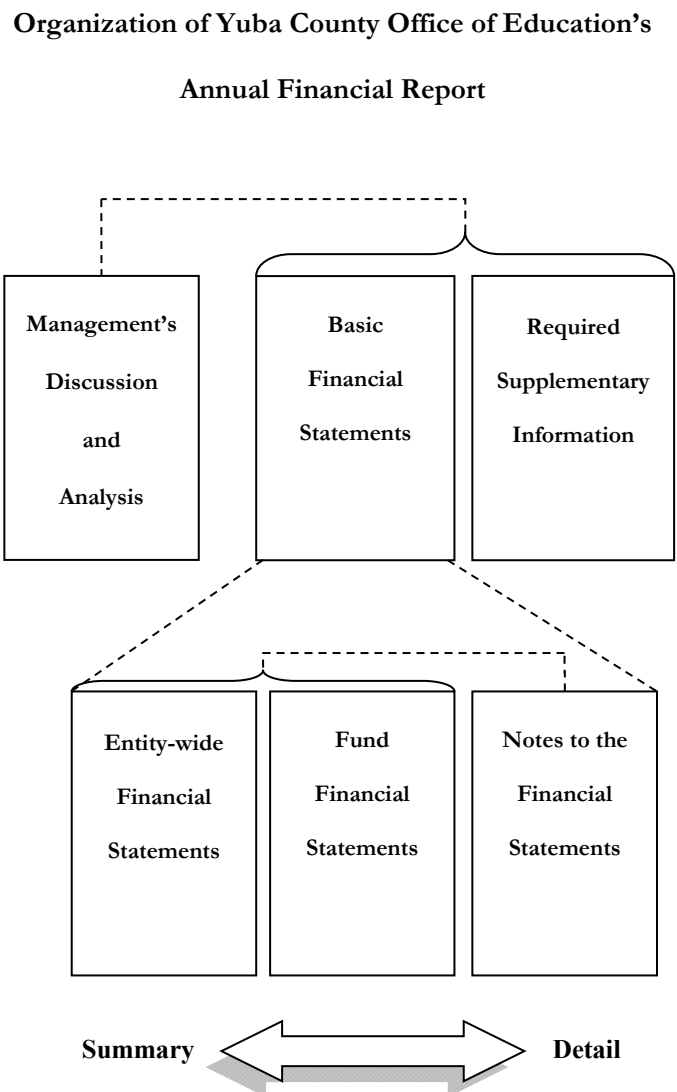


Figure A-2 summarizes the major features of the COE’s financial statements, including the portion of the COE’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

**YUBA COUNTY OFFICE OF EDUCATION**

**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
JUNE 30, 2023**

**Figure A-2  
Major Features of Yuba County Office of Education’s Entity-wide and Fund Financial Statements**

	Fund Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire COE government (except fiduciary funds) and the COE’s component units	The activities of the COE that are not proprietary or fiduciary	Activities the COE operates similar to private businesses: child care, and self-insurance	Instances in which the COE is the custodian for someone else’s resources, such as the warrant pass-through
Required financial statements	<ul style="list-style-type: none"> <li>➤ Statement of net position</li> <li>➤ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>➤ Balance sheet</li> <li>➤ Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>➤ Statement of net position</li> <li>Statement of revenues, expenses, and changes in net position</li> <li>Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>➤ Statement of fiduciary net position</li> <li>Statement of revenues, expenses, and changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic 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	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the COE’s funds do not currently contain capital assets, although they can
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	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**Entity-wide Statements**

The entity-wide statements report information about the COE as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the COE’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.

## YUBA COUNTY OFFICE OF EDUCATION

### MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2023

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

- ❖ Over time, increases or decreases in the COE's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the COE, you need to consider additional nonfinancial factors such as changes in the COE's property tax base and the condition of school buildings and other facilities. In the entity-wide financial statements, the COE's activities are divided into two categories:
  - *Governmental activities*—Most of the COE's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
  - *Business-type activities*—The COE charges fees to help it cover the costs of certain services it provides. The COE's adult education programs and food services are included here.

#### Fund Financial Statements

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

- ❖ Some funds are required by State law and by bond covenants.
- ❖ The COE 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).

The COE has three kinds of funds:

- ❖ *Governmental funds*—Most of the COE'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 COE's programs. Because this information does not encompass the additional long-term focus of the entity-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences) between them.
- ❖ *Proprietary funds*—Services for which the COE charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the entity-wide statements.
  - In fact, the COE's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
  - We use *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for the COE's other programs and activities. The COE currently has one internal service fund—the OPEB Self-Insurance fund.
- ❖ *Fiduciary funds*—The COE is the trustee, or *fiduciary*, for assets that belong to others, such as the warrant pass-through. The COE is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the entity-wide financial statements because the COE cannot use these assets to finance its operations.



YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2023

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

Due to the various liabilities (including pension) the COE reported a total deficit unrestricted net position of \$5.1 million. (See Table 1.)

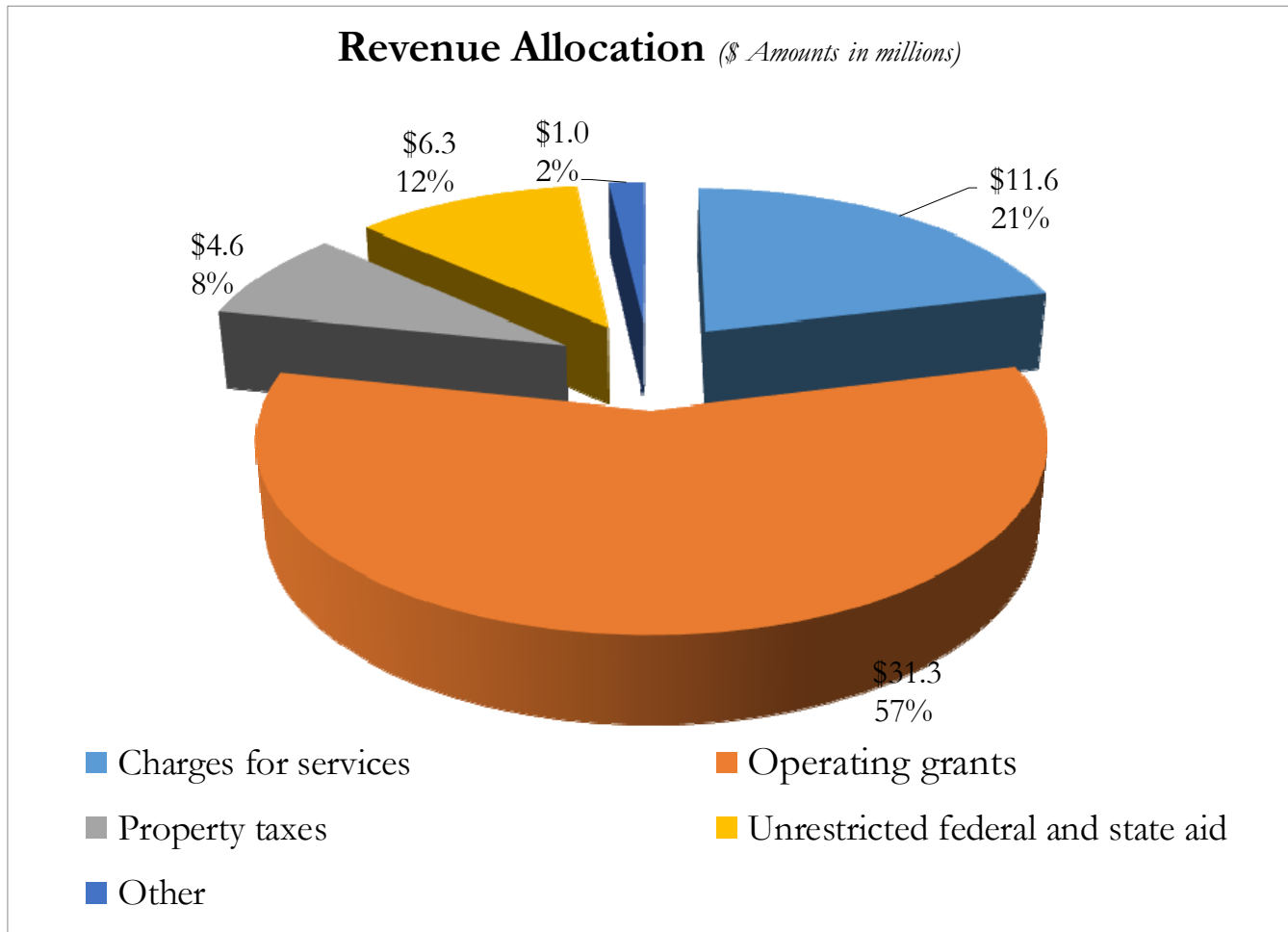
Table 1 - Net Position

	Governmental		Business-Type		Total		\$ Change	% Change
	Activities		Activities					
(\$ Amounts in millions)	2023	2022	2023	2022	2023	2022		
<b>ASSETS</b>								
Current assets	\$ 30.1	\$ 26.2	\$ -	\$ -	\$ 30.1	\$ 26.2	\$ 3.9	15%
Capital assets, net	11.9	12.1	1.2	1.2	13.1	13.3	(0.2)	-2%
<b>Total Assets</b>	<b>42.0</b>	<b>38.3</b>	<b>1.2</b>	<b>1.2</b>	<b>43.2</b>	<b>39.5</b>	<b>3.7</b>	<b>9%</b>
<b>DEFERRED</b>								
<b>OUTFLOWS OF</b>								
<b>RESOURCES</b>	6.2	3.8	-	-	6.2	3.8	2.4	63%
<b>LIABILITIES</b>								
Current liabilities	9.7	10.6	-	-	9.7	10.6	(0.9)	-8%
Non-current liabilities	24.1	16.2	-	-	24.1	16.2	7.9	49%
<b>Total Liabilities</b>	<b>33.8</b>	<b>26.8</b>	<b>-</b>	<b>-</b>	<b>33.8</b>	<b>26.8</b>	<b>7.0</b>	<b>26%</b>
<b>DEFERRED INFLOW</b>								
<b>OF RESOURCES</b>	1.2	7.6	-	-	1.2	7.6	(6.4)	-84%
<b>NET POSITION</b>								
Net investment in capital assets	11.7	11.7	1.2	1.2	12.9	12.9	-	0%
Restricted	6.6	3.3	-	-	6.6	3.3	3.3	100%
Unrestricted - (Deficit)	(5.1)	(7.3)	-	-	(5.1)	(7.3)	2.2	-30%
<b>Total Net Position</b>	<b>\$ 13.2</b>	<b>\$ 7.7</b>	<b>\$ 1.2</b>	<b>\$ 1.2</b>	<b>\$ 14.4</b>	<b>\$ 8.9</b>	<b>\$ 5.5</b>	<b>62%</b>

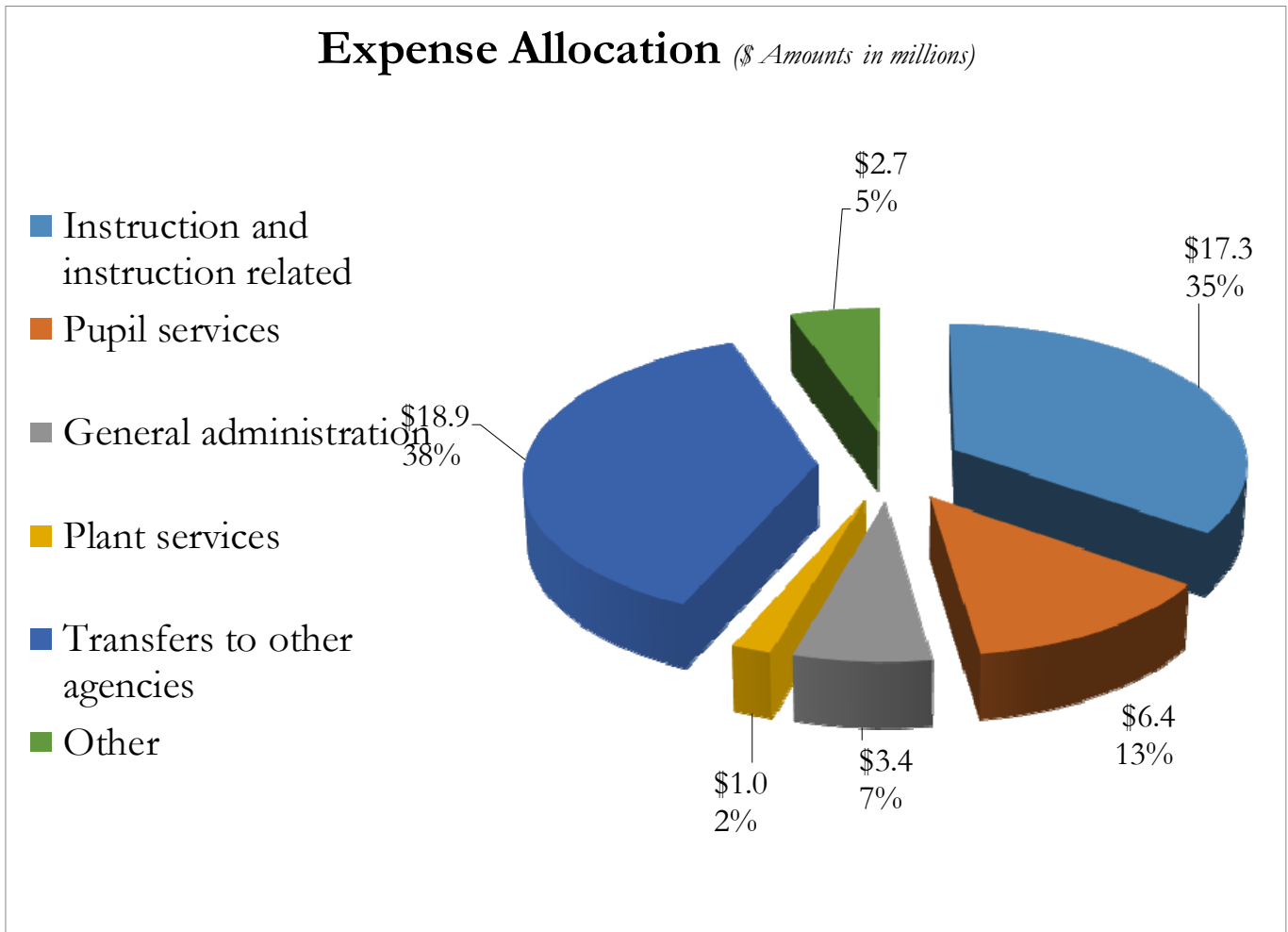
All of the components of net position are either restricted as to the purposes they can be used for or are invested in capital assets (buildings, equipment, and so on). Consequently, the *unrestricted* component of net position show a \$5.1 million deficit at the end of this year. This deficit does not mean that the COE does not have resources available to pay its bills next year. Rather, it is the result of having *long-term* commitments that are greater than currently available resources. Specifically, the COE did not include in past annual budgets the full amounts needed to finance future liabilities arising mainly from the various pension liabilities, as well as, the total booking of depreciation. The COE will include these amounts in future years’ budgets as they come due.

**Changes in Net Position**

The COE’s total governmental revenues increased by about twenty-four percent to \$55.2 million. (See Table 2.) Over half of the revenue comes from operating grants, and twelve percent comes from unrestricted state and federal aid (mostly LCFF state aid). (See Revenue Allocation.) Another twenty-one percent comes from fees charged for services, and most of the rest is other state and local sources.



The total cost of all governmental programs and services increased to \$49.7 million, (or twenty-one percent). The COE's expenses cover a range of services, with the two largest parts being related to instruction (and related) and transfers to other agencies. (See Expense Allocation.)



YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2023

Table 2 and the narrative that follows consider the operations of governmental and business-type activities separately.

Table 2 - Changes in Net Position

	Governmental		Business-Type		Total		\$ Change	% Change
	Activities		Activities					
(\$ Amounts in millions)	2023	2022	2023	2022	2023	2022		
<b>REVENUES</b>								
Program revenues								
Charges for services	\$ 11.6	\$ 7.9	\$ -	\$ -	\$ 11.6	\$ 7.9	\$ 3.7	47%
Operating grants	31.3	25.7	-	-	31.3	25.7	5.6	22%
Capital grants and contributions	0.3	-	-	-	0.3	-	0.3	n/a
General revenues								
Property taxes	4.6	4.0	-	-	4.6	4.0	0.6	15%
Unrestricted federal and state aid	6.3	4.5	-	-	6.3	4.5	1.8	40%
Other	1.0	2.3	0.1	-	1.1	2.3	(1.2)	-50%
<b>Total Revenues</b>	<b>55.1</b>	<b>44.4</b>	<b>0.1</b>	<b>-</b>	<b>55.2</b>	<b>44.4</b>	<b>10.8</b>	<b>24%</b>
<b>EXPENSES</b>								
Instruction and instruction related	17.3	13.6	-	-	17.3	13.6	3.7	27%
Pupil services	6.4	4.8	-	-	6.4	4.8	1.6	33%
General administration	3.4	3.0	-	-	3.4	3.0	0.4	13%
Plant services	1.0	1.0	-	-	1.0	1.0	-	0%
Transfers to other agencies	18.9	16.1	-	-	18.9	16.1	2.8	17%
Depreciation	-	0.6	-	-	-	0.6	(0.6)	-100%
Other	2.7	2.0	0.1	0.1	2.8	2.1	0.7	33%
<b>Total Expenses</b>	<b>49.7</b>	<b>41.1</b>	<b>0.1</b>	<b>0.1</b>	<b>49.8</b>	<b>41.2</b>	<b>8.6</b>	<b>21%</b>
<b>Excess/(Deficiency)</b>	<b>\$ 5.4</b>	<b>\$ 3.3</b>	<b>\$ 0.0</b>	<b>\$ (0.1)</b>	<b>\$ 5.4</b>	<b>\$ 3.2</b>	<b>\$ 2.2</b>	<b>70%</b>

**Governmental Activities.** Revenues for the COE’s governmental activities increased, and total expenses also increased. Revenues increased due to increased Local Control Funding Formula and other grants from the State. In addition, revenues from leases and rentals, interagency services and special education services to districts increased. Expenses increased from \$41.1 million to \$49.7 million mostly because of salary and benefit increases, increased services required from one-time grants and increased inflation of supplies and services. Special education costs significantly increased due to contracting out services because of staffing shortages and increased services for students. Medi-Cal reimbursement funding increased, and a significant portion of that funding is transferred to the districts that participated in the Yuba County Medi-Cal Consortium.

**Business-type Activities.** Little change in activity in 2022-23 since this comes from activities related to renting out a former school site.

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2023

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

- The cost of all *governmental* activities this year was \$49.6 million.
- Some of the cost was paid by:
  - Those who directly benefited from the programs (\$11.6 million),
  - Other governments that subsidized certain programs with grants and contributions (\$31.3 million).
  - State government that subsidized capital programs (\$0.3 million).
- The COE paid for the \$11.9 million “public benefit” portion with \$4.6 million in taxes, \$6.3 from unrestricted state aid, and the rest from other revenues such as interest, interagency revenue, and miscellaneous (\$0.1 million).

**Table 3 - Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services		\$ Change	% Change
	2023	2022	2023	2022		
<i>(\$ Amounts in millions)</i>						
Instruction	\$ 12.7	\$ 9.6	\$ 2.1	\$ 0.2	\$ 1.9	950%
Instruction related	4.5	4.0	2.4	1.4	1.0	71%
Student services	6.4	4.8	(1.7)	0.0	(1.7)	-3569%
Community services	2.3	1.5	(0.4)	0.1	(0.5)	-500%
Transfers between agencies	18.9	16.1	1.0	1.2	(0.2)	-17%
Other	4.8	4.9	3.0	3.4	(0.4)	-12%
<b>Total</b>	<b>\$ 49.6</b>	<b>\$ 40.9</b>	<b>\$ 6.4</b>	<b>\$ 6.3</b>	<b>\$ 0.1</b>	<b>1%</b>

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2023

FINANCIAL ANALYSIS OF THE COE’S FUNDS

Fund Financial Statement

As the COE completed the year, its governmental funds reported a *combined* fund balance of almost \$17.1 million, increased over last year. Included in this year’s total change in fund balance, is an increase of \$4.8 million in the COE’s general fund. The primary reasons for the fund’s increase is from the increase in categorical revenues outpacing the increase in expenses for the year.

Table 4 - Funds' Performance

(\$ Amounts in millions)	Governmental Funds			
	2023	2022	\$ Change	% Change
<b>REVENUES</b>				
LCFF	\$ 10.7	\$ 8.4	\$ 2.3	27%
Categorical	28.6	24.8	3.8	15%
Local	15.9	11.5	4.4	38%
<b>Total Revenues</b>	<b>55.2</b>	<b>44.7</b>	<b>10.5</b>	<b>23%</b>
<b>EXPENDITURES</b>				
Certificated	6.2	5.8	0.4	7%
Classified	7.8	7.2	0.6	8%
Benefits	6.4	5.8	0.6	10%
Books and supplies	1.2	1.0	0.2	20%
Services and other operating	9.3	6.0	3.3	55%
Capital outlay	0.4	0.1	0.3	300%
Other outgo	19.3	16.5	2.8	17%
<b>Total Expenditures</b>	<b>50.6</b>	<b>42.4</b>	<b>8.2</b>	<b>19%</b>
<b>NET CHANGE IN FUND BALANCE</b>				
	\$ 4.8	\$ 2.3	\$ 2.5	-109%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2023

County School Services Fund Budgetary Highlights

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

- ❖ Amendments and supplemental appropriations approved in December (1<sup>st</sup> Interim) to reflect the actual beginning account balances (correcting the estimated amounts in the budget adopted in June 2022).
- ❖ Changes made in the 2<sup>nd</sup> Interim to account for the midyear hiring and other changes.
- ❖ Increases in appropriations to prevent budget overruns.

**Table 5 - County School Services Fund and Budget Performance**

	Activity			Budget		
	2023	2022	% Difference	Original Budget	Final Budget	% Difference
<i>(\$ Amounts in millions)</i>						
<b>REVENUES</b>						
LCFF	\$ 7.8	\$ 6.1	28%	\$ 7.3	\$ 7.5	4%
Categorical	8.8	7.0	26%	5.8	7.7	14%
Local	15.2	10.9	39%	11.7	15.2	0%
<b>Total Revenues</b>	<b>31.8</b>	<b>24.0</b>	<b>33%</b>	<b>24.8</b>	<b>30.4</b>	<b>5%</b>
<b>EXPENDITURES</b>						
Certificated	4.9	4.6	7%	5.0	5.0	-2%
Classified	7.1	6.4	11%	7.4	7.5	-5%
Benefits	5.5	4.9	12%	5.9	5.6	-2%
Supplies and services	8.8	5.7	54%	5.2	9.7	-9%
Other	1.5	1.0	50%	0.3	0.3	400%
<b>Total Expenditures</b>	<b>27.8</b>	<b>22.6</b>	<b>23%</b>	<b>23.8</b>	<b>28.1</b>	<b>-1%</b>
<b>Net financing activities</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>-50%</b>	<b>(0.8)</b>	<b>(0.4)</b>	<b>-50%</b>
<b>NET CHANGE IN FUND BALANCE</b>						
	\$ 3.8	\$ 1.0	280%	\$ 0.2	\$ 1.9	100%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2023

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The COE restated capital assets as mentioned previously.

At June 30, 2023, the COE had invested a total \$21.8 million in a broad range of capital assets, including construction in progress, buildings, building improvements, and equipment. (See Table 6.) There was a net decrease (including additions, deductions, and depreciation) of \$0.1 million over last year.

**Table 6 - COE's Capital Assets**

	Governmental		Business-Type		Total		\$ Change	% Change
	Activities		Activities					
<i>(\$ Amounts in millions)</i>	2023	2022	2023	2022	2023	2022		
<b>CAPITAL ASSETS</b>								
Land and const. in progress	\$ 0.8	\$ 0.8	\$ -	\$ -	\$ 0.8	\$ 0.8	\$ -	0%
Buildings and equipment	19.3	19.0	1.7	1.6	21.0	20.6	0.4	2%
Accumulated depreciation	(8.2)	(7.7)	(0.5)	(0.5)	(8.7)	(8.2)	(0.5)	6%
<b>Total Capital Assets</b>	<b>\$ 11.9</b>	<b>\$ 12.1</b>	<b>\$ 1.2</b>	<b>\$ 1.1</b>	<b>\$ 13.1</b>	<b>\$ 13.2</b>	<b>\$ (0.1)</b>	<b>-1%</b>

**Long-Term Liabilities**

Most activity on long-term liabilities is the pension liability. The COE also paid-down the lease purchase and adjusted the OPEB.

**Table 7 - COE's Long Term Liabilities**

	Governmental		Business-Type		Total		\$ Change	% Change
	Activities		Activities					
<i>(\$ Amounts in millions)</i>	2023	2022	2023	2022	2023	2022		
Net pension liability	\$ 20.8	\$ 13.0	\$ -	\$ -	\$ 20.8	\$ 13.0	\$ 7.8	60%
Net OPEB	2.9	2.8	-	-	2.9	2.8	0.1	4%
Compensated absences	0.2	0.2	-	-	0.2	0.2	-	0%
Leases payable	0.2	-	-	-	0.2	-	0.2	#DIV/0!
Lease/purchase agreement	-	0.4	-	-	-	0.4	(0.4)	-100%
Less current portion	-	(0.2)	-	-	-	(0.2)	0.2	-100%
<b>Total Long-term Liabilities</b>	<b>\$ 24.1</b>	<b>\$ 16.2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24.1</b>	<b>\$ 16.2</b>	<b>\$ 7.9</b>	<b>49%</b>



## YUBA COUNTY OFFICE OF EDUCATION

### MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2023

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#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time of 2023-24 budget development, the COE was aware of several circumstances that could affect its future financial health.

- Large one-time increases in federal and state grants, that will likely not be sustainable.
- Aging facilities
- Increasing cost of employee retirement
- Waiting on state facility bond allocation.
- Transfer of special education programs to Districts.
- Rising pension costs

These indicators were taken into account when adopting the general fund budget for 2023-24. Amounts available for appropriation in the general fund budget are \$27.8 million, an increase of 23 percent over the final 2021 budget of \$22.6 million.

Budgeted expenditures are expected to increase in relation to revenue. An increase in wages for step & column adjustments averaging 5.28% was reached with the certificated union and averaging 8.25% for the classified union in 2023. The contribution for health insurance was increased by 11% for all employees participating in the health insurance plan. In addition, PERS and STRS retirement contributions are required from the two pension funds. The COE will increase program services from large increases of one-time grants received in 2020-21 through 2023-24.

#### CONTACTING THE COE'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the COE's finances and to demonstrate the COE's accountability for money it receives. If you have any questions about this report, or need additional financial information, contact Aaron Thornsberry, Chief Business Official, 935 14th Street, Marysville, CA 95901 (530) 749-4900.

## **BASIC FINANCIAL STATEMENTS**

YUBA COUNTY OFFICE OF EDUCATION

STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Business-Type		Total
	Activities	Activities	
	<i>(\$ Amounts in thousands)</i>		
<b>ASSETS</b>			
Deposits and investments	\$ 16,721	\$ 9	\$ 16,730
Accrued receivables	13,336	-	13,336
Internal balances	1	(1)	-
Prepaid expenses	77	-	77
Capital assets, not depreciable	770	-	770
Capital assets, depreciable, net	11,137	1,165	12,302
<b>Total Assets</b>	42,042	1,173	43,215
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	6,226	-	6,226
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 48,268	\$ 1,173	\$ 49,441
<b>LIABILITIES</b>			
Accrued liabilities	\$ 8,704	\$ 2	\$ 8,706
Unearned revenue	995	-	995
Long-term obligations, current portion	45	-	45
Long-term obligations, non-current	24,132	-	24,132
<b>Total Liabilities</b>	33,876	2	33,878
<b>DEFERRED INFLOWS OF RESOURCES</b>	1,214	-	1,214
<b>NET POSITION</b>			
Net investment in capital assets	11,699	1,165	12,864
Restricted for			
Capital projects	1,463	-	1,463
Educational programs	5,176	-	5,176
Unrestricted - (Deficit)	(5,160)	6	(5,154)
<b>Total Net Position</b>	13,178	1,171	14,349
<b>TOTAL LIABILITIES, INFLOWS OF RESOURCES, AND NET POSITION</b>	\$ 48,268	\$ 1,173	\$ 49,441

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants
(\$ Amounts in thousands)				
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 12,737	\$ 3,049	\$ 7,271	\$ 302
Instruction-related services				
Instructional supervision and administration	3,683	566	1,309	-
School site administration	841	70	149	-
Pupil services				
Food services	45	7	14	-
All other pupil services	6,325	1,589	6,434	-
General administration				
Centralized data processing	664	-	-	-
All other general administration	2,712	298	1,156	-
Plant services	999	118	244	-
Ancillary services	2	-	-	-
Community services	2,337	1,236	1,487	-
Enterprise activities	324	-	-	-
Interest on long-term debt	17	-	-	-
Transfer to other agencies	18,906	4,681	13,258	-
<b>Total Governmental Activities</b>	<b>49,592</b>	<b>11,614</b>	<b>31,322</b>	<b>302</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Enterprise activities	122	-	-	-
<b>Total Entity</b>	<b>\$ 49,714</b>	<b>\$ 11,614</b>	<b>\$ 31,322</b>	<b>\$ 302</b>
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				
Federal and state aid not restricted for specific purposes				
Interest and investment earnings/(loss)				
Interagency revenues				
Miscellaneous				
<b>Subtotal, General Revenue</b>				
<b>Excess (Deficiency) of Revenues Over Expenses</b>				
<b>Before Transfers</b>				
Internal transfers				
<b>CHANGE IN NET POSITION</b>				
<b>Net Position - Beginning</b>				
<b>Net Position - Ending</b>				

The accompanying notes are an integral part of these financial statements

**Net (Expenses), Revenues, and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (2,115)		
(1,808)		
(622)		
(24)		
1,698		
(664)		
(1,258)		
(637)		
(2)		
386		
(324)		
(17)		
(967)		
<u>(6,354)</u>		
	\$ (122)	
<u>(6,354)</u>	<u>(122)</u>	<u>\$ (6,476)</u>
4,615	-	4,615
6,295	-	6,295
(260)	-	(260)
147	-	147
1,066	58	1,124
<u>11,863</u>	<u>58</u>	<u>11,921</u>
5,509	(64)	5,445
(31)	31	-
5,478	(33)	5,445
7,700	1,204	8,904
<u>\$ 13,178</u>	<u>\$ 1,171</u>	<u>\$ 14,349</u>

YUBA COUNTY OFFICE OF EDUCATION

GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023

	County School Services Fund	Charter School Special Revenue Fund	Special Education Pass- Through Fund
<b>ASSETS</b>			
Deposits and investments	\$ 6,382,667	\$ 2,595,723	\$ 566,956
Accrued receivables	6,129,775	258,950	4,374,758
Due from other funds	603,646	24,675	58,637
Prepaid expenditures	76,845	-	-
<b>Total Assets</b>	<b>\$ 13,192,933</b>	<b>\$ 2,879,348</b>	<b>\$ 5,000,351</b>
<b>LIABILITIES</b>			
Accrued liabilities	\$ 2,809,684	\$ 505,002	\$ 4,597,165
Due to other funds	148,522	303,116	93,462
Unearned revenue	453,327	26,528	-
<b>Total Liabilities</b>	<b>3,411,533</b>	<b>834,646</b>	<b>4,690,627</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Non-spendable	3,001	-	-
Spendable			
Restricted	4,253,445	701,525	210,000
Committed	-	-	-
Assigned	1,171,869	1,343,177	99,724
Unassigned	4,353,085	-	-
<b>Total Fund Balances</b>	<b>9,781,400</b>	<b>2,044,702</b>	<b>309,724</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,192,933</b>	<b>\$ 2,879,348</b>	<b>\$ 5,000,351</b>

The accompanying notes are an integral part of these financial statements

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County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 2,150,385	\$ 3,196,626	\$ 14,892,357
1,843,295	720,376	13,327,154
15,481	78,495	780,934
-	-	76,845
<u>\$ 4,009,161</u>	<u>\$ 3,995,497</u>	<u>\$ 29,077,290</u>
\$ 521,299	\$ 271,276	\$ 8,704,426
-	239,080	784,180
498,881	16,351	995,087
<u>1,020,180</u>	<u>526,707</u>	<u>10,483,693</u>
1,526,143	-	1,526,143
-	-	3,001
1,462,838	11,044	6,638,852
-	2,090,952	2,090,952
-	1,366,794	3,981,564
-	-	4,353,085
<u>1,462,838</u>	<u>3,468,790</u>	<u>17,067,454</u>
<u>\$ 4,009,161</u>	<u>\$ 3,995,497</u>	<u>\$ 29,077,290</u>

YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2023

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*(\$ Amounts in thousands)*

**Total Fund Balance - Governmental Funds** \$ 17,067

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

Capital assets:

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

	Capital assets	\$ 20,099	
	Accumulated depreciation	(8,192)	11,907

Deferred recognition of earned but unavailable revenues:

In governmental funds, revenue is recognized only to the extent that it is "available," meaning it will be collected soon enough after the end of the period to finance expenditures of that period. Receivables for revenues that are earned but unavailable are deferred until the period in which the revenues become available. In the government-wide statements, revenue is recognized when earned, regardless of availability. The amount of unavailable revenues that were deferred in governmental funds, but are recognized in the government-wide statements, is:

1,786

The accompanying notes are an integral part of these financial statements



YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION, Continued  
 JUNE 30, 2023

(\$ Amounts in thousands)

Long-term obligations:

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	\$ 20,811	
	Net OPEB obligation, Cal STRS	44	
	Compensated absences	195	
	Capital leases payable	208	(21,258)

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	6,226	
	Deferred inflows of resources	(1,474)	

Internal service funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. net position for internal service funds are:

(1,076)

<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b>13,178</b>
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YUBA COUNTY OFFICE OF EDUCATION

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023

	County School Services Fund	Charter School Special Revenue Fund	Special Education Pass- Through Fund
<b>REVENUES</b>			
Local Control Funding Formula ("LCFF") Sources	\$ 7,832,148	\$ 2,828,311	\$ -
Federal sources	3,555,395	90,329	4,420,055
Other State sources	5,220,209	862,268	13,169,450
Other local sources	15,249,057	(25,747)	2,484
<b>Total Revenues</b>	<b>31,856,809</b>	<b>3,755,161</b>	<b>17,591,989</b>
<b>EXPENDITURES</b>			
Current			
Instruction	11,125,087	2,015,603	-
Instruction-related services			
Instructional supervision and administration	3,451,860	306,929	-
School site administration	464,205	400,484	-
Pupil services			
Food services	36,597	8,559	-
All other pupil services	6,041,196	243,405	-
General administration			
Centralized data processing	646,136	-	-
All other general administration	2,550,172	30,716	-
Plant services	789,380	134,418	-
Ancillary services	2,401	-	-
Community services	1,032,847	-	-
Enterprise activities	318,072	-	-
Transfers to other agencies	1,270,522	5,119	17,589,508
Facilities acquisition and construction	51,100	-	-
Debt service			
Interest and other	3,589	-	-
Principal	16,732	-	-
<b>Total Expenditures</b>	<b>27,799,896</b>	<b>3,145,233</b>	<b>17,589,508</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>4,056,913</b>	<b>609,928</b>	<b>2,481</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	7,151	-	-
Other Sources	246,939	-	-
Transfers Out	(421,889)	-	-
<b>Net Financing Sources (Uses)</b>	<b>(167,799)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>3,889,114</b>	<b>609,928</b>	<b>2,481</b>
<b>Fund Balance - Beginning</b>	<b>5,892,286</b>	<b>1,434,774</b>	<b>307,243</b>
<b>Fund Balance - Ending</b>	<b>\$ 9,781,400</b>	<b>\$ 2,044,702</b>	<b>\$ 309,724</b>

The accompanying notes are an integral part of these financial statements

County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 60,000	\$ 10,720,459
-	278,031	8,343,810
301,635	662,229	20,215,791
(22,467)	705,441	15,908,768
279,168	1,705,701	55,188,828
-	75,297	13,215,987
-	73,241	3,832,030
-	-	864,689
-	-	45,156
-	-	6,284,601
-	-	646,136
-	96,027	2,676,915
49,331	19,429	992,558
-	-	2,401
-	1,308,966	2,341,813
-	-	318,072
-	40,519	18,905,668
-	-	51,100
-	8,155	11,744
-	382,660	399,392
49,331	2,004,294	50,588,262
229,837	(298,593)	4,600,566
-	390,816	397,967
-	-	246,939
-	(7,151)	(429,040)
-	383,665	215,866
229,837	85,072	4,816,432
1,233,001	3,383,718	12,251,022
\$ 1,462,838	\$ 3,468,790	\$ 17,067,454

YUBA COUNTY OFFICE OF EDUCATION

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, 2023

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*(\$ Amounts in thousands)*

Net Change in Fund Balances - Governmental Funds \$ 4,816

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:	\$ 421	
Depreciation expense:	(552)	(131)

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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:

399

Debt proceeds:

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

(246)

Gain or loss from disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting loss is:

24

Earned but unavailable revenues:

In governmental funds, revenues are recognized only to the extent that they are "available," meaning they will be collected soon enough after the end of the period to finance expenditures of that period. In the governmental-wide statements, revenue is recognized when earned, regardless of availability. The amount of earned but unavailable revenues relating to the current period, less revenues that became available in the current period but related to a prior period, is:

(70)

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

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, 2023

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*(\$ Amounts in thousands)*

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: 3

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (43)

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: 748

Cal STRS 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: 12

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: (9)

Internal Service Funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was: (25)

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**Change in net position of Governmental Activities** \$ 5,478

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The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

PROPRIETARY FUNDS  
STATEMENTS OF NET POSITION  
JUNE 30, 2023

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Other</u>	<u>Self-Insurance</u>
<b>ASSETS</b>		
Current assets		
Deposits and investments	\$ 8,602	\$ 1,829,187
Accrued receivables	-	8,907
Due from other funds	-	4,326
Total current assets	8,602	1,842,420
Non-current assets, depreciable	1,165,000	-
<b>TOTAL ASSETS</b>	<b>\$ 1,173,602</b>	<b>\$ 1,842,420</b>
<b>LIABILITIES</b>		
Current liabilities		
Accrued liabilities	\$ 1,588	\$ -
Due to other funds	1,080	-
Non-current liabilities	-	2,918,000
<b>Total Liabilities</b>	<b>2,668</b>	<b>2,918,000</b>
<b>NET POSITION</b>		
Invested in capital assets	1,165,000	-
Unrestricted - (Deficit)	5,934	(1,075,580)
<b>Total Net Position</b>	<b>1,170,934</b>	<b>(1,075,580)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,173,602</b>	<b>\$ 1,842,420</b>

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

**PROPRIETARY FUNDS  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
	<b>Other</b>	<b>Self-Insurance</b>
<b>OPERATING REVENUE</b>		
Fee revenue	\$ 58,117	\$ 209,530
<b>OPERATING EXPENSE</b>		
Supplies and materials	228	-
Professional services	88,961	216,033
Depreciation	33,000	-
<b>Total operating expenses</b>	<b>122,189</b>	<b>216,033</b>
<b>OPERATING GAIN/(LOSS)</b>	<b>(64,072)</b>	<b>(6,503)</b>
<b>NON-OPERATING REVENUES</b>		
Interest income	-	(18,799)
Other non-operating revenue		986
Transfers in	31,073	-
<b>Total non-operating revenues</b>	<b>31,073</b>	<b>(17,813)</b>
<b>CHANGE IN NET POSITION</b>	<b>(32,999)</b>	<b>(24,316)</b>
<b>Net Position (Deficit) - Beginning</b>	<b>1,203,933</b>	<b>(1,051,264)</b>
<b>Net Position (Deficit) - Ending</b>	<b>\$ 1,170,934</b>	<b>\$ (1,075,580)</b>

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

PROPRIETARY FUNDS  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
	<b>Other</b>	<b>Self-Insurance</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers/assessments	\$ 58,117	\$ 209,530
Cash payments for insurance	-	(69,033)
Cash payments to suppliers for goods and services	(89,974)	-
Net cash provided/(used) by operating activities	(31,857)	140,497
<b>Cash flows from non-capital financing activities</b>		
Other receipts	-	986
Interfund transfers in/(out)	40,459	(4,326)
Net cash provided by non-capital financing activities	40,459	(3,340)
<b>Cash flows from investing activities</b>		
Interest received/(decrease in cash in county valuation)	-	(24,664)
NET INCREASE/(DECREASE) IN CASH	8,602	112,493
<b>CASH</b>		
Beginning of year	-	1,716,694
End of year	\$ 8,602	\$ 1,829,187
<b>Reconciliation of operating loss to cash used in operating activities</b>		
Operating loss	\$ (64,072)	\$ (6,503)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Cash flows reported in other categories:		
Depreciation expense	33,000	-
Decrease in accounts payable	(785)	-
Increase in net OPEB	-	147,000
Net cash provided/(used) by operating activities	\$ (31,857)	\$ 140,497

The accompanying notes are an integral part of these financial statements



YUBA COUNTY OFFICE OF EDUCATION

FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023

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	<u>Warrant/Pass- through Fund</u>
<b>ASSETS</b>	
Deposits and investments	\$ 2,018,649
Accrued receivables	218,235
<hr/>	
<b>Total Assets</b>	2,236,884
<hr/>	
<b>NET POSITION</b>	
Restricted for other governments	\$ 2,236,884
<hr/>	

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2023

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	<u>Warrant/Pass- through Fund</u>
<b>ADDITIONS</b>	
Funds collected for others	\$ 27,723,420
<b>DELETIONS</b>	
Investment losses	80,188
Funds distributed to others	30,699,214
<b>Total Deletions</b>	<u>30,779,402</u>
<b>CHANGE IN NET POSITION</b>	(3,055,982)
<b>Net Position - Beginning</b>	<u>5,292,866</u>
<b>Net Position - Ending</b>	<u>\$ 2,236,884</u>

The accompanying notes are an integral part of these financial statements

# YUBA COUNTY OFFICE OF EDUCATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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### *NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

#### **1 - A. Financial Reporting Entity**

The Yuba County Office of Education (“COE”), also known as a Local Educational Agency (“LEA”), is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five member County Board of Education (Board) elected by registered voters of the COE, which comprises an area in Yuba County. The COE was established in 1852 and serves students in pre K – 12 curriculum, ages 3 – 22.

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 COE consists of all funds, departments, and agencies that are not legally separate from the COE. For Yuba County Office of Education, this includes general operations and student related activities of the COE.

#### **1 - B. Component Unit**

Component units are legally separate organizations for which the COE is financially accountable. Component units may also include organizations that are fiscally dependent on the COE, in that the COE 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 COE is not financially accountable but the nature and significance of the organization's relationship with the COE is such that exclusion would cause the COE'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 COE. 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 COE's operations because the governing board of the component units is essentially the same as the governing board of the COE and because their purpose is to finance the construction of facilities to be used for the direct benefit of the COE.

The Yuba County Board of Education Financing Corporation (the “Corporation”) financial activity is presented in the financial statements as the Debt Service Fund. The Certificates of Participation issued by the Corporation are included as long-term liabilities in the entity-wide financial statements. Individually prepared financial statements are not prepared for the Corporation.

#### **1 - C. Other Related Entities**

**Joint Powers Authority (JPA).** The COE is associated with three JPAs. These organizations do not meet the criteria for inclusion as a component unit of the COE. Additional information is presented in Note 13 to the financial statements. These organizations are:

- ❖ Tri-County Schools Insurance Group(TCSIG)
- ❖ Schools Excess Liabilities Fund (SELF)

**1 - D. Basis of Presentation**

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the primary government (the COE) 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 COE'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 COE.

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

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

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

*Fiduciary funds* are used to account for assets held by the LEA in a trustee or custodial capacity for others that cannot be used to support the LEA's own programs.

**Major Governmental Funds**

**County School Services Fund.** The general fund for a county office of education is called the County School Service Fund (*Education Code* §1600). 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.

**Charter Schools Special Revenue Fund.** This fund may be used by authorizing LEAs to account separately for the activities of LEA-operated charter schools that would otherwise be reported in the authorizing LEA's general fund. If an LEA uses this fund for any of a charter school's operating activities, it should use this fund for all of the charter school's operating activities.

**Special Education Pass-Through Fund.** This fund is used by the Administrative Unit ("AU") of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue passed through to other member LEAs.

## YUBA COUNTY OFFICE OF EDUCATION

### NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2023

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**County School Facilities Fund.** This fund is established pursuant to *Education Code* §17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* §17070.10 et seq.).

#### **Non-Major Governmental 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 and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund:

**Child Development Fund.** This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by an LEA for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code* §8200 et seq.) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code* §8328).

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

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

**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).

**Debt Service Funds.** Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

**Debt Service Fund.** This fund is used for the accumulation of resources for and the retirement of principal and interest on general long-term debt.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
JUNE 30, 2023

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**Proprietary Funds**

**Enterprise Funds.** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. An enterprise fund is accounted for on the accrual basis. Capital assets and long-term debt (including all long-term debt obligations such as vacation pay and capital leases) are recorded in the fund. All revenues and expenses (rather than expenditures) are recorded, regardless of when they are received or paid. Depreciation of capital assets is recorded.

**Other Enterprise Fund.** The COE accounts for child development preschool program using an enterprise fund, because it is financed through collection of fees for the services provided. The fund reports expenditures and revenues related to the child development center activities outside of the normal operation of the COE.

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

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

**Fiduciary Funds**

**Trust and Custodial Funds.** Trust and Custodial funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the LEA's own programs. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

**Warrant/Pass-Through Fund.** This fund exists primarily to account separately for amounts collected from districts and their employees for federal taxes, state taxes, transfers to credit unions, and other contributions. It is also used to account for those receipts for transfer to agencies for which the LEA is acting simply as a “cash conduit.”

**1 - E. Basis of Accounting**

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

Net Position 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.

## YUBA COUNTY OFFICE OF EDUCATION

### NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2023

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**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 COE 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 COE receives cash. Revenue limits, 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 COE 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 and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

The COE eliminates its internal service activity in the statement of activities. This is accomplished by eliminating the revenues and expenses of the internal service funds against each other, and then distributing the residual amount among the various functions based upon the volume of activity they had during the year with each internal service fund. Any inter-fund services provided and used were not eliminated in the functional areas in which they were incurred.

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 - F. Assets, Liabilities, and Net Position**

**Fair Value.** The COE 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.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
JUNE 30, 2023

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**Deposits and Investments.** The cash balances of substantially all funds are pooled and invested by the county treasurer for the purpose of increasing earnings through investment activities. The pool’s investments are reported at fair value at June 30, 2023, based on market process. The individual funds’ portions of the pool’s fair value are presented as “Cash in County.” Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund. The COE considers these balances to be cash on hand and demand deposits. In addition, because the Cash in County is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent. The COE considers the deposits and investments in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Capital Assets.** Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The COE maintains a capitalization threshold of \$30,000. The COE does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	50
Site Improvements	20
Equipment	5 – 20
Equipment	5 – 20
Vehicles	8

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

**Compensated Absences.** Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the accounts payable in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported.

**Pensions.** For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the CA State Teachers Retirement System (“STRS”) and CA Public Employee Retirement System Pension Plan (“PERS”) and additions to/deductions from the respective fiduciary net positions have been determined on the same basis as they are reported by STRS and PERS. 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.

**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.



## YUBA COUNTY OFFICE OF EDUCATION

### NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2023

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

**Fund Balance.** Fund balance is divided into five classifications based primarily on the extent to which the COE 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 COE 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 COE has related debt outstanding as of June 30, 2023. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the COE or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The COE first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The entity-wide financial statements report \$6.6 million of restricted net position.

**1 - G. Revenue, Expenditures/Expenses**

**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 COE'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 COE 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 COE makes no accrual for property taxes receivable as of June 30.

The COE 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 COE 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 COE prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the COE 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.

**Operating Revenues and Expenses.** Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund’s principal services.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

**NOTE 2- DEPOSITS AND INVESTMENTS**

**2 - A. Summary of Deposits and Investments**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Fiduciary Fund</b>	<b>Total</b>
Cash on hand	\$ 5,000	\$ -	\$ -	\$ 5,000
Deposits in financial institutions	13,515	-	-	13,515
Cash in County	16,703,029	8,602	2,018,649	18,730,280
<b>Total</b>	<b>\$ 16,721,544</b>	<b>\$ 8,602</b>	<b>\$ 2,018,649</b>	<b>\$ 18,748,795</b>

**2 - B. Policies and Practices**

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

**Investment in County Treasury** – The COE is considered to be an involuntary participant in an external investment pool as the COE is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the COE's investment in the pool is reported in the accounting financial statements at amounts based upon the COE'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.

**YUBA COUNTY OFFICE OF EDUCATION**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2023**

**2 - C. General Authorizations**

Allowable investment instruments per Government Code §§ 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.

<b>INVESTMENT TYPE</b>	<b>MAXIMUM MATURITY</b>	<b>MAXIMUM SPECIFIED % OF PORTFOLIO</b>	<b>MINIMUM QUALITY REQUIREMENTS</b>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations— CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S Agency Obligations	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper— Pooled Funds	270 days	40% of the agency's money	Highest letter and number rating by an NRSROH
Commercial Paper— Non-Pooled Funds	270 days	25% of the agency's money	Highest letter and number rating by an NRSROH
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30%	None
Placement Service Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	"AA" rating category or its equivalent or better R
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	"AA" rating category or its equivalent or better

**2 - D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The COE manages its exposure to interest rate risk by investing in the county pool. See "Specific Identification" for various maturities of the COE's investments.

**2 - E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The underlying investments owned by the COE are listed in "Specific Identification."

**YUBA COUNTY OFFICE OF EDUCATION**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2023**

**2 - F. Specific Identification**

Information about the sensitivity of the fair values of the COE's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the COE's investments by maturity:

<b>Investment Type:</b>	<b>S &amp; P Rating</b>	<b>Maturity (Days)</b>	<b>Level</b>	<b>Fair Value</b>
Cash in county	A - AA+	214	2	\$ 18,730,280

**Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the COE's deposits may not be returned to it. The COE does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2023, the COE's bank balance of \$14,611 was insured by FDIC.

***NOTE 3 – ACCRUED RECEIVABLES/NOTE RECEIVABLE***

**3 - A. Accrued Receivables**

Receivables at June 30, 2023, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	<b>County School Services Fund</b>	<b>Charter School Special Revenue Fund</b>	<b>Special Education Pass-Through Fund</b>	<b>County School Facilities Fund</b>	<b>Non-Major Govt. Funds</b>	<b>Self-Insurance</b>	<b>Total Govt. Activities</b>	<b>Warrant / Pass-through Fund</b>
Federal Government								
Categorical aid	\$ 1,094,611	\$ 72,753	\$ 4,216,172	\$ -	\$ 135,477	\$ -	\$ 5,519,013	\$ -
State Government								
Categorical aid	3,071,409	67,367	152,653	-	161,347	-	3,452,776	-
School bond facilities	-	-	-	1,832,672	-	-	1,832,672	-
Other Government								
Medi-Cal	1,263,376	-	-	-	-	-	1,263,376	-
WIA/WIAO	621,940	-	-	-	-	-	621,940	-
Interest	16,061	-	5,933	10,623	14,392	8,907	55,916	8,874
Other Local Sources	62,378	118,830	-	-	409,160	-	590,368	209,361
<b>Total</b>	<b>\$ 6,129,775</b>	<b>\$ 258,950</b>	<b>\$ 4,374,758</b>	<b>\$ 1,843,295</b>	<b>\$ 720,376</b>	<b>\$ 8,907</b>	<b>\$13,336,061</b>	<b>\$ 218,235</b>

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

**NOTE 4 – CAPITAL ASSETS**

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

<i>(\$ Amounts in thousands)</i>	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 770	\$ -	\$ -	\$ 770
Construction in progress	6	-	6	-
<b>Non-Depreciable Capital Assets</b>	<b>\$ 776</b>	<b>\$ -</b>	<b>\$ 6</b>	<b>\$ 770</b>
Capital assets being depreciated				
Land improvements	\$ 2,065	\$ -	\$ -	\$ 2,065
Buildings & improvements	16,261	51	-	16,312
Furniture & equipment	705	370	123	952
<b>Total Capital Assets Being Depreciated</b>	<b>19,031</b>	<b>421</b>	<b>123</b>	<b>19,329</b>
Less Accumulated Depreciation				
Land improvements	342	102	-	444
Buildings & improvements	6,866	388	-	7,254
Furniture & equipment	538	62	106	494
<b>Total Accumulated Depreciation</b>	<b>7,746</b>	<b>552</b>	<b>106</b>	<b>8,192</b>
<b>Depreciable Capital Assets, net</b>	<b>\$ 11,285</b>	<b>\$ (131)</b>	<b>\$ 17</b>	<b>\$ 11,137</b>
<b>Total Capital Assets, net</b>	<b>\$ 12,061</b>	<b>\$ (131)</b>	<b>\$ 23</b>	<b>\$ 11,907</b>

Depreciation expense:	<i>(\$ Amounts in thousands)</i>
Instruction	\$ 231
Instructional services and administration	73
School site administration	11
All other pupil services	121
Centralized data processing	14
All other general administration	63
Plant services	15
Community services	24
<b>Total Depreciation</b>	<b>\$ 552</b>

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

(\$ Amounts in thousands)	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023
<b>Business-Type Activities</b>				
Capital assets being depreciated				
Buildings & improvements	\$ 1,664	\$ -	\$ -	\$ 1,664
Less Accumulated Depreciation				
Buildings & improvements	466	33	-	499
<b>Depreciable Capital Assets, net</b>	<b>\$ 1,198</b>	<b>\$ (33)</b>	<b>\$ -</b>	<b>\$ 1,165</b>

**NOTE 5 – INTERFUND TRANSACTIONS**

**5 - A. Interfund Receivables/Payables (Due From/Due To)**

Due To Other Funds	Due From Other Funds						Total
	County School Services Fund	Charter School Fund	Special Education Pass-Through	County School Facilities Fund	Non-Major Govt. Funds	Self-Insurance	
County School Services Fund	\$ -	\$ 24,675	\$ 25,545	\$ 15,481	\$ 78,495	\$ 4,326	\$ 148,522
<b>Charter Schools</b>							
Special Revenue Fund	270,024	-	33,092	-	-	-	303,116
<b>Special Education</b>							
Pass-Through Fund	93,462	-	-	-	-	-	93,462
<b>Non-Major Funds</b>	239,080	-	-	-	-	-	239,080
<b>Other Enterprise Fund</b>	1,080	-	-	-	-	-	1,080
<b>Total Due From Other Funds</b>	<b>\$ 603,646</b>	<b>\$ 24,675</b>	<b>\$ 58,637</b>	<b>\$ 15,481</b>	<b>\$ 78,495</b>	<b>\$ 4,326</b>	<b>\$ 785,260</b>

The County School Services Fund owes the Charter Fund for Federal Grant Apportionments	\$ 24,675
The County School Services Fund owes the Special Education Pass Through Fund for special education revenues	25,545
The County School Services Fund owes the Deferred Maintenance Fund for deferred maintenance	60,000
The County School Services Fund owes the Child Development Fund for a Federal Preschool Grant Apportionment	18,495
The County School Services Fund owes the Self Insurance Fund for OPEB Contributions	4,326
The Enterprise Fund owes the County School Services Fund for Maintenance Costs	15,481
The Charter Fund owes the County School Services Fund for admin fees, maintenance costs and indirect costs	270,024
The Charter Fund owes the Special Education Pass Through Fund for overpaid apportionments	33,092
The Special Education Pass Through Fund owes the County School Services Fund for Special Education Apport.	93,462
The Adult Education Fund owes the County School Services Fund for its suport costs	18,893
The Child Development Fund owes the County School Services Fund for Indirect Costs and operating costs	44,343
The Child Development Fund owes County School Services Fund for negative cash payback	175,844
The Enterprise Fund owes the County School Services Fund for negative cash payback	1,080
<b>Total</b>	<b>\$ 785,260</b>

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

5 - B. Operating Transfers

Transfer To Other Funds	Interfund Transfers In			
	County School Services Fund	Non-Major Govt. Funds	Other Enterprise Fund	Total
County School Services Fund	\$ -	\$ 390,816	\$ 31,073	\$ 421,889
Non-Major Funds	7,151	-	-	7,151
<b>Total Interfund Transfers Out</b>	<b>\$ 7,151</b>	<b>\$ 390,816</b>	<b>\$ 31,073</b>	<b>\$ 429,040</b>

The County School Services Fund transferred to the Debt Service Fund for the lease-purchase payment in the amount of	\$ 390,816
The County School Services Fund transferred to the Other Enterprise Fund for program support in the amount of	31,073
The Forest Reserve Fund transferred to the County School Services Fund federal timber yield funds in the amount of	7,151
<b>Total</b>	<b>\$ 429,040</b>

**NOTE 6- ACCRUED LIABILITIES**

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

	County School Services Fund	Charter School Fund	Special Education Pass-Through Fund	County School Facilities Fund	Non-Major Govt. Funds	Total Govt. Activities	Other Enterprise Fund
Payroll and related	\$ 541,326	\$ 15,558	\$ -	\$ -	\$ -	\$ 556,884	\$ -
Current compensated absence balance	25,308	3,910	-	-	2,027	31,245	-
LCFF	167,809	427,591	-	-	-	595,400	-
Vendors payable	630,081	6,920	-	175	269,249	906,425	1,588
Due to districts, charters, and pass-throughs	1,385,640	-	4,597,165	-	-	5,982,805	-
Grant recovery	59,520	51,023	-	521,124	-	631,667	-
<b>Total</b>	<b>\$ 2,809,684</b>	<b>\$ 505,002</b>	<b>\$ 4,597,165</b>	<b>\$ 521,299</b>	<b>\$ 271,276</b>	<b>\$ 8,704,426</b>	<b>\$ 1,588</b>



YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

**NOTE 7 – UNEARNED REVENUE**

The COE periodically will receive grant money prior to making expenditures for that grant. The source of that grant money is listed below by fund. The unearned revenue totals at June 30, 2023, consist of the following:

	County School Services Fund	Charter School Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal sources	\$ 229,742	\$ -	\$ -	\$ -	\$ 229,742
State categorical sources	178,066	26,528	498,881	7,578	711,053
Local deferrals	45,519	-	-	8,773	54,292
<b>Total</b>	<b>\$ 453,327</b>	<b>\$ 26,528</b>	<b>\$ 498,881</b>	<b>\$ 16,351</b>	<b>\$ 995,087</b>

**NOTE 8 – LONG-TERM OBLIGATIONS**

**8 - A. Long-Term Obligations Summary**

	Balance			Balance	Balance Due
(\$ Amounts in thousands)	July 01, 2022	Additions	Deductions	June 30, 2023	In One Year
<b>Governmental Activities</b>					
Lease-purchase agreement	\$ 382	\$ -	\$ 382	\$ -	\$ -
Net pension liabilities ("NPL")					
Cal STRS	4,216	2,047	-	6,263	-
Cal PERS	8,774	5,774	-	14,548	-
Total NPL	12,990	7,821	-	20,811	-
Compensated absences	152	43	-	195	-
Net OPEB obligations	2,827	147	11	2,963	-
Lease payable	25	246	63	208	45
<b>Total</b>	<b>\$ 16,376</b>	<b>\$ 8,257</b>	<b>\$ 456</b>	<b>\$ 24,177</b>	<b>\$ 45</b>

**8 - B. Pension Liabilities**

The COE's pension activities between the COE and the retirement systems for the year ended June 30, 2023, resulted in a total net pension obligation for the COE of \$20,811,000 for governmental activities. See Note 10 for additional information regarding the pension plans and activities.

**YUBA COUNTY OFFICE OF EDUCATION**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2023**

**8 - C. Other Post-Employment Benefits (“OPEB”)**

The COE is responsible for two OPEB plans, one the COE offered and one due to GASB No. 75, offered by Cal STRS. As of June 30, 2023, the following were the OPEB liabilities:

<i>(Amounts in thousands)</i>	<b>Cal STRS</b>	<b>COE</b>	<b>Total</b>
District's net OPEB liability	\$ 45	\$ 2,918	\$ 2,963

See Note 11 for additional information regarding the pension plans and activities.

**8 - D. Compensated Absences**

The long-term portion of accumulated unpaid employee vacation for the COE at June 30, 2023, amounted to \$195,000 in governmental activities. The short-term portion is listed in accrued liabilities, see Note 6.

**8 - E. Lease Payable**

The COE leases cars with a historical cost and accumulated depreciation of \$190,000 and \$158,000, respectively, under capital lease arrangements. Future lease payments at June 30, 2023, are as follows:

<i>(\$ Amounts in thousands)</i>	<b>Vehicles</b>		<b>Copier</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
<b>Year Ending June 30,</b>					<b>Payments</b>
2024	\$ 16	\$ 4	\$ 29	\$ 6	\$ 55
2025	11	1	30	4	46
2026	11	1	32	3	47
2027	12	0	33	2	47
2028	9	0	25	0	35
<b>Total payments</b>	<b>\$ 59</b>	<b>\$ 6</b>	<b>\$ 149</b>	<b>\$ 15</b>	<b>\$ 230</b>

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

**NOTE 9 – FUND BALANCES**

Fund balances are composed of the following elements:

	County School Services Fund	Charter School Fund	Special Education Pass- Through Fund	County School Facilities Fund	Non-Major Govt. Funds	Total Govt. Funds
Non-spendable						
Reserve for revolving cash	\$ 3,001	\$ -	\$ -	\$ -	\$ -	\$ 3,001
Spendable						
Restricted						
Educational programs						
Federal	86,575	-	-	-	-	86,575
State	3,162,364	701,525	210,000	1,462,838	-	5,536,727
Local	993,992	-	-	-	11,044	1,005,036
ASB	10,514	-	-	-	-	10,514
Total Restricted	4,253,445	701,525	210,000	1,462,838	11,044	6,638,852
Committed						
Deferred maintenance	-	-	-	-	2,090,952	2,090,952
Assigned						
Maintenance and repair	-	-	-	-	1,048,385	1,048,385
Facilities/LCAP/Sites	782,118	-	-	-	-	782,118
Construction	-	-	-	-	131,660	131,660
Technology	156,000	-	-	-	-	156,000
Lottery	233,751	166,255	-	-	-	400,006
Program designation	-	1,176,922	99,724	-	186,749	1,463,395
Total Assigned	1,171,869	1,343,177	99,724	-	1,366,794	3,981,564
Unassigned	4,353,085	-	-	-	-	4,353,085
<b>Total</b>	<b>\$ 9,781,400</b>	<b>\$ 2,044,702</b>	<b>\$ 309,724</b>	<b>\$ 1,462,838</b>	<b>\$ 3,468,790</b>	<b>\$17,067,454</b>

The COE is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The COE’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than one month payroll of general fund operating expenditures and 5 percent of County School Services Fund expenditures and other financing uses.

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS**

**10 - A. California State Teachers’ Retirement System (“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/comprehensive-annual-financial-report>.

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

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

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

**Member’s Contribution Rates:**

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

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

**Employer’s Contribution Rates:**

Effective date	Base rate	Supplemental rate per CalSTRS Funding Plan	Rate adjustment per special legislation	Total rate
July 1, 2022 –				
June 30, 2046	8.250%	10.850%	N/A	19.100%
July 1, 2046	8.250%	<sup>1</sup>	N/A	<sup>1</sup>

<sup>1</sup> 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%.

**State’s Contribution Rates:**

Effective date	Base rate	Supplemental rate per CalSTRS Funding Plan	SBMA funding <sup>1</sup>	Total
July 1, 2022	2.017%	6.311%	2.500%	10.828%
July 1, 2023 –				
June 30, 2046	2.017%	<sup>2</sup>	2.500%	<sup>2</sup>
July 1, 2046	2.017%	<sup>3</sup>	2.500%	<sup>3</sup>

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

<sup>2</sup> 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%.

<sup>3</sup> From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

**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.

Contributions to the pension plan from the District was \$1,024,967 for the year ended June 30, 2023.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

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

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

	<i>(\$ Amounts in thousands)</i>	
District's proportionate share of the net pension liability	\$	6,263
State's proportionate share of the net pension liability associated with the District		2,096
<b>Total</b>	<b>\$</b>	<b>8,359</b>

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. At June 30, 2023, the District's proportion was as follows:

	<b>Jun. 30, 2022</b>	<b>Jun. 30, 2021</b>	<b>Difference</b>
Net Pension Liability Allocation Basis	0.0000902	0.0000927	-0.0000025

For the year ended June 30, 2023, the COE recognized pension expense of \$199,000 and revenue of \$503,000 for support provided by the State. At June 30, 2023, the COE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>(\$ Amounts in thousands)</i>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		\$ -	\$ 465
Changes of assumptions		311	-
Net difference between projected and actual earnings on pension plan investments		-	306
Changes in proportion and differences between District contributions and proportionate share of contributions		-	407
District contributions subsequent to the measurement date		1,025	-
<b>Total</b>		<b>\$ 1,336</b>	<b>\$ 1,178</b>

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

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

Year Ending June 30,	<i>(\$ Amounts in thousands)</i>	
2024	\$	1,296 \$ 393
2025		14 345
2026		13 471
2027		13 (368)
2028		- 299
2029		- 38
<b>Total</b>	<b>\$</b>	<b>1,336 \$ 1,178</b>

**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, 2022, include:

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 – June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return <sup>3</sup>	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2% simple for DB (annually) Maintain 85% purchasing power level for DB Not applicable for DBS/CBB

<sup>1</sup> 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 prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases as disclosed previously. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

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

<sup>1</sup> 20-years average

**Sensitivity of the COE’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:

	1% Decrease	Current Discount	1% Increase
	(6.10%)	Rate (7.10%)	(8.10%)
District’s proportionate share of the net pension liability	\$ 10,640	\$ 6,263	\$ 2,632

*(\$ Amounts in thousands)*

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

Total Pension Liability	\$ 369,542
Less: STRP Fiduciary Net Position	300,056
NPL of Employers and the State of California	\$ 69,486
STRP Fiduciary Net Position as a % of the Total Pension Liability	81.2%

**10 - B. Public Employees’ Retirement System (“CalPERS”)**

**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>



**YUBA COUNTY OFFICE OF EDUCATION**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2023**

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**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.
- ❖ 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 25.37% 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 \$6,263,000 for the year ended June 30, 2023.

**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, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. At June 30, 2023, the District reported a liability of \$14,548,000 for its proportionate share of the net pension liability. At June 30, 2023, the District’s proportion was as follows:

	<u>Jun. 30, 2022</u>	<u>Jun. 30, 2021</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0004228	0.0004315	-0.0000087

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

For the year ended June 30, 2023, the COE recognized pension expense of \$2,022,000. At June 30, 2023, the COE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<i>(\$ Amounts in thousands)</i>	
Differences between expected and actual experience	\$ -	\$ 296
Changes of assumptions	1,076	-
Net difference between projected and actual earnings on pension plan investment	1,718	-
Changes in proportion and differences between District contributions and proportionate share of contributions	152	-
District contributions subsequent to the measurement date	1,944	-
<b>Total</b>	<b>\$ 4,890</b>	<b>\$ 296</b>

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

Year Ending June 30,	<i>(\$ Amounts in thousands)</i>	
2024	\$ 2,689	\$ 66
2025	732	122
2026	421	108
2027	1,048	-
<b>Total</b>	<b>\$ 4,890</b>	<b>\$ 296</b>

**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 <sup>1</sup>	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

<sup>1</sup>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.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

The expected real rates of return by asset class are as followed:

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return Years 1 – 10 <sup>1,2</sup>
Global Equity - cap-weighted	30.00 %	4.45 %
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)

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> 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 COE’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)	Current Discount		
	1% Decrease	Rate	1% Increase
District's proportionate share of the net pension liability	\$ 21,016	\$ 14,548	\$ 9,203

**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	\$113,794,594
Less:	
Plan fiduciary net position	79,385,509
<b>Net Pension Liability of Employers</b>	<b>\$ 34,409,085</b>
Fiduciary Net Position as a % of the Total Pension Liability	69.76%

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
JUNE 30, 2023

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**NOTE 11 – POST EMPLOYMENT HEALTH CARE PLAN AND OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**11 - A. Cal STRS**

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

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

**Contributions.** The MPP Program is funded on a pay-as-you go basis from a portion of monthly contributions, by Districts in the retirement system. In accordance with California *Education Code* §25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program. Total contributions directed to the MPP Program for year 2021-22 was \$26.4 million. The MPP Program contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2022, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the California State Treasurer.

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

The calculations contained in this analysis have been performed using the results of the June 30, 2021 Medicare Premium Payment (MPP) Program actuarial funding, with certain revisions to assumptions as required by GASB 74 and 75 and described later in this report. The liabilities have been projected to June 30, 2022 and combined with the actual Teachers’ Health Benefit Fund (THBF) assets of June 30, 2022.

At June 30, 2023, the COE reported a liability of \$45,000 for its proportionate share of the net OPEB liability. The COE’s proportion was as follows:

	<u>Jun. 30, 2022</u>	<u>Jun. 30, 2021</u>	<u>Difference</u>
Net OPEB Liability Allocation Basis	0.0001353	0.0001393	-0.0000040

For the year ended June 30, 2023, the COE recognized pension expense of (\$11,000).

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2023

**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, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Individual Entry age
Inflation	2.75%
Discount Rate	3.54%
Medicare Part A and B Premium Costs Trend Rate	See Medicare Costs Trend Rate

**Discount Rate.** The MPP Program benefits are effectively funded on a pay-as-you-go basis through the THBF. As the THBF has effectively been depleted as of the measurement date, the discount rate has been set to the municipal bond index because the expected long-term rate of return of the invested assets is not expected to be materially better than the municipal bond index rate. We have used a discount rate of 2.16% for June 30, 2021 and 3.54% for June 30, 2022. The discount rates are based on the municipal bond index previously discussed.

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

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

<sup>1</sup> Trend rates indicate medical inflation in the specific year and therefore affect the premiums for the following year. For example, the projected 2022-2023 premium is the 2021-2022 premium increased by the assumed 2021-2022 trend rate.

**Sensitivity of the COE’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)	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 49	\$ 45	\$ 41

**YUBA COUNTY OFFICE OF EDUCATION**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2023**

**Sensitivity of the COE’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:

(\$ Amounts in thousands)	Current Health		
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net pension liability	\$ 41	\$ 45	\$ 49

**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	\$326
Less: MPP Program fiduciary net position	(3)
<b>Net OPEB liability of employers</b>	<b>\$329</b>
MPP Program fiduciary net position as a % of the total OPEB liability	(0.92%)

**11 - B. COE’s OPEB Plan**

**Plan Description.** The plan is a single-employer defined benefit healthcare plan administered by the Yuba County Office of Education. The Plan offers the following benefits by bargaining unit:

**Benefits Provided**

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Benefit types provided	Medical, dental and vision	Medical, dental, and vision	Medical, dental, and vision
Duration of Benefits	To age 65	To age 65	To age 65
Required Service	15 years	15 years	15 years
Minimum Age	55	55	55
Dependent Coverage	No	No	No
COE Contribution %	100%	100%	100%
COE Cap	Lowest premium for retiree only coverage	Lowest premium for retiree only medical coverage	Lowest premium for retiree only medical coverage

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75

**Employees Covered by Benefit Terms.** At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	193
<b>Total</b>	<b>203</b>

**YUBA COUNTY OFFICE OF EDUCATION**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2023**

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**Total OPEB Liability.** The COE’s total OPEB liability of \$2,918,000 was measured, as of June 30, 2023.

**Measurement Assumptions and Other Inputs.** The total OPEB liability in the June 30, 2023 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate:	2.50%
Discount Rate:	3.65%
Medical trend	4%

The discount rate was based on the Bond Buyer 20 Bond Index.

Mortality, retirement, service requirements, turnover and costs for coverage were based on the CalSTRS and CalPERS Schools assumptions.

**Changes in the Total OPEB Liability**

*(\$ amounts in thousands)*

<b>Balance at July 01, 2022</b>	\$	2,771
<b>Changes for the year:</b>		
Service cost		214
Interest		86
Changes in assumptions or other inputs		56
Benefit payments		(209)
<b>Net changes</b>		<b>147</b>
<b>Balances at June 30, 2023</b>	<b>\$</b>	<b>2,918</b>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the net OPEB liability of the COE, as well as what the COE’s net OPEB liability would be if it were calculated using the following rates:

<i>(\$ Amounts in thousands)</i>	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
District's proportionate share of the net OPEB liability	\$ 3,143	\$ 2,918	\$ 2,715

<i>(\$ Amounts in thousands)</i>	<b>Current Health</b>		
	<b>1% Decrease</b>	<b>Trend Rate</b>	<b>1% Increase</b>
District's proportionate share of the net OPEB liability	\$ 2,577	\$ 2,918	\$ 3,332

**OPEB Expense** For the year ended June 30, 2023, the COE recognized an OPEB expense of (\$147,000).

***NOTE 12 – COMMITMENTS AND CONTINGENCIES***

**12 - A. Grants**

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

**12 - B. Litigation**

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

***NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES***

The COE is a member of two joint powers authorities (JPAs). Tri-County Schools Insurance Group (TCSIG) provides liability and property insurance, and Schools Excess Liabilities Fund (SELF) for excess liability and property insurance. The relationship is such that the JPAs are not component units of the COE 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 COE are included in these financial statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2023, the COE made payments of \$220,420 to TCSIG. SELF is paid through TCSIG.



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**REQUIRED SUPPLEMENTARY INFORMATION**

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YUBA COUNTY OFFICE OF EDUCATION

COUNTY SCHOOL SERVICES FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variances - Positive / (Negative) Final to Actual
	Original	Final	Actual	
<b>REVENUES</b>				
Local Control Funding				
Formula ("LCFF") Sources				
State aid	\$ 3,516,198	\$ 3,519,307	\$ 3,277,421	\$ (241,886)
Local sources	3,850,510	4,012,764	4,614,727	601,963
Transfers	(60,000)	(60,000)	(60,000)	-
Federal sources	3,072,039	3,466,138	3,555,395	89,257
Other State sources	2,737,963	4,219,315	5,220,209	1,000,894
Other local sources	11,723,779	15,187,735	15,249,057	61,322
<b>Total Revenues</b>	<b>24,840,489</b>	<b>30,345,259</b>	<b>31,856,809</b>	<b>1,511,550</b>
<b>EXPENDITURES</b>				
Certificated salaries	4,961,800	4,982,127	4,907,862	74,265
Classified salaries	7,363,612	7,510,928	7,091,954	418,974
Employee benefits	5,911,872	5,619,964	5,487,458	132,506
Books and supplies	976,597	1,647,330	1,036,405	610,925
Services and other operating expenditures	4,269,177	8,087,758	7,753,064	334,694
Capital outlay	-	111,634	359,053	(247,419)
Other outgo				
Excluding transfers of indirect costs	430,883	272,524	1,290,843	(1,018,319)
Transfers of indirect costs	(108,425)	(121,664)	(126,743)	5,079
<b>Total Expenditures</b>	<b>23,805,516</b>	<b>28,110,601</b>	<b>27,799,896</b>	<b>310,705</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<b>1,034,973</b>	<b>2,234,658</b>	<b>4,056,913</b>	<b>1,822,255</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	5,770	5,770	7,151	1,381
Other Sources	-	-	246,939	246,939
Transfers Out	(794,640)	(430,262)	(421,889)	8,373
<b>Net Financing Sources (Uses)</b>	<b>(788,870)</b>	<b>(424,492)</b>	<b>(167,799)</b>	<b>256,693</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>246,103</b>	<b>1,810,166</b>	<b>3,889,114</b>	<b>2,078,948</b>
<b>Fund Balance - Beginning</b>	<b>5,892,286</b>	<b>5,892,286</b>	<b>5,892,286</b>	
<b>Fund Balance - Ending</b>	<b>\$ 6,138,389</b>	<b>\$ 7,702,452</b>	<b>\$ 9,781,400</b>	<b>\$ 2,078,948</b>

YUBA COUNTY OFFICE OF EDUCATION

CHARTER SCHOOL SPECIAL REVENUE FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variations -
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive / (Negative) Final to Actual</u>
<b>REVENUES</b>				
Local Control Funding				
Formula ("LCFF") Sources				
State aid	\$ 2,366,930	\$ 2,543,310	\$ 2,828,311	\$ 285,001
Federal sources	97,568	94,671	90,329	(4,342)
Other State sources	719,691	1,182,085	862,268	(319,817)
Other local sources	10,000	10,070	(25,747)	(35,817)
<b>Total Revenues</b>	<b>3,194,189</b>	<b>3,830,136</b>	<b>3,755,161</b>	<b>(74,975)</b>
<b>EXPENDITURES</b>				
Certificated salaries	1,217,387	1,231,091	1,206,117	24,974
Classified salaries	513,278	494,727	465,247	29,480
Employee benefits	794,685	772,300	756,129	16,171
Books and supplies	229,702	199,869	101,584	98,285
Services and other operating expenditures	525,455	551,312	518,553	32,759
Capital outlay	-	61,768	61,768	-
Excluding transfers of indirect costs	5,541	5,541	5,119	422
Transfers of indirect costs	29,978	28,498	30,716	(2,218)
<b>Total Expenditures</b>	<b>3,316,026</b>	<b>3,345,106</b>	<b>3,145,233</b>	<b>199,873</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(121,837)</b>	<b>485,030</b>	<b>609,928</b>	<b>124,898</b>
<b>Fund Balance - Beginning</b>	<b>1,434,774</b>	<b>1,434,774</b>	<b>1,434,774</b>	
<b>Fund Balance - Ending</b>	<b>\$ 1,312,937</b>	<b>\$ 1,919,804</b>	<b>\$ 2,044,702</b>	<b>\$ 124,898</b>

YUBA COUNTY OFFICE OF EDUCATION

SPECIAL EDUCATION PASS-THROUGH FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variances - Positive / (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Local Control Funding Formula ("LCFF") Sources				
Federal sources	\$ 3,506,532	\$ 4,216,806	\$ 4,420,055	\$ 203,249
Other State sources	12,988,181	13,731,272	13,169,450	(561,822)
Other local sources	4,000	4,000	2,484	(1,516)
<b>Total Revenues</b>	16,498,713	17,952,078	17,591,989	(360,089)
<b>EXPENDITURES</b>				
Other outgo				
Excluding transfers of indirect costs	16,494,713	17,948,078	17,589,508	358,570
<b>NET CHANGE IN FUND BALANCE</b>	4,000	4,000	2,481	(1,519)
<b>Fund Balance - Beginning</b>	307,243	307,243	307,243	
<b>Fund Balance - Ending</b>	\$ 311,243	\$ 311,243	\$ 309,724	\$ (1,519)

**YUBA COUNTY OFFICE OF EDUCATION**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

<b>Cal STRS</b>	<i>(\$ Amounts in thousands)</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
COE's proportion of the net pension liability		0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
COE's proportionate share of the net pension liability (asset)	\$	6,263	\$ 4,216	\$ 10,495	\$ 8,764	\$ 8,338	\$ 8,344	\$ 7,808	\$ 6,889	\$ 6,237
State's proportionate share of the net pension liability (asset) associated with the COE		2,096	1,411	3,570	3,094	3,036	3,099	2,832	2,383	2,391
<b>Total</b>	\$	8,359	\$ 5,627	\$ 14,065	\$ 11,858	\$ 11,374	\$ 11,443	\$ 10,640	\$ 9,272	\$ 8,628
COE's covered payroll	\$	5,202	\$ 5,170	\$ 5,778	\$ 5,206	\$ 4,881	\$ 4,729	\$ 4,781	\$ 4,697	\$ 4,699
COE's proportionate share of the net pension liability as a percentage of its covered payroll		120%	82%	182%	168%	171%	176%	163%	147%	133%
Plan fiduciary net position as a percentage of the total pension liability		81%	87%	72%	73%	71%	65%	70%	74%	77%
<b>Cal PERS</b>	<i>(\$ Amounts in thousands)</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
COE's proportion of the net pension liability		0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
COE's proportionate share of the net pension liability (asset)	\$	14,548	\$ 8,774	\$ 12,616	\$ 12,165	\$ 10,568	\$ 9,382	\$ 7,524	\$ 5,512	\$ 4,157
COE's covered payroll	\$	6,515	\$ 6,199	\$ 5,968	\$ 5,761	\$ 5,227	\$ 5,006	\$ 4,546	\$ 4,144	\$ 3,863
COE's proportionate share of the net pension liability as a percentage of its covered payroll		223%	142%	211%	211%	202%	187%	166%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability		81%	70%	70%	71%	72%	74%	79%	83%	

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

**YUBA COUNTY OFFICE OF EDUCATION**

**SCHEDULE OF CONTRIBUTIONS**

<b>Cal STRS</b> <i>(\$ Amounts in thousands)</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,025	\$ 880	\$ 835	\$ 988	\$ 848	\$ 710	\$ 595	\$ 513	\$ 417
Contributions in relation to the contractually required contribution	(1,025)	(880)	(835)	(988)	(848)	(710)	(595)	(513)	(417)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,366	\$ 5,202	\$ 5,170	\$ 5,778	\$ 5,206	\$ 4,916	\$ 4,729	\$ 4,781	\$ 4,697
Contributions as a percentage of of covered payroll	19%	17%	16%	17%	16%	14%	13%	11%	9%
<b>Cal PERS</b> <i>(\$ Amounts in thousands)</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,944	\$ 1,493	\$ 1,283	\$ 1,177	\$ 1,041	\$ 812	\$ 695	\$ 539	\$ 488
Contributions in relation to the contractually required contribution	(1,944)	(1,493)	(1,283)	(1,177)	(1,041)	(812)	(695)	(539)	(488)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,664	\$ 6,515	\$ 6,199	\$ 5,968	\$ 5,761	\$ 5,227	\$ 5,006	\$ 4,546	\$ 4,144
Contributions as a percentage of of covered payroll	25%	23%	21%	20%	18%	16%	14%	12%	12%

YUBA COUNTY OFFICE OF EDUCATION

**SCHEDULES OF CHANGES IN THE TOTAL OPEB LIABILITIES AND RELATED RATIOS AND OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

**COE Plan:**

<i>(\$ Amounts in thousands)</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Changes for the year:</b>						
Service cost	214	241	\$ 295	\$ 286	\$ 277	268
Interest	86	60	110	103	67	86
Changes in assumptions or other inputs	56	152	(601)	-	-	-
Benefit payments	(209)	(135)	(184)	(244)	(86)	(111)
<b>Net Changes in Total OPEB Liability</b>	<b>147</b>	<b>318</b>	<b>(380)</b>	<b>145</b>	<b>258</b>	<b>243</b>
<b>Total OPEB Liability - Beginning</b>	<b>2,771</b>	<b>2,453</b>	<b>2,833</b>	<b>2,688</b>	<b>2,430</b>	<b>2,187</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 2,918</b>	<b>\$ 2,771</b>	<b>\$ 2,453</b>	<b>\$ 2,833</b>	<b>\$ 2,688</b>	<b>\$ 2,430</b>
<b>Covered Payroll</b>	<b>\$13,030</b>	<b>\$11,717</b>	<b>\$11,369</b>	<b>\$ 11,455</b>	<b>\$ 11,455</b>	<b>\$ 11,455</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>22%</b>	<b>24%</b>	<b>22%</b>	<b>25%</b>	<b>23%</b>	<b>21%</b>
<b>District Has No Assets Accumulated in a Trust to Pay Related Benefits</b>						

**CalSTRS OPEB Plan:**

<i>(\$ Amounts in thousands)</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
District's Proportion of the collective net OPEB liability	\$ 45	\$ 56	\$ 59	\$ 56	\$ 55	61
District's proportionate share of the collective net OPEB liability	0.014%	0.014%	0.016%	0.014%	0.014%	0.014%

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

Covered Payroll <sup>1</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total OPEB liability as a percentage of covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

<sup>1</sup> 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



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**SUPPLEMENTARY INFORMATION**

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YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Exp.	Exp. to Sub-recipients
U. S. DEPARTMENT OF EDUCATION:				
Passed through California Department of Education (CDE):				
Every Student Succeeds Act ("ESSA"):				
Title I, Part A, Basic Grants Low-Income and Neglected [1]	84.010	14329	\$ 194,400	\$ -
Title I, Part D, Local Delinquent Programs [1]	84.010	14357	79,358	-
Title I, School Improvement (CSI) Funding for LEAs [1]	84.010	15438	210,976	-
Title I, School Improvement (CSI) Funding for LEAs [1]	84.010	15439	25,691	-
Title I, Subtotal [1]			510,425	-
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	12,941	-
Title III, Limited English Proficient (LEP)	84.365	14346	18,641	18,641
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	8,579	-
Title IX, Education for Homeless Children and Youth	84.196	14332	49,918	-
Special Education Cluster (IDEA):				
ARP Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	630,936	620,452
ARP Part B, Sec. 619, Preschool Grants	84.173	15639	41,327	41,327
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	3,476,039	3,393,352
Preschool Grants, Part B, Sec 619 (Age 3-4-5)	84.173	13430	173,902	173,902
Mental Health Allocation Plan, Part B, Sec 611	84.027	15197	194,690	190,023
Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,000	1,000
Alternate Dispute Resolution, Part B, Sec 611	84.173A	13007	50,539	-
Supporting Inclusive Practices	84.027	13693	5,629	-
Special Education Cluster (IDEA)			4,574,062	4,420,056
Coronavirus Aid, Relief, and Economic Security ("CARES") Act:				
Expanded Learning Opportunities (ELO) Grant: ESSER II	84.425	15618	55,801	-
ELO Grant: GEER II	84.425	15619	19,568	-
ESSER III Fund: Learning	84.425U	10155	61,350	-
ELO Grant: ESSER III State Reserve Emergency	84.425	15620	30,058	-
ELO Grant: ESSER III State Reserve Learning	84.425	15621	24,043	-
Elementary and Secondary School Emergency Relief ("ESSER III")	84.425D	15536	21,981	-
Elementary and Secondary School Emergency Relief Fund II	84.425	15547	110,213	-
ESSER III	84.425	15559	213,260	-
American Rescue Plan-Homeless Children and Youth	84.425	15564	6,891	-
ARP HCY II	84.425	15566	538	-
Total CARES			543,703	-
Early Intervention Grants	84.181	24314	63,140	-
<b>Total U. S. Department of Education</b>			<b>5,781,408</b>	<b>4,438,697</b>

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued  
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Exp.	Exp. to Sub-recipients
<b>U. S. DEPARTMENT OF AGRICULTURE:</b>				
Passed through CDE:				
Pandemic EBT Local Administrative Grant	10.649	15644	614	-
Forest Reserve	10.665	10044	47,446	40,520
<b>Total U. S. Department of Agriculture</b>			48,060	40,520
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Passed through CDE:				
Child Development:				
Child Care and Development Block Grant	93.575	13946	183,549	-
Preschool Development Grant - Renewal FY 2020-23	93.434	15548	47,036	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Unknown	111,200	-
<b>Total U. S. Department of Health &amp; Human Services</b>			341,785	-
<b>U. S. DEPARTMENT OF JUSTICE</b>				
Passed through the California Board of State and Community Corrections:				
Juvenile Justice and Delinquency Prevention	16.540	*	128,223	-
<b>U. S. DEPARTMENT OF LABOR</b>				
Passed through North Central Counties Consotium:				
Workforce Innovation and Opportuntiy Act (WIOA) Cluster [1]:				
Adult Programs	17.258	*	753,653	-
Youth Activities	17.259	*	285,630	-
Dislocated Workers	17.278	*	987,790	-
WIOA Cluster [1]			2,027,073	-
Employment Service/Wagner-Peyser Funded Activities	17.207	*	17,261	-
<b>Total U. S. Department of Labor</b>			2,044,334	-
<b>Total Federal Expenditures</b>			\$8,343,810	\$4,479,217

[1] - Major Program

\* - No PCS Number

See accompanying note to supplementary information

**YUBA COUNTY OFFICE OF EDUCATION**

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

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**Attendance Yuba COE:**

	<b>Second Period</b>	
	<b>Report</b>	<b>Annual Report</b>
<b>ELEMENTARY</b>		
Juvenile halls, homes, and camps	0	0
Probation referred, on probabtion or parole, expelled	5	6
<b>Total Elementary</b>	<b>5</b>	<b>6</b>
<b>SECONDARY</b>		
Juvenile halls, homes, and camps	24	17
Probation referred, on probabtion or parole, expelled	24	40
<b>Total Secondary</b>	<b>48</b>	<b>57</b>
<b>Total</b>	<b>53</b>	<b>63</b>

**Attendance COE Funded County Program:**

	<b>Second Period</b>	
	<b>Report</b>	<b>Annual Report</b>
<b>ELEMENTARY</b>		
Special day classes	108	110
Extended year special education	8	8
<b>Total Elementary</b>	<b>116</b>	<b>118</b>
<b>SECONDARY</b>		
Special day classes	48	47
Extended year special education	3	3
<b>Total Secondary</b>	<b>51</b>	<b>50</b>
<b>Total</b>	<b>167</b>	<b>168</b>

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA), Continued  
FOR THE YEAR ENDED JUNE 30, 2023

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Yuba County Career Charter Preparatory Academy (Nonclassroom-based only):

	Second Period	
	Report	Annual Report
REGULAR ELEMENTARY AND HIGH SCHOOL		
Total transitional kindergarten through third	6	6
Total fourth through sixth	9	9
Total seventh through eighth	18	19
Total ninth through twelfth	163	163
Total Elementary and High School	196	197

See accompanying note to supplementary information

**YUBA COUNTY OFFICE OF EDUCATION**

**SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2023**

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Yuba County Office of Education, not applicable.

Yuba County Career Charter Preparatory Academy, not applicable as the Charter only engaged in nonclassroom-based instruction.

**YUBA COUNTY OFFICE OF EDUCATION**

**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2024 (Budget)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>COUNTY SCHOOL SERVICES FUND:</b>				
Revenues	\$ 31,246,273	\$ 31,856,809	\$ 24,000,218	\$ 21,705,512
Other sources and transfers in	1,057,122	254,090	7,710	5,862
Total	32,303,395	32,110,899	24,007,928	21,711,374
Expenditures	30,409,528	27,799,896	22,636,134	20,025,703
Other uses and transfers out	35,516	421,889	393,900	889,000
Total	30,445,044	28,221,785	23,030,034	20,914,703
<b>INCREASE/(DECREASE) IN FUND BALANCE</b>				
	\$ 1,858,351	\$ 3,889,114	\$ 977,894	\$ 796,671
<b>ENDING FUND BALANCE</b>				
	\$ 11,639,751	\$ 9,781,400	\$ 5,892,286	\$ 4,914,392
<b>AVAILABLE RESERVES<sup>1</sup></b>				
	\$ 6,210,978	\$ 4,353,087	\$ 2,732,409	\$ 2,227,104
<b>AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO</b>				
	20%	15%	12%	11%
<b>LONG-TERM DEBT</b>				
	N/A	\$ 24,177,000	\$ 16,376,000	\$ 26,594,000
<b>AVERAGE DAILY ATTENDANCE AT P-2<sup>2</sup></b>				
	225	220	193	226

The County School Services Fund balance has increased by \$4,867,008 over the past two years. The fiscal year 2023-24 budget projects an increase of nineteen percent. For a COE this size, the State recommends available reserves of at least three percent of County School Services Fund expenditures, transfers out, and other uses (total outgo).

The COE has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2023-24 fiscal year. Total long-term obligations have decreased by \$2,417,000 million over the past two years.

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

<sup>1</sup> Available reserves consist of all unassigned fund balance within the County School Services Fund

<sup>2</sup> ADA consists of Yuba COE attendance, as well as, COE funded county programs



YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

	County School Services Fund	Charter School Special Revenue Fund	Special Education Pass- Through Fund	Child Developme nt Fund	Def. Maint. Fund	Special Reserve Fund for Other Than Capital Outlay Projects	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Debt Service Fund	Other Enterprise Fund	Self- Insurance Fund
<b>FUND BALANCE / NET POSITION</b>											
Balance, June 30, 2023											
Unaudited Actuals:	\$ 9,759,158	\$ 2,113,612	\$ 323,724	\$ 199,820	\$ 2,140,952	\$ 211,517	\$ 1,501,357	\$ 134,660	\$ 1,074,385	\$ 5,934	\$ 1,083,342
Increase in:											
Cash in county	52,517	-	-	-	-	-	-	-	-	-	-
Cash in banks	10,514	-	-	-	-	-	-	-	-	-	-
Accrued receivables	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	15,481	-	-	-	-
Due to other funds	(15,481)	-	-	-	-	-	-	-	-	-	-
Capital assets	-	-	-	-	-	-	-	-	-	1,165,000	-
Accrued liabilities	(25,308)	(3,910)	-	(2,027)	-	-	-	-	-	-	-
Net pension liability/OPEB	-	-	-	-	-	-	-	-	-	-	(2,112,922)
Decrease in:											
Cash in county/valuation	-	(65,000)	(14,000)	-	(50,000)	(211,517)	(54,000)	(3,000)	(26,000)	-	(46,000)
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Audited financial statement	\$ 9,781,400	\$ 2,044,702	\$ 309,724	\$ 197,793	\$ 2,090,952	\$ -	\$ 1,462,838	\$ 131,660	\$ 1,048,385	\$ 1,170,934	\$ (1,075,580)

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2023

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<b>Charter School Number</b>	<b>Charter School</b>	<b>Status</b>	<b>Included in Audit Report</b>
0092	Yuba County Career Preparatory Charter School	Active	Yes
0990	Yuba Environmental Science Charter Academy	Active	No

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

COMBINING BALANCE SHEET  
 JUNE 30, 2023

	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund	Special Reserve for Capital Outlay Fund	Debt Service Fund	Non-Major Governmental Funds
<b>ASSETS</b>						
Deposits and investments	\$ -	\$ -	\$ 2,020,977	\$ 131,014	\$ 1,044,635	\$ 3,196,626
Accrued receivables	18,893	687,112	9,975	646	3,750	720,376
Due from other funds	-	18,495	60,000	-	-	78,495
<b>Total Assets</b>	\$ 18,893	\$ 705,607	\$ 2,090,952	\$ 131,660	\$ 1,048,385	\$ 3,995,497
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ 271,276	\$ -	\$ -	\$ -	\$ 271,276
Due to other funds	18,893	220,187	-	-	-	239,080
Unearned revenue	-	16,351	-	-	-	16,351
<b>Total Liabilities</b>	18,893	507,814	-	-	-	526,707
<b>FUND BALANCES</b>						
Spendable						
Restricted	-	11,044	-	-	-	11,044
Committed	-	-	2,090,952	-	-	2,090,952
Assigned	-	186,749	-	131,660	1,048,385	1,366,794
<b>Total Fund Balances</b>	-	\$ 197,793	2,090,952	\$ 131,660	\$ 1,048,385	\$ 3,468,790
<b>Total Liabilities and Fund Balances</b>	\$ 18,893	\$ 705,607	\$ 2,090,952	\$ 131,660	\$ 1,048,385	\$ 3,995,497

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023

	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund	Forest Reserve Fund	Special Reserve for Capital Outlay Fund	Debt Service Fund	Non-Major Governmental Funds
<b>REVENUES</b>							
Local Control Funding Formula ("LCFF") Sources							
Transfers	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Federal sources	-	230,585	-	47,446	-	-	278,031
Other State sources	4,434	657,795	-	-	-	-	662,229
Other local sources	151,221	518,219	(19,233)	174	70,276	(15,216)	705,441
<b>Total Revenues</b>	<b>155,655</b>	<b>1,406,599</b>	<b>40,767</b>	<b>47,620</b>	<b>70,276</b>	<b>(15,216)</b>	<b>1,705,701</b>
<b>EXPENDITURES</b>							
Current							
Instruction	75,297	-	-	-	-	-	75,297
Instruction-related services							
Instructional supervision and administration	73,241	-	-	-	-	-	73,241
All other general administration	7,117	88,910	-	-	-	-	96,027
Plant services	-	-	19,429	-	-	-	19,429
Community services	-	1,308,966	-	-	-	-	1,308,966
Transfers to other agencies	-	-	-	40,519	-	-	40,519
Debt service							
Interest and other	-	-	-	-	-	8,155	8,155
Principal	-	-	-	-	-	382,660	382,660
<b>Total Expenditures</b>	<b>155,655</b>	<b>1,397,876</b>	<b>19,429</b>	<b>40,519</b>	<b>-</b>	<b>390,815</b>	<b>2,004,294</b>
<b>Excess (Deficiency) of Revenues</b>							
<b>Over Expenditures</b>	-	8,723	21,338	7,101	70,276	(406,031)	(298,593)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	390,816	390,816
Transfers Out	-	-	-	(7,151)	-	-	(7,151)
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,151)</b>	<b>-</b>	<b>390,816</b>	<b>383,665</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>8,723</b>	<b>21,338</b>	<b>(50)</b>	<b>70,276</b>	<b>(15,215)</b>	<b>85,072</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>189,070</b>	<b>2,069,614</b>	<b>50</b>	<b>61,384</b>	<b>1,063,600</b>	<b>3,383,718</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 197,793</b>	<b>\$ 2,090,952</b>	<b>\$ -</b>	<b>\$ 131,660</b>	<b>\$ 1,048,385</b>	<b>\$ 3,468,790</b>

See accompanying note to supplementary information

## YUBA COUNTY OFFICE OF EDUCATION

### NOTES TO SUPPLEMENTARY INFORMATION JUNE 30, 2023

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#### **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 section 46200) of chapter 2 of part 26 of the Education Code; showing by grade level:

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

**Schedule of Financial Trends and Analysis**

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

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

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

**Schedule of Charter Schools**

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

**Combining Statements – Non-Major Governmental Funds**

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

**Local Education Agency Organization Structure**

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

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

**This schedule is located in the front of the report.**

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**OTHER INDEPENDENT AUDITORS' REPORTS**

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

Board of Trustees  
Yuba County Office of Education  
Marysville, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Yuba County Office of Education's basic financial statements, and have issued our report thereon dated January 31, 2024.

***REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING***

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

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

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

***REPORT ON COMPLIANCE AND OTHER MATTERS***

As part of obtaining reasonable assurance about whether Yuba County Office of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*. 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.

A handwritten signature in cursive script that reads 'RT Dennis Accountancy'.

January 31, 2024

RT DENNIS  
ACCOUNTANCY

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE**

Board of Trustees  
Yuba County Office of Education  
Marysville, California

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

***Opinion on Each Major Federal Program***

We have audited Yuba County Office of Education's compliance with the types of compliance requirements<sup>1</sup> identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Yuba County Office of Education's major federal programs for the year ended June 30, 2023. Yuba County Office of Education'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, Yuba County Office of Education 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Yuba County Office of Education 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 Yuba County Office of Education'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 Yuba County Office of Education's federal programs.

RT DENNIS  
ACCOUNTANCY

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yuba County Office of Education'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 Yuba County Office of Education'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 Yuba County Office of Education'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 Yuba County Office of Education'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 Yuba County Office of Education'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.

Handwritten signature in cursive script, appearing to read "N. J. Dennis".

January 31, 2024

## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees  
Yuba County Office of Education  
Marysville, California

### ***REPORT ON STATE COMPLIANCE***

#### ***Opinion on State Compliance***

We have examined Yuba County Office of Education's compliance with the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* ("the State Audit Guide"), prescribed by the *California Code of Regulation*, Title 5 §19810, et seq., applicable to Yuba County Office of Education's state compliance requirements as listed on the next pages for the year ended June 30, 2023..

In our opinion, Yuba County Office of Education complied, in all material respects, with the applicable programs from the State Audit Guide, as listed on the next page during the year-ended June 30, 2023.

#### ***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 *2022-23 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 Section 315, *Compliance Attestation*.

#### ***Basis for Opinion on State Compliance***

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

#### ***Responsibilities of Management for State Compliance***

Management of Yuba County Office of Education is responsible for the District's compliance with the specified requirements.

#### ***Auditor's Responsibilities for the Examination of State Compliance***

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

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

Our examination does not provide a legal determination on Yuba County Office of Education's compliance with specified requirements.

RT DENNIS  
ACCOUNTANCY



In connection with the audit referred to previously, we selected and tested transactions and records to determine the Yuba County Office of Education's compliance with the State laws and regulations applicable to the following items:

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

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<sup>1</sup> COE does not have this program or is otherwise not applicable to the COE.

**PROCEDURES  
PERFORMED**

**PROGRAM NAME**

**School Districts, County Offices Of Education, And Charter Schools**

<b>T.</b> California Clean Energy Jobs Act	Not Applicable <sup>1</sup>
<b>U.</b> After/Before School Education and Safety Program	Not Applicable <sup>1</sup>
<b>V.</b> Proper Expenditure Of Education Protection Account Funds	Yes
<b>W.</b> Unduplicated Local Control Funding Formula Pupil Counts	Yes
<b>X.</b> Local Control and Accountability Plan	Yes
<b>Y.</b> Independent Study-Course Based	Not Applicable <sup>1</sup>
<b>Z.</b> Immunizations	Not Applicable <sup>1</sup>
<b>ZA.</b> Educator Effectivness	Yes
<b>ZB.</b> Expanded Learning Opportunities Grant (ELO-G)	Not Applicable <sup>1</sup>
<b>ZC.</b> Career Technical Education Incentive Grant	Not Applicable <sup>1</sup>
<b>ZE.</b> Transitional Kindergarten	Not Applicable <sup>1</sup>

**Charter Schools**

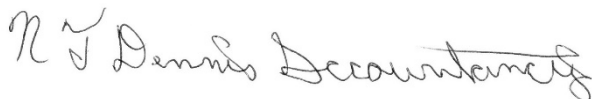
<b>AA.</b> Attendance	Yes
<b>BB.</b> Mode Of Instruction	Yes
<b>CC.</b> Nonclassroom-Based Instruction/Independent Study	Yes
<b>DD.</b> Determination Of Funding For Nonclassroom-Based Instruction	Yes
<b>EE.</b> Annual Instructional Minutes - Classroom Based	Not Applicable <sup>1</sup>
<b>FF.</b> Charter School Facility Grant Program	Not Applicable <sup>1</sup>

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<sup>1</sup> COE does not have this program or is otherwise not applicable to the COE.

**Purpose of this Report**

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



January 31, 2024

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**YUBA COUNTY OFFICE OF EDUCATION**

**SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>Yes</u>

**FEDERAL AWARDS**

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

<u>Assistance Listing</u>	<u>Name of Federal Program of Cluster</u>
<u>84.010</u>	<u>Title I</u>
<u>17.258, 17.259, &amp; 17.278</u>	<u>WIOA Cluster</u>

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

**STATE AWARDS**

Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>
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**YUBA COUNTY OFFICE OF EDUCATION**

**FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

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There were no financial statement findings noted

**YUBA COUNTY OFFICE OF EDUCATION**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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There were no Federal Award Findings or Questioned Costs noted this year.

**YUBA COUNTY OFFICE OF EDUCATION**

**STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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There were no State Award Findings or Questioned Costs noted.



YUBA COUNTY OFFICE OF EDUCATION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023

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2022-001 *CASH IN COUNTY RECONCILIATION, 30000*

**CRITERIA**

In order to ensure the cash balance appropriately reported, a cash in county reconciliation should be performed monthly, within a timely period. Reconciliations are effective tools to detect mistakes, errors, or embezzlements if they are prepared timely, reviewed in detail, and approved by a second person.

**CONDITION**

The reported cash in county balances were not reconciled timely between the Yuba County Auditor-Controller reports and the COE's accounting system, Escape.

**STATUS**

Implemented

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