



Yuba County Office of Education
County of Yuba
Marysville, California
June 30, 2024

Independent Auditor's Report
and Financial Statements



Yuba County Office of Education
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June 30, 2024

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Independent Auditor's Report

To the Board of Trustees
Yuba County Office of Education
Marysville, California 95901

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Yuba County Office of Education ("the COE") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the COE's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Yuba County Office of Education as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the COE's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the COE'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, schedule of the COE's proportionate share of the net pension liability, schedule of COE pension contributions, and schedule of changes in the COE's OPEB liability and related ratios, identified as Required Supplementary Information in the table of contents 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 the Yuba County Office of Education's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2, *Code of Federal Regulations*, Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F—Audit Requirements (Uniform Guidance), and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 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 the COE's internal control over financial reporting and 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.

Respectfully submitted,

A handwritten signature in cursive script that reads "Linger, Peterson & Shrum".

Linger, Peterson & Shrum
Fresno, California
December 6, 2024

**Management's Discussion and Analysis
For the year ended June 30, 2024**

Introduction

This section of Yuba County Office of Education's (the COE) annual financial report presents our discussion and analysis of the COE's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the COE's financial statements, which immediately follow this section.

Financial Highlights

- Total net position was \$17.1 million.
- Overall revenues were \$57.1 million, and expenses were \$54.3 million.
- The total cost of basic programs was paid for with charges, fees, and intergovernmental aid, the net cost that required general and other revenues was \$49.7 million.
- Governmental fund balances increased by a total of \$3.9 million.
- General Fund revenue came in over \$1.5 million more than projected at 2nd Interim, and General Fund expenditures were under budget by \$4.4 million.
- Various construction projects and equipment purchases increased capital assets by \$1.2 million.
- Overall long-term debt increased by \$2.2 million mostly as a result of an increase in net pension liabilities.

Overview of Financial Statements

Components of the Financials Section

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

Figure A-1

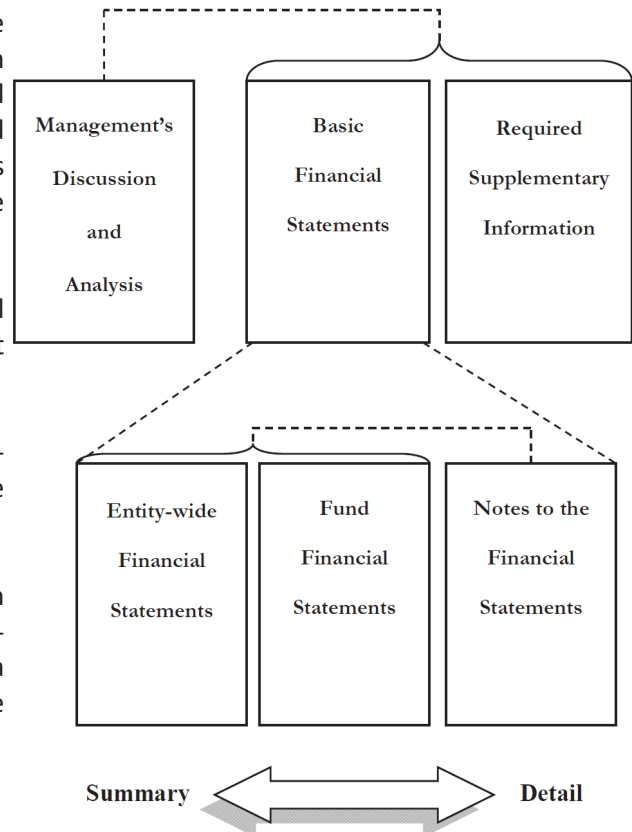
Required Components of Yuba County Office of Education's Annual Financial Report

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

Government funds statements tell how general government services were financed in the short term as well as what remains for future spending.

Proprietary funds statements offer short and long-term financial information about the activities the government operates like a business.

Fiduciary funds 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 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 type 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.

Figure A-2

Major Features of Yuba County Office of Education's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire COE government (except fiduciary funds)	The activities of the COE that are not proprietary or fiduciary, such as special education and building maintenance	Activities the COE operates similar to private businesses: child care, and self-insurance	Instances in which the COE administers resources on behalf of someone else, such as scholarship programs
<i>Required financial statements</i>	Statement of net position and Statement of activities	Balance sheet; Statement of revenues, expenditures, and changes in fund balances	Statement of net position; Statement of revenues, expenses, and changes in net position; Statement of cash flows	Statement of fiduciary net position; Statement of changes in fiduciary net position
<i>Accounting basis and measurement</i>	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
<i>Type of asset/liability information</i>	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 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
<i>Type of inflow/outflow information</i>	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

Government-wide Statements

The government-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.

The two government-wide statements report the COE's net position and how it has changed. Net position - the difference between the COE's assets and liabilities - is 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:
 - o 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.
 - o Business-type activities - The COE charges fees to help it cover the costs of certain services it provides. The COE's adult education programs 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 year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the COE's programs. Because this information does not encompass the additional long-term focus of the government-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.
 - o 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.
 - o 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 fund. 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 government-wide financial statements because the COE cannot use these assets to finance its operations.

Financial Analysis of the COE as a Whole

Net position

The COE's net position was more on June 30, 2024, than they were the year before. (See Table 1.) Most of this improvement in the COE's financial position came from an increase in operating performance (adding to the cash balance).

Table 1 - Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total		\$	%
	2024	2023	2024	2023	2024	2023	Change	Change
Current and other assets	\$ 34,468	\$ 30,135	\$ 2	\$ 8	\$ 34,470	\$ 30,143	\$ 4,327	14%
Capital assets	12,484	11,907	1,132	1,165	13,616	13,072	544	4%
Total Assets	46,952	42,042	1,134	1,173	48,086	43,215	4,871	11%
Deferred outflows of resources	7,386	6,226	-	-	7,386	6,226	1,160	19%
Current liabilities	11,405	9,744	2	2	11,408	9,746	1,662	17%
Non-current liabilities	26,294	24,132	-	-	26,294	24,132	2,162	9%
Total Liabilities	37,699	33,876	2	2	37,702	33,878	3,824	11%
Deferred inflows of resources	648	1,214	-	-	648	1,214	(566)	-47%
Net position								
Net investment in capital assets	13,328	11,699	1,132	1,165	14,460	12,864	1,596	12%
Restricted	5,356	6,639	-	-	5,356	6,639	(1,283)	-19%
Unrestricted	(2,694)	(5,160)	-	-	(2,694)	(5,154)	2,460	-48%
Total Net Position	<u>\$ 15,990</u>	<u>\$ 13,178</u>	<u>\$ 1,132</u>	<u>\$ 1,165</u>	<u>\$ 17,122</u>	<u>\$ 14,349</u>	<u>\$ 2,773</u>	19%

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 shows a \$2.8 million deficit at the end of the year. This deficit does not mean 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. A significant portion of these long-term commitments include pension and OPEB.

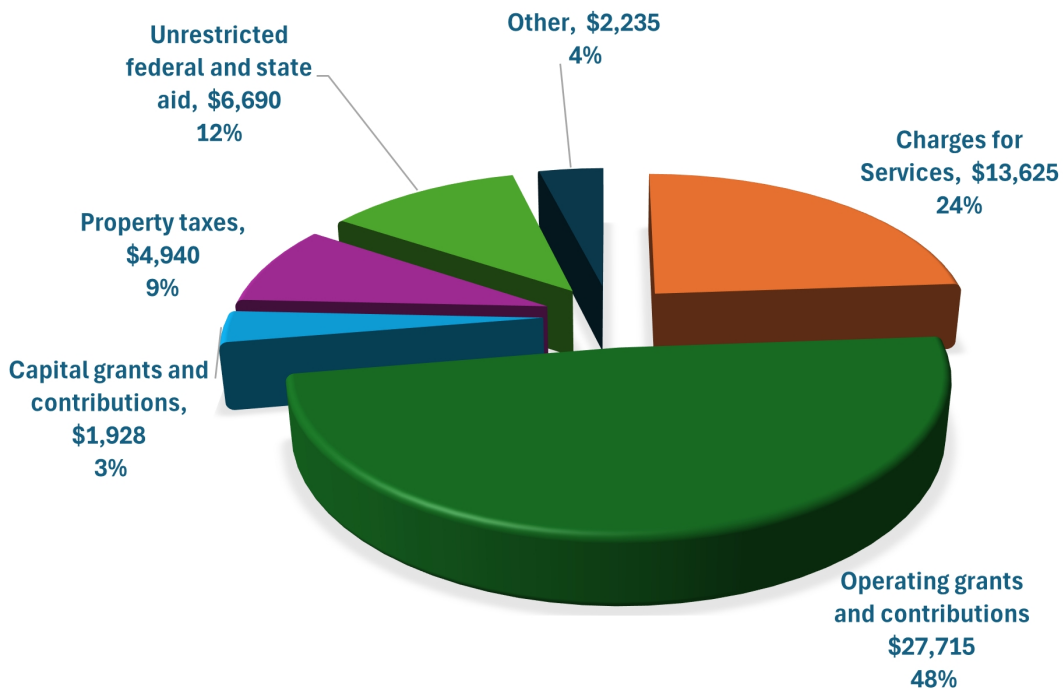
Changes in net position

The COE's revenues and expenses are broken out as follows:

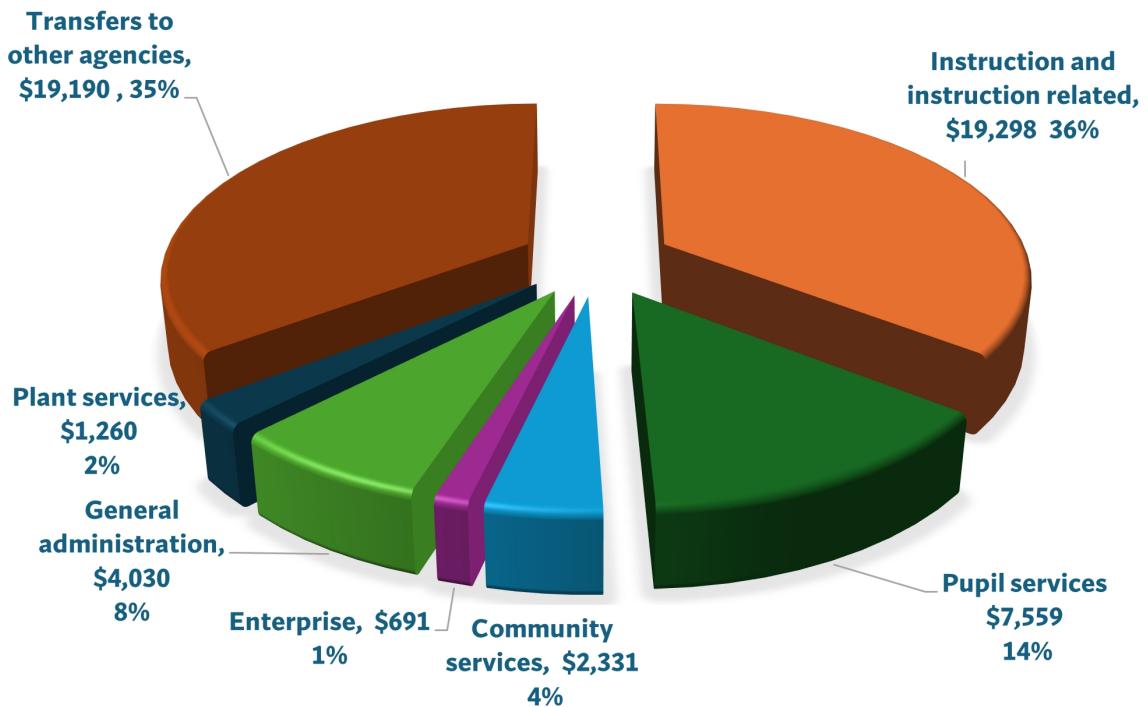
Table 2 - Activities (in thousands)

	Governmental Activities		Business-Type Activities		Total		\$ Change	% Change
	2024	2023	2024	2023	2024	2023		
Program revenue								
Charges for services	\$ 13,625	\$ 11,614	-	-	\$ 13,625	\$ 11,614	\$ 2,011	17%
Operating grants and contributions	27,715	31,322	-	-	27,715	31,322	(3,607)	-12%
Capital grants and contributions	1,928	302	-	-	1,928	302	1,626	538%
General revenue								
Property taxes	4,940	4,615	-	-	4,940	4,615	325	7%
Unrestricted federal and state aid	6,690	6,295	-	-	6,690	6,295	395	6%
Other	2,173	953	62	58	2,235	1,011	1,224	121%
Transfers	(7)	(31)	7	31	-	-	-	-
Total revenue	57,063	55,070	69	89	57,132	55,159	1,973	4%
Expenses								
Instruction	14,386	12,737	-	-	14,386	12,737	1,649	13%
Instruction-related services	4,912	4,524	-	-	4,912	4,524	388	9%
Pupil services	7,559	6,370	-	-	7,559	6,370	1,189	19%
Ancillary services	-	2	-	-	-	2	(2)	-100%
Community services	2,331	2,337	-	-	2,331	2,337	(6)	0%
Enterprise	583	324	108	122	691	446	245	55%
General administration	4,030	3,376	-	-	4,030	3,376	654	19%
Plant services	1,260	999	-	-	1,260	999	261	26%
Other outgo	19,190	18,906	-	-	19,190	18,906	284	2%
Interest on long-term obligations	-	17	-	-	-	17	(17)	-100%
Total expenses	54,251	49,592	108	122	54,360	49,714	4,646	9%
Increase in net position	\$ 2,812	\$ 5,478	\$ (39)	\$ (33)	\$ 2,773	\$ 5,445	\$ (2,672)	-49%

REVENUE ALLOCATION (\$ AMOUNTS IN THOUSANDS)



EXPENSE ALLOCATION (\$ AMOUNTS IN THOUSANDS)



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 \$49.7 million to \$54.3 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

There was little change in activity during the year as this comes from activities related to renting out a former school site.

Table 3 presents the costs of major COE activities, including: instruction, instruction-related services, pupil services, general administration, and plant services. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the COE's taxpayers and state by each of these functions.

The cost of all activities this year was \$54.3 million.

- Some of the cost (\$13.6 million) was financed by the users of the COE's programs.
- The federal and state governments subsidized certain programs with grants and contributions (\$27.7 million).
- The state provided capital contributions of \$1.9 million.
- The remaining of the COE's net costs (\$11.0 million), were financed by taxpayers within Yuba County and the taxpayers of our state.

Table 3 - Net Cost of Governmental Activity (in thousands)

	Total Cost of Services		Net Cost of Services		
	2024	2023	2024	2023	% Change
Instruction	\$ 14,386	\$ 12,737	\$ 2,916	\$ 2,115	38%
Instruction-related services	4,912	4,524	2,283	2,430	-6%
Pupil services	7,559	6,370	1,585	(1,674)	-195%
Ancillary services	-	2	-	2	-100%
Community services	2,331	2,337	35	(386)	-109%
Enterprise	583	446	512	324	58%
General administration	4,030	3,376	2,616	1,922	36%
Plant services	1,260	999	715	637	12%
Other outgo	19,190	18,906	321	967	-67%
Interest on long-term obligations	-	17	-	17	-100%
Total Expenses	<u>\$ 54,251</u>	<u>\$ 49,714</u>	<u>\$ 10,984</u>	<u>\$ 6,354</u>	73%

As the COE completed the year, its governmental funds reported combined fund balances of \$20.9 million, above last year's ending fund balances of \$17.1 million. The break out of revenue and expenditures are as follows:

Table 4 - Governmental Funds Performance (in thousands)

	2024	2023	% Change
Revenues			
LCFF sources	\$ 12,871	\$ 10,720	20%
Categorical revenues	25,894	28,560	-9%
Local revenues	19,503	15,909	23%
Total Revenues	<u>58,268</u>	<u>55,189</u>	6%
Expenses			
Certificated salaries	6,440	6,176	4%
Classified salaries	9,070	7,786	16%
Employee benefits	7,009	6,379	10%
Books and supplies	1,104	1,182	-7%
Services and other	10,151	9,315	9%
Capital outlay	1,379	359	284%
Other outgo	19,198	19,392	-1%
Total Expenses	<u>\$ 54,350</u>	<u>\$ 50,588</u>	7%
Changes in Net Position	<u>\$ 3,918</u>	<u>\$ 4,601</u>	-15%

In total, the COE's governmental funds had more revenues than expenditures in 2024. \$0.6 million has been set aside for planned capital outlay projects in the coming year.

General Fund Budgetary Highlights

During the 2023-24 fiscal year, revenues and expenses increased by \$3,097,000 and \$3,762,000, respectively. The increasing revenue is mainly due to increasing LCFF Sources and Local Revenues. Increasing expenses are due to higher salaries and benefits and a real estate purchase for a new career technical education center. Over the course of the year, the COE revised the annual budget during first and second interims (December and March, respectively). These budget amendments fall into following areas:

- Amendments and supplemental appropriations approved in December (1st Interim) to reflect the actual beginning account balances (correcting the estimated amounts in the budget adopted in June 2023).
- Changes made in the 2nd Interim to account for the midyear hiring and other changes.
- Increases in appropriations to prevent budget overruns.

Table 5 - General Fund and Budget Performance (in thousands)

	General Fund Activity			General Fund Budget		
	2024	2023	% Change	Original Budget	Final Budget	% Change
Revenues						
LCFF sources	\$ 9,385	\$ 7,832	20%	\$ 9,428	\$ 9,594	-2%
Categorical revenues	6,453	8,776	-26%	5,844	6,596	-11%
Local revenues	18,210	15,249	19%	15,974	17,168	-7%
Total Revenues	<u>34,048</u>	<u>31,857</u>	7%	<u>31,246</u>	<u>33,358</u>	-6%
Expenses						
Salaries and benefits	18,873	17,487	8%	21,124	19,420	9%
Supplies and services	9,619	8,789	9%	9,192	11,272	-18%
Other	4,617	1,523	203%	166	1,547	-89%
Total Expenses	<u>\$ 33,109</u>	<u>\$ 27,800</u>	19%	<u>\$ 30,482</u>	<u>\$ 32,239</u>	-5%
Changes in Net Position	<u>\$ 939</u>	<u>\$ 4,057</u>	-77%	<u>\$ 765</u>	<u>\$ 1,119</u>	-32%

Capital Asset and Debt Administration**Capital Assets**

By the end of 2024, the COE had invested a total of \$22.9 million in a broad range of capital assets, including school buildings, vehicles, equipment, and administrative offices. (See Table 6.) This amount represents a net increase over the prior year. (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was \$0.6 million.

Table 6 - Capital Assets (in thousands)

	Governmental Activities		Business-Type Activities		Total		\$ Change	% Change
	2024	2023	2024	2023	2024	2023		
Land and construction in progress	\$ 1,652	\$ 770	\$ -	\$ -	\$ 1,652	\$ 770	\$ 882	115%
Buildings and equipment	19,603	19,329	1,664	1,664	21,267	20,993	274	1%
Accumulated depreciation	(8,771)	(8,192)	(533)	(499)	(9,304)	(8,691)	(613)	7%
Total Capital Assets	<u>\$ 12,484</u>	<u>\$ 11,907</u>	<u>\$ 1,132</u>	<u>\$ 1,165</u>	<u>\$ 13,616</u>	<u>\$ 13,072</u>	<u>\$ 544</u>	4%

Long-term Debt

The COE's long-term liabilities at year-end are shown below in Table 7. (More detailed information about long-term liabilities can be found in Note 7 to the financial statements.)

Table 7 - Long-term Liabilities (in thousands)

	Governmental Activities		Business-Type Activities		Total		\$	%
	2024	2023	2024	2023	2024	2023	Change	Change
Net pension liabilities	\$ 22,776	\$ 20,811	\$ -	\$ -	\$ 22,776	\$ 20,811	\$ 1,965	9%
Net OPEB	3,063	2,963	-	-	3,063	2,963	100	3%
Compensated absences	333	195	-	-	333	195	138	71%
Leases payable	163	208	-	-	163	208	(45)	-21%
Less current portion	(41)	(45)	-	-	(41)	(45)	4	-8%
Total Long-term Liabilities	<u>\$ 26,294</u>	<u>\$ 24,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,294</u>	<u>\$ 24,132</u>	<u>\$ 2,162</u>	9%

Factors Bearing on the COE's Future

At the time these financial statements were prepared and audited, the COE was aware of these existing circumstances of significance:

- Large one-time increases in federal and state grants, that will likely not be sustainable
- Aging facilities
- Transfer of special education programs to Districts
- Rising pension costs

These indicators were taken into account when adopting the general fund budget for 2024-25. Amounts available for appropriation in the general fund budget are \$30.4 million, an increase of 9 percent over the final 2023 budget of \$27.8 million.

Budgeted expenditures are expected to increase in relation to revenue. An increase in wages for step and column adjustments averaging 1.5% was reached with the certificated union and averaging 1.5% for the classified union in 2024. The contribution for health insurance was increased by 8.5% for all employees participating in the health insurance plan. In addition, PERS and STRS retirement contributions are required from the two pension funds.

Contacting the COE's Financial Management

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

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Basic Financial Statements

Yuba County Office of Education
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 19,360,629	\$ (3,434)	\$ 19,357,195
Accounts receivable	15,050,973	-	15,050,973
Internal balances	(5,682)	5,682	-
Prepaid expenses	62,073	-	62,073
Capital assets not depreciated	1,652,101	-	1,652,101
Capital assets, net of accumulated depreciation and amortization	10,831,707	1,131,772	11,963,479
Total assets	46,951,801	1,134,020	48,085,821
Deferred Outflows of Resources:			
Deferred outflows of resources - Pensions	7,385,512	-	7,385,512
Total deferred outflows of resources	7,385,512	-	7,385,512
Liabilities:			
Accounts payable	9,999,087	2,230	10,001,317
Unearned revenue	1,365,048	-	1,365,048
Long-term liabilities			
Other than pensions and OPEB due within one year	41,289	-	41,289
Other than pensions and OPEB due after one year	455,359	-	455,359
Net pension liability	22,776,000	-	22,776,000
Other postemployment benefits liability (OPEB)	3,062,665	-	3,062,665
Total liabilities	37,699,448	2,230	37,701,678
Deferred Inflows of Resources:			
Deferred revenues	38,665	-	38,665
Deferred inflows of resources - Pensions	609,174	-	609,174
Total deferred inflows of resources	647,839	-	647,839
Net Position:			
Net investment in capital assets	13,328,332	1,131,772	14,460,104
Restricted for:			
Capital projects	1,225,488	-	1,225,488
Other purposes	4,130,467	-	4,130,467
Unrestricted	(2,694,261)	18	(2,694,243)
Total net position	\$ 15,990,026	\$ 1,131,790	\$ 17,121,816

The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions			
Primary Government:							
Governmental Activities:							
Instruction	\$14,386,340	\$ 3,016,693	\$ 8,158,254	\$ 295,311	\$ (2,916,082)		\$ (2,916,082)
Instruction-related services	4,911,574	663,688	1,595,800	369,442	(2,282,644)		(2,282,644)
Pupil services	7,558,938	1,921,834	3,931,292	121,010	(1,584,802)		(1,584,802)
Community services	2,331,013	824,362	1,452,004	19,251	(35,396)		(35,396)
Enterprise	582,820	-	-	70,637	(512,183)		(512,183)
General administration	4,030,163	232,123	744,846	436,869	(2,616,325)		(2,616,325)
Plant services	1,260,166	153,600	307,274	83,961	(715,331)		(715,331)
Other outgo	19,190,356	6,812,305	11,525,202	531,545	(321,304)		(321,304)
Total governmental activities	54,251,370	13,624,605	27,714,672	1,928,026	(10,984,067)		(10,984,067)
Business-type Activities:							
Enterprise activities	108,275	-	-	-	-	\$ (108,275)	(108,275)
Total business-type activities	108,275	-	-	-	-	(108,275)	(108,275)
Total primary government	\$54,359,645	\$13,624,605	\$ 27,714,672	\$ 1,928,026	(10,984,067)	(108,275)	(11,092,342)
General Revenues:							
LCFF sources					12,871,198	-	12,871,198
Federal revenues					48,816	-	48,816
State revenues					(1,289,474)	-	(1,289,474)
Local revenues					2,172,669	61,949	2,234,618
Transfers					(7,182)	7,182	-
Total general revenues and transfers					13,796,027	69,131	13,865,158
Change in Net Position					2,811,960	(39,144)	2,772,816
Net Position - Beginning					13,178,066	1,170,934	14,349,000
Net Position - Ending					\$ 15,990,026	\$1,131,790	\$ 17,121,816

The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Balance Sheet - Governmental Funds
June 30, 2024

	General Fund (Combined)	Special Education Pass-Through Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash in County Treasury	\$ 9,176,499	\$ 645,872	\$ 7,451,454	\$ 17,273,825
Cash in revolving fund	3,001	-	-	3,001
Accounts receivable	8,625,117	5,120,068	1,290,492	15,035,677
Due from other funds	408,955	266	151,398	560,619
Prepaid expenditures	62,073	-	-	62,073
Total assets	<u>18,275,645</u>	<u>5,766,206</u>	<u>8,893,344</u>	<u>32,935,195</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	\$ 3,398,686	\$ 5,412,467	\$ 1,168,860	\$ 9,980,013
Due to other funds	105,402	6,383	454,516	566,301
Unearned revenue	454,716	-	910,332	1,365,048
Total liabilities	<u>3,958,804</u>	<u>5,418,850</u>	<u>2,533,708</u>	<u>11,911,362</u>
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	3,001	-	-	3,001
Prepaid items	62,073	-	-	62,073
Restricted fund balances	4,262,178	210,000	1,828,107	6,300,285
Assigned fund balances	2,832,901	137,356	4,546,865	7,517,122
Unassigned:				
Reserve for economic uncertainty	7,172,172	-	-	7,172,172
Other unassigned	(15,484)	-	(54,001)	(69,485)
Total fund balance	<u>14,316,841</u>	<u>347,356</u>	<u>6,320,971</u>	<u>20,985,168</u>
Total liabilities and fund balances	<u>\$ 18,275,645</u>	<u>\$ 5,766,206</u>	<u>\$ 8,893,344</u>	<u>\$ 32,935,195</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education

Reconciliation of the Balance Sheet - Governmental Funds, to the Statement of Net Position

June 30, 2024

Total Fund Balances - Balance Sheet, Governmental Funds \$ 20,985,168

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital assets	21,254,713
Accumulated depreciation/amortization	(8,770,905)

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

Other post-employment benefits payable (OPEB)	(38,310)
Net pension liability	(22,776,000)
Compensated absences payable	(333,311)
Leases payable	(163,337)

Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:

Deferred outflows of resources related to pensions	7,385,512
Deferred inflows of resources related to pensions	(609,174)

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. The net position for internal service funds was: (944,330)

Total Fund Balance of Governmental Activities - Statement of Net Position	<u>\$ 15,990,026</u>
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The accompanying notes are an integral part of this statement.

Yuba County Office of Education

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2024

	General Fund (Combined)	Special Education Pass-Through Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
LCFF sources:				
State apportionment or State aid	\$ 4,491,009	\$ -	\$ 3,037,830	\$ 7,528,839
Education protection account funds	13,940	-	387,956	401,896
Local sources	4,880,463	-	60,000	4,940,463
Federal revenue	3,082,747	1,719,560	418,796	5,221,103
Other State revenue	3,369,758	14,050,516	3,252,330	20,672,604
Other local revenue	18,426,112	37,632	1,038,947	19,502,691
Total revenues	34,264,029	15,807,708	8,195,859	58,267,596
Expenditures:				
Current:				
Instruction	11,908,877	-	2,438,620	14,347,497
Instruction-related services	3,912,699	-	970,242	4,882,941
Pupil services	6,793,405	-	349,978	7,143,383
Community services	907,383	-	1,339,217	2,246,600
Enterprise	373,860	-	-	373,860
General administration	3,506,666	-	130,293	3,636,959
Plant services	958,226	-	184,249	1,142,475
Other outgo	3,372,307	15,770,076	47,973	19,190,356
Capital outlay	1,375,129	-	3,500	1,378,629
Total expenditures	33,108,552	15,770,076	5,464,072	54,342,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,155,477	37,632	2,731,787	3,924,896
Other Financing Sources (Uses):				
Transfers in	3,494,315	-	71,253	3,565,568
Transfers out	(114,351)	-	(3,458,399)	(3,572,750)
Total other financing sources (uses)	3,379,964	-	(3,387,146)	(7,182)
Net Change in Fund Balance	4,535,441	37,632	(655,359)	3,917,714
Fund Balance, July 1	9,781,400	309,724	6,976,330	17,067,454
Fund Balance, June 30	\$ 14,316,841	\$ 347,356	\$ 6,320,971	\$ 20,985,168

The accompanying notes are an integral part of this statement.

Yuba County Office of Education

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds, to the Statement of Activities
Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 3,917,714

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Expenditures for capital outlay	1,316,589
Depreciation expense	(645,883)

In the funds, the entire proceeds from disposal of capital of 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 gain or loss was: (93,195)

Governmental funds report repayments of long-term debt 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: 45,063

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:

Compensated absences	(138,311)
Other post-employment benefits cost in excess of contributions	5,690

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (295)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was: (1,726,662)

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, internal service activities are reported with governmental activities in the statement of activities. The net increase or decrease for internal service funds was: 131,250

Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 2,811,960</u>
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The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Balance Sheet - Proprietary Funds
June 30, 2024

	Enterprise Fund	Self-Insurance Fund	Total Proprietary Funds
Assets:			
Cash in County Treasury	\$ (3,434)	\$ 2,083,803	\$ 2,080,369
Accounts receivable	-	15,296	15,296
Due from other funds	7,182	-	7,182
Depreciable assets, net	1,131,772	-	1,131,772
Total assets	<u>1,135,520</u>	<u>2,099,099</u>	<u>3,234,619</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$ 2,230	\$ 19,074	\$ 21,304
Due to other funds	1,500	-	1,500
Net OPEB liability	-	3,024,355	3,024,355
Total liabilities	<u>3,730</u>	<u>3,043,429</u>	<u>3,047,159</u>
Fund Balance:			
Restricted fund balances	-	(944,330)	(944,330)
Other unassigned	1,131,790	-	1,131,790
Total fund balance	<u>1,131,790</u>	<u>(944,330)</u>	<u>187,460</u>
Total liabilities and fund balances	<u>\$ 1,135,520</u>	<u>\$ 2,099,099</u>	<u>\$ 3,234,619</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education

Statement of Revenues, Expenses, and Changes in Fund Balances - Proprietary Funds

Year Ended June 30, 2024

	Enterprise Fund	Self-Insurance Fund	Total Proprietary Funds
Revenues:			
Fee revenue	\$ 61,949	\$ 321,522	\$ 383,471
Total revenues	<u>61,949</u>	<u>321,522</u>	<u>383,471</u>
Expenses:			
Current:			
Professional services	74,988	190,272	265,260
Depreciation	<u>33,287</u>	<u>-</u>	<u>33,287</u>
Total expenses	<u>108,275</u>	<u>190,272</u>	<u>298,547</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenses	<u>(46,326)</u>	<u>131,250</u>	<u>84,924</u>
Other Financing Sources (Uses):			
Transfers in	<u>7,182</u>	<u>-</u>	<u>7,182</u>
Total other financing sources (uses)	<u>7,182</u>	<u>-</u>	<u>7,182</u>
Net Change in Fund Balance	(39,144)	131,250	92,106
Fund Balance, July 1	<u>1,170,934</u>	<u>(1,075,580)</u>	<u>95,354</u>
Fund Balance, June 30	<u>\$ 1,131,790</u>	<u>\$ (944,330)</u>	<u>\$ 187,460</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Statement of Cash Flows - Proprietary Funds
June 30, 2024

	Enterprise Fund	Self- Insurance Fund
Cash Flows from Operating Activities:		
Cash received from customers/assessments	\$ 61,949	\$ 315,133
Cash payments for insurance	-	(64,843)
Cash payments to other suppliers for goods and services	(74,405)	-
Net cash (used in) provided by operating activities	(12,456)	250,290
Cash Flows from Non-capital Financing Activities:		
Transfers from primary government	420	4,326
Net cash provided by non-capital financing activities	420	4,326
Net (decrease) increase in cash and cash equivalents	(12,036)	254,616
Cash and cash equivalents at beginning of year	8,602	1,829,187
Cash and cash equivalents at end of year	\$ (3,434)	\$ 2,083,803
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (46,326)	\$ 131,250
Adjustments to reconcile operating income to net cash		
Reconciliation of operating income to net cash provided by operating activities:		
Depreciation expense	33,287	-
Change in assets and liabilities		
Decrease in receivables	-	(6,389)
Increase in accounts payable	583	19,074
Increase in net OPEB	-	106,355
Total adjustments	33,870	119,040
Net cash (used in) provided by operating activities	\$ (12,456)	\$ 250,290

The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Balance Sheet - Fiduciary Funds
June 30, 2024

	Warrant/Pass-Through Fund
Assets:	
Cash in County Treasury	\$ 2,609,030
Accounts receivable	60,418
Total assets	<u>2,669,448</u>
Liabilities and Fund Balance:	
Liabilities:	
Accounts payable	\$ 22,330
Total liabilities	<u>22,330</u>
Fund Balance:	
Restricted fund balances	<u>2,647,118</u>
Total fund balance	<u>2,647,118</u>
Total liabilities and fund balances	<u>\$ 2,669,448</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Statement of Revenues, Expenditures, and Changes in Fund Balances - Fiduciary Funds
Year Ended June 30, 2024

	Warrant/Pass-Through Fund
Revenues:	
Other local revenue	\$ 106,005
Total revenues	<u>106,005</u>
Expenditures:	
Current:	
Total expenditures	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>106,005</u>
Other Financing Sources (Uses):	
Transfers in	31,531,048
Transfers out	(30,490,993)
Other uses	<u>(735,826)</u>
Total other financing sources (uses)	<u>304,229</u>
Net Change in Fund Balance	410,234
Fund Balance, July 1	<u>2,236,884</u>
Fund Balance, June 30	<u><u>\$ 2,647,118</u></u>

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

Yuba County Office of Education (COE) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual." The accounting policies of the COE conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Reporting Entity

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

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

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

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

Basis of Presentation, Basis of Accounting

Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for each function, excluding fiduciary funds, 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. The COE does not allocate indirect expenses in the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

The COE reports the following major governmental funds:

General Fund is the general operating fund of the COE. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes the following Funds maintained by the COE:

- Special Revenue Fund for Other Than Capital Outlay Projects (Fund 17)

Although funds listed above are separate funds authorized in the Education Code, they don't meet the definition of a Special Revenue Fund under accounting principles generally accepted in the United States of America, and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

Special Education Pass-Through Fund is used to account for special education revenue passed through to other member COEs.

The COE reports the following nonmajor governmental funds:

Charter Schools Fund is used to account for revenues received and expenditures made to operate the COE's charter school.

Adult Education Fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

Child Development Fund is used to account for resources committed to child development programs maintained by the COE.

Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes.

Forest Reserve Fund is used to account separately for federal forest reserve funds received by offices of county superintendents for distribution to school districts and community college districts.

County School Facilities Fund is used to account for the accumulation and expenditure of funds for projects funded under the Leroy F. Greene School Facilities Act of 1998, as established by the Board in accordance with Education Code 42840 et seq.

Special Reserve Fund for Capital Projects is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code 42840 et seq.

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

The COE reports the following major enterprise funds:

Enterprise Fund is financed and operated in a manner similar to that employed by private business enterprises; that is, the governing board's intent is that the costs of providing continuous goods or services can be through charges to users.

In addition, the COE reports the following fund types:

Self-Insurance Fund is 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.

Warrant/Pass-Through 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."

Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the COE gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Encumbrances

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

Assets, Liabilities, and Equity

Deposits and Investments

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

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

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

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

Stores Inventories and Prepaid Expenditures

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

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

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$30,000 is used.

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

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation, air conditioning systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical / plumbing		30
Sprinkler / fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tools	15
Kitchen equipment	Appliance	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating, and printing equipment	10
Copiers		5
Communications equipment	Mobile, portable radios, noncomputerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 20
Computer software	Administrative or long-term	10 to 20
Audiovisual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors' equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressors	10
Grounds equipment	Mowers, tractors, attachments	15

Receivable and Payable Balances

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

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

Compensated Absences

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

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

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the 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 balance sheet and revenue is recognized.

Interfund Activity

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

Amounts due to and due from other funds as of June 30, 2024, consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 408,955	\$ 105,402
Charter Schools Special Revenue Fund	117,520	403,547
Special Education Pass-Through Fund	266	6,383
Adult Education Fund	15,950	15,964
Child Development Fund	2,447	35,005
County Schools Facilities Fund	15,481	-
Extended Day Class Fund	7,182	1,500
Total	<u>\$ 567,801</u>	<u>\$ 567,801</u>

Transfers to and from other funds during the year ended June 30, 2024, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Adult Education Fund	\$ 71,253	Program support
General Fund	Extended Day Class Fund	7,182	Program support
Adult Education Fund	General Fund	3,769	Transfer related to Roll and Stroll event
Child Development Fund	General Fund	1,200	To support the Family Resource Center and Behavioral Consultation Program
Forest Reserve Fund	General Fund	7,342	Federal timber yield funds
Special Revenue Fund for Other Than Capital Outlay Projects	General Fund	35,916	To pay for software implementation for Wheatland School District
County Schools Facilities Fund	General Fund	2,350,000	To reimburse the General Fund for prior years' cost of capital projects
Debt Service Fund	General Fund	1,096,088	Release of assigned reserve, related to debt which was fully paid in fiscal 2023
		<u>\$ 3,572,750</u>	

Property Taxes

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

Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows.

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

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

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

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

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

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

Deferred Inflows and Deferred Outflows of Resources

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

GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve Fund for Postemployment Benefits) are merged with the General Fund for purposes of presentation in the audit report, if applicable.

Pensions

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD) (STRS)	June 30, 2022
Valuation Date (VD) (PERS)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

Use of Estimates

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

Fair Value Measurements

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

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

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

Excess Sick Leave

The COE did not authorize or accrue any excess sick leave as that term is defined in subdivision (c) of Education Code Section 22170.5 for the COE's employees who are members of the California State Teachers' Retirement System (CalSTRS).

Excess Expenditures Over Appropriations

As of June 30, 2024, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund (Combined):	
Other Outgo	\$ 2,061,672
Capital Outlay	1,102,588

General Fund: The COE incurred unanticipated expenditures for other outgo and capital outlay.

Implementation of New Standards

The following Governmental Accounting Standards Board (GASB) statements are effective for the current fiscal year:

GASB Statement No. 99, Omnibus 2022

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Some requirements of GASB Statement No. 99 were effective immediately upon issuance, some were effective for fiscal years beginning after June 15, 2022, and the remaining requirements were effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections. Furthermore, this Statement addresses how information that is affected these changes and corrections should be presented in required supplementary information and supplementary information.

Future Standards

The following Governmental Accounting Standards Board (GASB) statements are effective for future years:

GASB Statement No. 101, Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave, not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, Certain Risk Disclosures

This Statement requires a government to assess whether a concentration or constraint as they relate to inflows and outflows of resources makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, Financial Reporting Model Improvements

This Statement requires that the information presented in management's discussion and analysis (MD&A) be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Note 2 - Cash and Investments

Cash in County Treasury

In accordance with Education Code Section 41001, the COE maintains substantially all of its cash in the Yuba County Treasury as part of the common investment pool. The fair value of the COE's portion of this pool as of that date, as provided by the pool sponsor, was \$19,357,628. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on hand, in banks, and in revolving fund

Cash balances on hand and in banks, including the revolving fund of \$3,001, are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

The COE's cash and investments balances at June 30, 2024 are as follows:

	Fair Value
Cash in County Treasury	\$ 19,357,628
Cash in revolving fund	3,001
Total cash and cash equivalents	<u>\$ 19,360,629</u>

Analysis of Specific Deposit and Investment Risks

Credit Risk

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

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the COE's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the COE's name. At year end, the COE was not exposed to significant custodial credit risk.

Concentration of Credit Risk

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

Interest Rate Risk

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

Foreign Currency Risk

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

Investment Accounting Policy

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

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

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2024 consisted of the following:

	General Fund (Combined)	Special Education Pass-Through Fund	All Other Governmental Funds	Total Governmental Funds
Federal programs	\$ 485,864	\$ 5,112,483	\$ 185,065	\$ 5,783,412
State categorical aid programs	4,258,858	-	350,363	4,609,221
State lottery	3,917	-	1,598	5,515
Other state receivables	380,018	-	144,642	524,660
Interest	16,160	1,652	36,687	54,499
Other local receivables	3,480,300	5,933	572,137	4,058,370
Total	<u>\$ 8,625,117</u>	<u>\$ 5,120,068</u>	<u>\$ 1,290,492</u>	<u>\$ 15,035,677</u>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 770,039	\$ 882,062	\$ -	\$ 1,652,101
Total capital assets not being depreciated	<u>770,039</u>	<u>882,062</u>	<u>-</u>	<u>1,652,101</u>
Capital assets being depreciated:				
Buildings	16,311,818	220,527	(160,679)	16,371,666
Improvements of sites	2,064,627	-	-	2,064,627
Equipment	952,320	35,000	-	987,320
Subscription assets	-	179,000	-	179,000
Total capital assets being depreciated	<u>19,328,765</u>	<u>434,527</u>	<u>(160,679)</u>	<u>19,602,613</u>
Less: Accumulated depreciation/amortization for:				
Buildings	(7,254,820)	(388,050)	67,485	(7,575,385)
Improvements of sites	(444,281)	(102,143)	-	(546,424)
Equipment	(493,406)	(100,601)	-	(594,007)
Subscription assets amortization	-	(55,089)	-	(55,089)
Total accumulated depreciation/amortization	<u>(8,192,507)</u>	<u>(645,883)</u>	<u>67,485</u>	<u>(8,770,905)</u>
Total capital assets being depreciated/amortized, net	<u>11,136,258</u>	<u>(211,356)</u>	<u>(93,194)</u>	<u>10,831,708</u>
Total governmental activities capital assets, net	<u>\$11,906,297</u>	<u>\$ 670,706</u>	<u>\$ (93,194)</u>	<u>\$12,483,809</u>

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Buildings	1,664,368	-	-	1,664,368
Less: Accumulated depreciation/amortization for:				
Buildings	(499,310)	(33,287)	-	(532,597)
Total business-type activities capital assets, net	<u>\$ 1,165,058</u>	<u>\$ (33,287)</u>	<u>\$ -</u>	<u>\$ 1,131,771</u>

Depreciation/amortization was charged to functions as follows:

Instruction	\$	267,795
Supervision of instruction		75,481
School site administration		10,846
All other pupil services		150,056
Community services		20,035
All other general administration		57,809
Data processing		17,053
Plant services		46,808
Total	<u>\$</u>	<u>645,883</u>

Note 5 - Accounts Payable

Accounts payable at June 30, 2024 consisted of the following:

	General Fund (Combined)	Special Education Pass- Through Fund	All Other Governmental Funds	Total Governmental Funds	Proprietary Funds	Warrant Pass- through Fund
Vendor payables	\$ 2,502,769	\$ 5,537,668	\$ 1,639,951	\$ 9,680,388	\$ 2,292	\$ -
Salaries and benefits	1,516,979	-	(7,984)	1,508,995	-	-
Other	(621,062)	(125,201)	(463,107)	(1,209,370)	19,012	22,330
Total	<u>\$ 3,398,686</u>	<u>\$ 5,412,467</u>	<u>\$ 1,168,860</u>	<u>\$ 9,980,013</u>	<u>\$ 21,304</u>	<u>\$ 22,330</u>

Note 6 - Unearned Revenue

The COE has received revenues for programs as advances, or before program expenditures were incurred. Such revenues are reported in these statements as "unearned," and will be recognized in subsequent periods as program expenditures are made.

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
ESSA: School Improvement Funding for LEAs	\$ 86,575	\$ -	\$ 86,575
ESSA: School Improvement Funding for COEs	36,826	-	36,826
ESSA: Title IV, Part A, Student Support and Academic Enrichment	6,539	-	6,539
American Rescue Plan-Homeless Children and Youth (ARP - Homeless I)	700	-	700
American Rescue Plan-Homeless Children and Youth - Statewide Activities (ARP - HCY Statewide Activities)	6,884	-	6,884
American Rescue Plan – Homeless Children and Youth II (ARP HCY II)	7,768	-	7,768
Child Development: Universal Prekindergarten Mixed Delivery Planning Grant	-	379,983	379,983
Child Development: CA State Preschool Program Quality Rating and Improvement System (QRIS) Block Grant	-	7,579	7,579
Tobacco Use Prevention Education (Prop. 56): Local Assistance	7,243	-	7,243
Other Restricted State	253,534	-	253,534
Other Restricted Local	41,006	8,772	49,778
Other	7,641	513,998	521,639
Total	<u>\$ 454,716</u>	<u>\$ 910,332</u>	<u>\$ 1,365,048</u>

Note 7 - Long-term Obligations other than Pension and OPEB

Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Other post-employment benefits	\$ 2,962,000	\$ 106,355	\$ (5,690)	\$ 3,062,665	\$ -
Net pension liability	20,811,000	1,965,000	-	22,776,000	-
Compensated absences	195,000	138,311	-	333,311	-
Leases liability	208,400	-	(45,063)	163,337	41,289
Total governmental activities	<u>\$ 24,176,400</u>	<u>\$ 2,209,666</u>	<u>\$ (50,753)</u>	<u>\$ 26,335,313</u>	<u>\$ 41,289</u>

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Other post-employment benefits	Governmental	Self-Insurance
Net pension liability	Governmental	General
Compensated absences	Governmental	General
Leases liability	Governmental	General

Compensated Absences

Compensated absences at June 30, 2024 consisted of:

	Compensated Absences	Benefits	Total
Classified	\$ 249,984	\$ 83,327	\$ 333,311

All amounts are due after one year.

Leases

The COE has leasing arrangements outstanding at year end for vehicles and copiers with implied interest rates of approximately 5 percent. Variable portions of payments not included in the measurement of the leases are estimated by the COE and payable upon lease expiration.

Future lease payment obligations are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 41,289	\$ 5,411	\$ 46,700
2026	42,567	4,133	46,700
2027	44,899	1,802	46,701
2028	34,582	443	35,025
Total	<u>\$ 163,337</u>	<u>\$ 11,789</u>	<u>\$ 175,126</u>

Note 8 - Pension

General Information About the Pension Plans

Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plans' provisions and benefits in effect at June 30, 2024 are summarized as follows:

	CalSTRS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%**
Required Employee Contribution Rates	10.25%	10.21%
Required Employer Contribution Rates	19.10%	19.10%
Required State Contribution Rates	10.83%	10.83%

	CalPERS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 55	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0-2.5%
Required Employee Contribution Rates	7.00%	8.00%
Required Employer Contribution Rates	26.68%	26.68%

*Amounts are limited to 120% of Social Security Wage Base.

**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

Contributions

CalSTRS

For the fiscal year ended June 30, 2024 (measurement date June 30, 2023), California Education Code Section 22950 requires members to contribute monthly to the system 10.21% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2024. For fiscal year June 30, 2024 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2024 (measurement date June 30, 2023), employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 8.00% of annual pay, and the contribution rate was 26.68% of covered payroll.

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the COE. For the fiscal year ended June 30, 2024 (measurement date June 30, 2023) the State contributed 10.83% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the COE has recorded these contributions as revenue and expense in the fund financial statements. The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the COE. Contributions reported for on behalf payments are based on the COE's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the COE and the State's pension expense associated with COE employees for the past three fiscal years are as follows:

Year Ended June 30,	CalSTRS	
	On Behalf Contribution Rate	On Behalf Contribution Amount
2022	10.83%	\$ 596,034
2023	10.83%	996,810
2024	10.83%	521,081

Contributions Recognized

For the fiscal year ended June 30, 2024 (measurement period June 30, 2023), the contributions recognized for each plan were:

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 1,088,310	\$ 2,316,492	\$ 3,404,802
Contributions - State On Behalf Payments	521,081	-	521,081
Total Contributions	<u>\$ 1,609,391</u>	<u>\$ 2,316,492</u>	<u>\$ 3,925,883</u>

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

As of June 30, 2024 (measured June 30, 2023), the COE reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	\$ 6,799,000
CalPERS	15,977,000
Total Net Pension Liability	<u>\$ 22,776,000</u>

The COE's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 (STRS) and June 30, 2022 (PERS) rolled forward to measurement date June 30, 2023 using standard update procedures. The COE's proportion of the net pension liability was based on a projection of the COE's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The COE's proportionate share of the net pension liability for each Plan as of June 30, 2023 and June 30, 2024 were as follows:

	CalSTRS		Total For COE Employees	CalPERS
	COE's Proportionate Share	State's Proportionate Share*		COE's Proportionate Share
Proportion June 30, 2023	0.009%	0.005%	0.014%	0.042%
Proportion June 30, 2024	0.009%	0.004%	0.013%	0.044%
Change in Proportion	0.000%	-0.001%	-0.001%	0.002%

*Represents State's Proportionate Share on Behalf of COE employees

Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ 534,000	\$ 1,429,000	\$ 1,963,000
On Behalf Contribution Amount	521,081	-	521,081
Employer Contributions to Pension Plan	1,025,201	1,938,413	2,963,614
Change in Other Outflows/Inflows of Resources	(1,521,582)	(502,756)	(2,024,338)
Total Pension Expense	<u>\$ 558,700</u>	<u>\$ 2,864,657</u>	<u>\$ 3,423,357</u>

Deferred Outflows and Inflows of Resources

At June 30, 2024, the COE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	\$ 1,440,595	\$ 2,316,492	\$ 3,757,087
Differences between actual and expected experience	534,307	583,041	1,117,348
Changes in assumptions	39,370	736,047	775,417
Net difference between projected and actual earnings	29,103	1,706,557	1,735,660
Total Deferred Outflows of Resources	<u>\$ 2,043,375</u>	<u>\$ 5,342,137</u>	<u>\$ 7,385,512</u>

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (363,793)	\$ (245,381)	\$ (609,174)
Total Deferred Inflows of Resources	<u>\$ (363,793)</u>	<u>\$ (245,381)</u>	<u>\$ (609,174)</u>

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2024. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2025	\$ 963,844	\$ 3,233,585	\$ (101,478)	\$ (132,489)	\$ 3,963,462
2026	(245,790)	743,735	(100,085)	(112,892)	284,968
2027	640,347	1,311,707	(76,544)	-	1,875,510
2028	103,665	53,110	(64,313)	-	92,462
2029	76,330	-	(21,373)	-	54,957
Thereafter	504,979	-	-	-	504,979
Total	<u>\$ 2,043,375</u>	<u>\$ 5,342,137</u>	<u>\$ (363,793)</u>	<u>\$ (245,381)</u>	<u>\$ 6,776,338</u>

Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2024 were based on actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2024	June 30, 2024
Measurement Date	June 30, 2023	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015-2018	2000-2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	6.80%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(1) CalSTRS post retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.30% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using the 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.

Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the COE bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the discount bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

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

CalSTRS

Asset Class	Assumed Asset Allocation	Long Term Expected Real Rate of Return*
Public Equity	38.00%	5.25%
Real Estate	15.00%	4.05%
Private Equity	14.00%	6.75%
Fixed Income	14.00%	2.45%
Risk Mitigating Strategies	10.00%	2.25%
Inflation Sensitive	7.00%	3.65%
Cash/Liquidity	2.00%	0.05%

*20 year average

CalPERS

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

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management Study

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

The following represents the COE's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the COE's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	\$ 11,405,153	\$ 23,098,405
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 6,799,000	\$ 15,977,000
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 2,973,460	\$ 10,091,059

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports.

Note 9 - CalSTRS Postemployment Benefits other than Pension Benefits (OPEB)

General Information about the CalSTRS OPEB plan

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 local education agencies 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 2022-23 was \$25.8 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, 2023 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, 2022 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, 2023 and combined with the actual Teachers' Health Benefit Fund (THBF) assets of June 30, 2023.

At June 30, 2024, the COE reported a liability of \$39,310 for its proportionate share of the net OPEB liability. The COE's proportion was as follows:

	CalSTRS COE's Proportionate Share
Proportion June 30, 2024	0.01199%
Proportion June 30, 2023	0.01320%
Change in Proportion	0.00121%

For the year ended June 30, 2024, the COE recognized pension benefit of \$5,690.

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, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Individual Entry age
Inflation	2.75%
Discount Rate	3.65%
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. A discount rate of 3.65% was used for June 30, 2023. The discount rates are based on the municipal bond index previously discussed.

Medicare costs trend rate

The June 30, 2022, valuation uses the 2023 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*	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%
2049 & later	4.3%	4.4%

*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:

	Medicare Costs		
	1% Decrease	Trend Rate	1% Increase
	2.65%	3.65%	4.65%
COE's proportionate share of the net OPEB liability	\$43,546	\$ 39,310	\$ 37,044

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:

	Medicare Costs		
	1% Decrease	Trend Rate	1% Increase
COE's proportionate share of the net OPEB liability	\$ 36,867	\$ 39,310	\$ 43,683

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, 2023, are as follows:

Total OPEB liability	\$	300,566,502
Less: MPP Program fiduciary net position		(2,870,564)
Net OPEB liability of employers	\$	303,437,066
MPP Program fiduciary net position as a % of the total OPEB liability		-0.96%

Note 10 - COE's Postemployment Benefits other than Pension Benefits (OPEB)

General Information about the 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 medical 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 GASB Statement 75.

Employees Covered by Benefit Terms

At June 30, 2024, the following retirees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	184
Total number of participants	192

The OPEB plan does not issue stand-alone financial reports that are available to the public.

The COE does not have a formalized plan to contribute to the trust, nor is contractually required to contribute to the trust, therefore, assumptions made about projected cash flows for contributions were not used, as expectations regarding those contributions are not readily determinable.

Total OPEB Liability

Actuarial Assumptions and Other Inputs

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

Inflation	2.50%	
Salary increases	2.75%	per year
Investment return / discount rate	3.93%	
Healthcare cost trend rates	4.00%	per year
Retirees' share of costs	0.00%	of projected health insurance premiums

The discount rate was based on an index of 20-year general obligation municipal bonds.

Mortality rates were based on the 2017 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. The CalPERS mortality tables created by CalPERS are modified versions of the Society of Actuaries Scale BB mortality table, as adjusted for data from CalSTRS members.

Changes in OPEB Liability

	Total OPEB liability
Balance at June 30, 2023	\$ 2,917,000
Changes for the year:	
Service cost	215,633
Interest	94,462
Assumption changes	(121,091)
Experience gains/losses	(769,087)
Expected benefit payments	(100,053)
Other adjustments	786,491
Net changes	106,355
Balance at June 30, 2024	<u>\$ 3,023,355</u>

There were no changes in benefit terms for the fiscal year ended June 30, 2024. The interest assumption changed from 3.65% to 3.93%. There were no changes to any other inputs or assumptions.

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

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

	1 % Decrease 2.93%	Valuation discount rate 3.93%	1 % Increase 4.93%
Total OPEB liability	\$ 3,197,503	\$ 3,023,355	\$ 2,864,882

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

The following presents the total OPEB liability of the COE, as well as what the COE's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current discount rate:

	1 % Decrease 3%	Health care cost valuation trend 4%	1 % Increase 5%
Total OPEB liability	\$ 2,787,837	\$ 3,023,355	\$ 3,309,064

OPEB Expense

For the fiscal year ended June 30, 2024, the COE recognized OPEB expense of \$106,355.

Note 11 - Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

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

Litigation

The COE is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

Note 12 - Restricted Fund Balances

Restricted fund balances at June 30, 2024 are as follows:

Adults in Correctional Facilities	\$	27,037
Student Support and Enrichment Block Grant		183,105
Early Education: Universal Prekindergarten (UPK) Planning & Implementation		
Grant - Countywide Planning and Capacity Building Grant		69,187
Educator Effectiveness, FY 2021-22		339,041
Lottery: Instructional Materials		129,376
CA Community Schools Partnership Act - Coordination Grant		168,133
Special Education		180,573
Reversing Opioid Overdoses		14,007
Arts, Music, and Instructional Materials Discretionary Block Grant		100,127
Arts and Music in Schools (AMS)-Funding Guarantee and Accountability Act (Prop 28)		57,694
Learning Communities for School Success Program		749,790
LCFF Equity Multiplier		173,681
A-G Access/Success Grant		36,178
County Safe Schools for All		4,289
Learning Recovery Emergency Block Grant		213,840
Other Restricted State		2,889
Other Restricted Local		1,813,231
County Schools Facilities Fund		1,225,488
Self-Insurance Fund		(944,330)
Total	\$	<u>5,355,955</u>

Note 13 - Joint Power Agreements

The COE participates in two joint ventures under joint powers agreements (JPAs) as follows:

- Tri-County Schools Insurance Group (TCSIG)
(liability and property insurance)
- Schools Excess Liabilities Fund (SELF)
(excess liability and property insurance)

The relationships between the COE and the other JPAs are such that none of the other JPAs are component units of the COE for financial reporting purposes.

Each JPA is governed by a board consisting of representatives from member organizations. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board.

Each member organization pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA.

Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records.

The COE's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

Condensed financial information for the above JPAs for the year ended June 30, 2024 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below.

TCSIG	Tri-County Schools Insurance Group 400 Plumas Blvd., Suite 210 Yuba City, California 95991
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SELF	Schools Excess Liabilities Fund 1531 I Street, Suite 300 Sacramento, California 95814
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Note 14 - Subsequent Events

Subsequent events have been evaluated through December 6, 2024, the date these financial statements were available to be issued.

Required Supplementary Information

Yuba County Office of Education
General Fund (Combined)
Budgetary Comparison Schedule
June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF sources:				
State apportionment or State aid	\$ 5,196,491	\$ 4,873,905	\$ 4,491,009	\$ (382,896)
Education protection account funds	10,524	16,076	13,940	(2,136)
Local sources	4,221,025	4,704,060	4,880,463	176,403
Federal revenue	2,862,464	3,112,750	3,082,747	(30,003)
Other State revenue	2,981,704	3,482,838	3,369,758	(113,080)
Other local revenue	15,975,065	17,169,347	18,426,112	1,256,765
Total revenues	<u>31,247,273</u>	<u>33,358,976</u>	<u>34,264,029</u>	<u>905,053</u>
Expenditures:				
Current:				
Certificated salaries	5,659,642	4,963,574	4,851,903	(111,671)
Classified salaries	8,699,906	8,356,513	8,159,783	(196,730)
Employee benefits	6,763,995	6,100,081	5,861,134	(238,947)
Books and supplies	1,378,157	1,485,051	801,055	(683,996)
Services and other	7,813,849	9,786,551	8,817,534	(969,017)
Other outgo	115,118	1,310,635	3,372,307	2,061,672
Direct support / indirect costs	-	-	(130,293)	(130,293)
Capital outlay	51,100	272,541	1,375,129	1,102,588
Total expenditures	<u>30,481,767</u>	<u>32,274,946</u>	<u>33,108,552</u>	<u>833,606</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>765,506</u>	<u>1,084,030</u>	<u>1,155,477</u>	<u>71,447</u>
Other Financing Sources (Uses):				
Transfers in	1,057,122	3,473,904	3,494,315	20,411
Transfers out	-	-	(114,351)	(114,351)
Total other financing sources (uses)	<u>1,057,122</u>	<u>3,473,904</u>	<u>3,379,964</u>	<u>(93,940)</u>
Net Change in Fund Balance	1,822,628	4,557,934	4,535,441	(22,493)
Fund Balance, July 1	<u>9,781,400</u>	<u>9,781,400</u>	<u>9,781,400</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 11,604,028</u>	<u>\$ 14,339,334</u>	<u>\$ 14,316,841</u>	<u>\$ (22,493)</u>

Yuba County Office of Education
Special Education Pass-Through Fund
Budgetary Comparison Schedule
June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Federal revenue	\$ 3,953,539	\$ 1,719,560	\$ (2,233,979)
Other State revenue	14,112,605	14,050,516	(62,089)
Other local revenue	25,000	37,632	12,632
Total revenues	<u>18,091,144</u>	<u>15,807,708</u>	<u>(2,283,436)</u>
Expenditures:			
Current:			
Other outgo	18,066,144	15,770,076	(2,296,068)
Total expenditures	<u>18,066,144</u>	<u>15,770,076</u>	<u>(2,296,068)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,000</u>	<u>37,632</u>	<u>12,632</u>
Other Financing Sources (Uses):			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	25,000	37,632	12,632
Fund Balance, July 1	309,724	309,724	-
Fund Balance, June 30	<u>\$ 334,724</u>	<u>\$ 347,356</u>	<u>\$ 12,632</u>

Yuba County Office of Education
Schedule of the COE's Proportionate Share of the Net Pension Liability
California State Teachers' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
COE's portion of the net pension liability (asset)	0.01%	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)	\$ 6,799,000	\$ 6,263,000	\$ 4,216,000	\$10,495,000	\$ 8,764,000	\$ 8,338,000	\$ 8,344,000	\$ 7,808,000	\$ 6,889,000	\$ 6,237,000
State's proportionate share of the net pension liability (asset) associated with the COE	3,257,591	2,096,000	1,411,000	3,570,000	3,094,000	3,036,000	3,099,000	2,832,000	2,383,000	2,391,000
Total	<u>\$10,056,591</u>	<u>\$10,056,591</u>	<u>\$10,056,591</u>	<u>\$10,056,591</u>	<u>\$10,056,591</u>	<u>\$10,056,591</u>	<u>\$10,056,591</u>	<u>\$10,056,591</u>	<u>\$10,056,591</u>	<u>\$10,056,591</u>
COE's covered-employee payroll	\$ 6,440,104	\$ 5,202,000	\$ 5,170,000	\$ 5,778,000	\$ 5,206,000	\$ 4,881,000	\$ 4,729,000	\$ 4,781,000	\$ 4,697,000	\$ 4,699,000
COE's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	106%	120%	82%	182%	168%	171%	176%	163%	147%	133%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%	71%	65%	70%	74%	77%

Yuba County Office of Education
Schedule of the COE's Proportionate Share of the Net Pension Liability
California Public Employees' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
COE's portion of the net pension liability (asset)	0.04%	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)	\$15,977,000	\$14,548,000	\$8,774,000	\$12,616,000	\$12,165,000	\$10,568,000	\$9,382,000	\$7,524,000	\$5,512,000	\$4,157,000
COE's covered-employee payroll	\$ 9,069,834	\$ 6,515,000	\$6,199,000	\$ 5,968,000	\$ 5,761,000	\$ 5,227,000	\$5,006,000	\$4,546,000	\$4,144,000	\$3,863,000
COE's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	176%	223%	142%	211%	211%	202%	187%	166%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%	72%	74%	79%	83%	-

Yuba County Office of Education
Schedule of COE Contributions
California State Teachers' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,025,201	\$ 1,025,000	\$ 880,000	\$ 835,000	\$ 988,000	\$ 848,000	\$ 710,000	\$ 595,000	\$ 513,000	\$ 417,000
Contributions in relation to the contractually required contribution	(1,025,201)	(1,025,000)	(880,000)	(835,000)	(988,000)	(848,000)	(710,000)	(595,000)	(513,000)	(417,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COE's covered-employee payroll	\$ 6,440,104	\$ 5,202,000	\$ 5,170,000	\$ 5,778,000	\$ 5,206,000	\$ 4,881,000	\$ 4,729,000	\$ 4,781,000	\$ 4,697,000	\$ 4,699,000
Contributions as a percentage of covered-employee payroll	16%	20%	17%	14%	19%	17%	15%	12%	11%	9%

Yuba County Office of Education
Schedule of COE Contributions
California Public Employee' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,938,413	\$ 1,944,000	\$ 1,493,000	\$ 1,283,000	\$ 1,177,000	\$ 1,074,000	\$ 812,000	\$ 695,000	\$ 539,000	\$ 488,000
Contributions in relation to the contractually required contribution	(1,938,413)	(1,944,000)	(1,493,000)	(1,283,000)	(1,177,000)	(1,074,000)	(812,000)	(695,000)	(539,000)	(488,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COE's covered-employee payroll	\$ 9,069,834	\$ 6,515,000	\$ 6,199,000	\$ 5,968,000	\$ 5,761,000	\$ 5,227,000	\$5,006,000	\$4,546,000	\$4,144,000	\$3,863,000
Contributions as a percentage of covered-employee payroll	21%	30%	24%	21%	20%	21%	16%	15%	13%	13%

Yuba County Office of Education
Schedule of Changes in the COE's Total OPEB Liability and Related Ratios
Single Employer Plan
Last Ten Fiscal Years*

	Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:							
Service cost	\$ 215,633	\$ 214,000	\$ 241,000	\$ 295,000	\$ 286,000	\$ 277,000	268,000
Interest	94,462	86,000	60,000	110,000	103,000	67,000	86,000
Changes of assumptions or other inputs	(103,687)	56,000	152,000	(601,000)	-	-	-
Benefit payments	(100,053)	(209,000)	(135,000)	(184,000)	(244,000)	(86,000)	(111,000)
Net change in total OPEB liability	106,355	147,000	318,000	(380,000)	145,000	258,000	243,000
Total OPEB liability - beginning	2,918,000	2,771,000	2,453,000	2,833,000	2,688,000	2,430,000	2,187,000
Total OPEB liability - ending	<u>\$ 3,024,355</u>	<u>\$ 2,918,000</u>	<u>\$ 2,771,000</u>	<u>\$ 2,453,000</u>	<u>\$ 2,833,000</u>	<u>\$ 2,688,000</u>	<u>\$ 2,430,000</u>
Covered-employee payroll	15,648,249	13,030,000	11,717,000	11,369,000	11,455,000	11,455,000	11,455,000
Total OPEB liability as a percentage of covered-employee payroll	19.33%	22.39%	23.65%	21.58%	24.73%	23.47%	21.21%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Supplementary Information

Yuba County Office of Education
 Local Education Agency Organization Structure
 June 30, 2024

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.

Governing Board		
Name	Office	Term Expiration
John Nicoletti	President (Area 2)	2024
Tracy Bishop	Vice President (Area 5)	2026
Katherine Rosser	Trustee (Area 1)	2026
Marjorie Renicker	Trustee (Area 3)	2024
Desiree Hastey	Trustee (Area 4)	2024
Administration		
Rob Gregor		
Superintendent		
Aaron Thornsberry, CPA (Inactive)		
Chief Business Official		

Yuba County Office of Education
Schedule of Average Daily Attendance
Year Ended June 30, 2024

		Second Period Report	Annual Report
Attendance for Yuba County Office of Education:			
Elementary	Juvenile halls, homes, and camps	3.50	3.44
	Probation referred, on probation or parole, expelled	4.80	5.32
		<u>8.30</u>	<u>8.76</u>
Secondary	Juvenile halls, homes, and camps	32.75	31.90
	Probation referred, on probation or parole, expelled	12.60	12.90
		<u>45.35</u>	<u>44.80</u>
Total Attendance Yuba County Office of Education		<u>53.65</u>	<u>53.56</u>
Attendance for County Office of Education Funded Programs:			
TK - 3	Special day classes	76.05	76.50
	Extended year special education	5.10	5.10
		<u>81.15</u>	<u>81.60</u>
4-6	Special day classes	32.12	32.55
	Extended year special education	2.02	2.02
		<u>34.14</u>	<u>34.57</u>
7-8	Special day classes	22.06	22.13
	Extended year special education	1.15	1.15
		<u>23.21</u>	<u>23.28</u>
9-12	Special day classes	45.63	45.42
	Extended year special education	2.54	2.54
		<u>48.17</u>	<u>47.96</u>
Total Attendance for COE Funded Programs		<u>186.67</u>	<u>187.41</u>
Yuba County Career Charter Preparatory Academy (Nonclassroom-based only):			
TK - 3	Regular nonclassroom-based	4.91	4.87
4-6	Regular nonclassroom-based	6.77	6.32
7-8	Regular nonclassroom-based	11.14	10.73
9-12	Regular nonclassroom-based	194.70	192.25
Total Yuba County Career Charter Preparatory Academy		<u>217.52</u>	<u>214.17</u>
ADA Grand Total		<u>457.84</u>	<u>455.14</u>

There were no audit findings which resulted in necessary revisions to attendance.

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

Yuba County Office of Education
Schedule of Instructional Time
Year Ended June 30, 2024

This schedule is not applicable for the Yuba County Office of Education.

This schedule is not applicable for the Yuba County Career Charter Preparatory Academy as the Charter is only engaged in nonclassroom-based instruction.

Yuba County Office of Education
Schedule of Financial Trends and Analysis
Year Ended June 30, 2024

General Fund (Combined)	Budget 2025 (see note a)	2024	2023	2022
Revenue and other financial sources	\$ 34,323,354	\$ 37,758,344	\$ 32,110,899	\$ 24,007,928
Expenditures	34,782,949	33,108,552	27,799,896	22,636,134
Other uses and transfers out	-	114,351	421,889	393,900
Total outgo	34,782,949	33,222,903	28,221,785	23,030,034
Change in fund balance (deficit)	(459,595)	4,535,441	3,889,114	977,894
Ending fund balance	<u>\$ 13,857,246</u>	<u>\$ 14,316,841</u>	<u>\$ 9,781,400</u>	<u>\$ 5,892,286</u>
Available reserves (see note b)	<u>\$ 7,917,862</u>	<u>\$ 7,156,688</u>	<u>\$ 4,353,087</u>	<u>\$ 2,732,409</u>
Available reserves as a percentage of total outgo	<u>22.8%</u>	<u>21.5%</u>	<u>15.4%</u>	<u>11.9%</u>
Total long-term debt	<u>\$ 26,294,024</u>	<u>\$ 26,335,313</u>	<u>\$ 24,177,000</u>	<u>\$ 16,376,000</u>
Average daily attendance at P-2 (Yuba COE attendance, as well as, COE funded programs)	<u>248</u>	<u>240</u>	<u>220</u>	<u>193</u>

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

The fund balance of the General Fund (combined) has increased by \$8,424,555 (143.0%) over the past two years. The fiscal year 2024-2025 budget projects a decrease of \$459,595 (3.2%). For an organization of this size, the State recommends available reserves of at least 4% of total General Fund expenditures, transfers out, and other uses (total outgo).

The COE hasn't incurred an operating deficit in any of the past three years, but projects a decrease during the 2024-2025 fiscal year. Total long-term debt has increased by \$9,959,313 over the past two years.

Average daily attendance has increased by 47 over the past two years. The COE anticipates average daily attendance to increase by 8 during fiscal year 2024-2025.

Notes:

- The budget for 2025 is included for analytical purposes only and has not been subjected to audit.
- Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

Yuba County Office of Education
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2024

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

	General Fund	County Schools Facilities Fund	Extended Day Class Fund	Self- Insurance Fund
June 30, 2024, annual financial and budget report fund balances	\$ 14,151,813	\$ 1,156,006	\$ 18	\$ 1,274,947
Adjustments and reclassifications:				
Prior period adjustment to record interfund transfer	(15,482)	15,481		
Reclass capital assets and record depreciation			1,131,772	
Reclass OPEB liability and record current year changes				(2,219,277)
Net adjustments and reclassifications	<u>(15,482)</u>	<u>15,481</u>	<u>1,131,772</u>	<u>(2,219,277)</u>
June 30, 2024, audited financial statement fund balances	<u>\$ 14,136,331</u>	<u>\$ 1,171,487</u>	<u>\$ 1,131,790</u>	<u>\$ (944,330)</u>
		Warrant/Pass-Through Fund		
Adjustments and reclassifications:				
To record activity occurring during the fiscal year	2,647,118			
Net adjustments and reclassifications	<u>2,647,118</u>			
June 30, 2024, audited financial statement fund balances	<u>\$ 2,647,118</u>			

Charter Schools

The following charter schools are chartered by the Yuba County Office of Education.

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

Yuba County Office of Education
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture - passed through California Department of Education				
Forest Service Funds	10.665	10044	\$ 48,816	-
Total U.S. Department of Agriculture			48,816	-
U.S. Department of Labor - passed through North Central Counties Consortium				
Workforce Innovation and Opportunity Act (WIOA) Cluster				
Adult Programs	17.258	NA	459,385	-
Youth Programs	17.259	NA	387,708	-
Dislocated Workers	17.278	NA	1,068,373	-
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			1,915,466	-
Employment Service/Wagner-Payser Funded Activities	17.207	NA	9,132	-
Total U.S. Department of Labor			1,924,598	-
U.S. Department of Education - passed through California Department of Education				
Special Education Cluster				
Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	12,766	6,383
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	1,694,333	1,598,161
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	96,141	96,141
Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	17,875	17,875
Special Ed: IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	5,299	-
Special Ed: Supporting Inclusive Practices	84.027A	13693	50,131	-
Special Ed: Alternate Dispute Resolution, Part B, Sec 611	84.027A	13007	7,050	-
Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,000	1,000
Total Special Education Cluster			1,884,595	1,719,560

Yuba County Office of Education
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	ALN	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
(Continued)				
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	128,473	-
ESEA (ESSA): Title I, Part D, Subpart 2, Local Delinquent Programs	84.010	14357	96,615	-
ESEA: ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	153,909	-
ESEA: ESSA School Improvement (CSI) funding for COEs	84.010	15439	113,693	-
Special Ed: IDEA Early Intervention Grants, Part C	84.181	23761	63,140	-
ESEA (ESSA): Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	84.196	14332	49,066	-
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	30,686	20,035
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	15,693	-
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	5,112	-
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425D	15559	122,107	-
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425D	15620	25,520	-
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425D	15621	71,765	-
COVID-19: American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program	84.425	15564	935	-
COVID-19: ARP Homeless Children and Youth - Statewide Activities (ARP- HCY Statewide Activities)	84.425	15636	171,135	-
COVID-19: American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	251	-
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	55,081	-
Total U.S. Department of Education			2,987,776	1,739,595
U.S. Department of Health and Human Services - passed through California Department of Education				
Child Care and Development Fund (CCDF) Cluster				
Child Development: Federal Local Planning Councils (Contract Prefix CLPC)	93.575	13946	239,878	-
Total Child Care and Development Fund (CCDF) Cluster			239,878	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				
Total U.S. Department of Health and Human Services	93.354	NA	20,035	-
			259,913	-
Total Federal Programs			\$5,221,103	\$1,739,595

The accompanying notes are an integral part of this statement.

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Yuba County Office of Education. The information in the Schedule is presented in accordance with the requirements of Title 2, *Code of Federal Regulations*, Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F—Audit Requirements (Uniform Guidance). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Yuba County Office of Education did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The COE did not participate in any loan or loan guarantee programs as described in Title 2, *Code of Federal Regulations*, Part 200.502(b) during the year ended June 30, 2024.

Yuba County Office of Education
Combining Balance Sheet - All General Funds
June 30, 2024

	General Fund	Special Revenue Fund for Other Than Capital Outlay Projects	General Fund (Combined)
Assets:			
Cash in County Treasury	\$ 8,997,323	\$ 179,176	\$ 9,176,499
Cash in revolving fund	3,001	-	3,001
Accounts receivable	8,623,783	1,334	8,625,117
Due from other funds	408,955	-	408,955
Prepaid expenditures	62,073	-	62,073
Total assets	<u>18,095,135</u>	<u>180,510</u>	<u>18,275,645</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$ 3,398,686	\$ -	\$ 3,398,686
Due to other funds	105,402	-	105,402
Unearned revenue	454,716	-	454,716
Total liabilities	<u>3,958,804</u>	<u>-</u>	<u>3,958,804</u>
Fund Balance:			
Nonspendable fund balances:			
Revolving cash	3,001	-	3,001
Prepaid items	62,073	-	62,073
Restricted fund balances	4,262,178	-	4,262,178
Assigned fund balances	2,652,391	180,510	2,832,901
Unassigned:			
Reserve for economic uncertainty	7,172,172	-	7,172,172
Other unassigned	(15,484)	-	(15,484)
Total fund balance	<u>14,136,331</u>	<u>180,510</u>	<u>14,316,841</u>
Total liabilities and fund balances	<u>\$ 18,095,135</u>	<u>\$ 180,510</u>	<u>\$ 18,275,645</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All General Funds
Year Ended June 30, 2024

	General Fund	Special Revenue Fund for Other Than Capital Outlay Projects	General Fund (Combined)
Revenues:			
LCFF sources:			
State apportionment or State aid	\$ 4,491,009	\$ -	\$ 4,491,009
Education protection account funds	13,940	-	13,940
Local sources	4,880,463	-	4,880,463
Federal revenue	3,082,747	-	3,082,747
Other State revenue	3,369,758	-	3,369,758
Other local revenue	18,209,686	216,426	18,426,112
Total revenues	<u>34,047,603</u>	<u>216,426</u>	<u>34,264,029</u>
Expenditures:			
Current:			
Instruction	11,908,877	-	11,908,877
Instruction-related services	3,912,699	-	3,912,699
Pupil services	6,793,405	-	6,793,405
Community services	907,383	-	907,383
Enterprise	373,860	-	373,860
General administration	3,506,666	-	3,506,666
Plant services	958,226	-	958,226
Other outgo	3,372,307	-	3,372,307
Capital outlay	1,375,129	-	1,375,129
Total expenditures	<u>33,108,552</u>	<u>-</u>	<u>33,108,552</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>939,051</u>	<u>216,426</u>	<u>1,155,477</u>
Other Financing Sources (Uses):			
Transfers in	3,494,315	-	3,494,315
Transfers out	(78,435)	(35,916)	(114,351)
Total other financing sources (uses)	<u>3,415,880</u>	<u>(35,916)</u>	<u>3,379,964</u>
Net Change in Fund Balance	4,354,931	180,510	4,535,441
Fund Balance, July 1	9,781,400	-	9,781,400
Fund Balance, June 30	<u>\$ 14,136,331</u>	<u>\$ 180,510</u>	<u>\$ 14,316,841</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Combining Balance Sheet - Nonmajor Funds
June 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Debt Service Fund	Total Nonmajor Governmental Funds
Assets:				
Cash in County Treasury	\$ 5,161,890	\$ 2,289,564	\$ -	\$ 7,451,454
Accounts receivable	1,207,832	77,933	4,727	1,290,492
Due from other funds	135,917	15,481	-	151,398
Total assets	<u>6,505,639</u>	<u>2,382,978</u>	<u>4,727</u>	<u>8,893,344</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	\$ 647,736	\$ 521,124	\$ -	\$ 1,168,860
Due to other funds	454,516	-	-	454,516
Unearned revenue	396,334	513,998	-	910,332
Total liabilities	<u>1,498,586</u>	<u>1,035,122</u>	<u>-</u>	<u>2,533,708</u>
Fund Balance:				
Restricted fund balances	602,619	1,225,488	-	1,828,107
Assigned fund balances	4,404,434	137,704	4,727	4,546,865
Other unassigned	-	(54,001)	-	(54,001)
Total fund balance	<u>5,007,053</u>	<u>1,309,191</u>	<u>4,727</u>	<u>6,320,971</u>
Total liabilities and fund balances	<u>\$ 6,505,639</u>	<u>\$ 2,382,978</u>	<u>\$ 4,727</u>	<u>\$ 8,893,344</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds

Year Ended June 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
LCFF sources:				
State apportionment or State aid	\$ 3,037,830	\$ -	\$ -	\$ 3,037,830
Education protection account funds	387,956	-	-	387,956
Local sources	60,000	-	-	60,000
Federal revenue	418,796	-	-	418,796
Other State revenue	1,324,304	1,928,026	-	3,252,330
Other local revenue	844,124	142,393	52,430	1,038,947
Total revenues	<u>6,073,010</u>	<u>2,070,419</u>	<u>52,430</u>	<u>8,195,859</u>
Expenditures:				
Current:				
Instruction	2,438,620	-	-	2,438,620
Instruction-related services	970,242	-	-	970,242
Pupil services	349,978	-	-	349,978
Community services	1,339,217	-	-	1,339,217
General administration	130,293	-	-	130,293
Plant services	182,023	2,226	-	184,249
Other outgo	47,973	-	-	47,973
Capital outlay	-	3,500	-	3,500
Total expenditures	<u>5,458,346</u>	<u>5,726</u>	<u>-</u>	<u>5,464,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>614,664</u>	<u>2,064,693</u>	<u>52,430</u>	<u>2,731,787</u>
Other Financing Sources (Uses):				
Transfers in	71,253	-	-	71,253
Transfers out	<u>(12,311)</u>	<u>(2,350,000)</u>	<u>(1,096,088)</u>	<u>(3,458,399)</u>
Total other financing sources (uses)	<u>58,942</u>	<u>(2,350,000)</u>	<u>(1,096,088)</u>	<u>(3,387,146)</u>
Net Change in Fund Balance	673,606	(285,307)	(1,043,658)	(655,359)
Fund Balance, July 1	<u>4,333,447</u>	<u>1,594,498</u>	<u>1,048,385</u>	<u>6,976,330</u>
Fund Balance, June 30	<u>\$ 5,007,053</u>	<u>\$ 1,309,191</u>	<u>\$ 4,727</u>	<u>\$ 6,320,971</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2024

	Charter Schools Special Revenue Fund	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund	Forest Reserve Fund	Total Nonmajor Special Revenue Funds
Assets:						
Cash in County Treasury	\$2,805,035	\$ 153,707	\$ (18,020)	\$ 2,221,168	\$ -	\$5,161,890
Accounts receivable	348,700	57,120	785,311	16,533	168	1,207,832
Due from other funds	117,520	15,950	2,447	-	-	135,917
Total assets	<u>3,271,255</u>	<u>226,777</u>	<u>769,738</u>	<u>2,237,701</u>	<u>168</u>	<u>6,505,639</u>
Liabilities and Fund Balance:						
Liabilities:						
Accounts payable	\$ 498,051	\$ 18,065	\$ 131,620	\$ -	\$ -	\$ 647,736
Due to other funds	403,547	15,964	35,005	-	-	454,516
Unearned revenue	-	-	396,334	-	-	396,334
Total liabilities	<u>901,598</u>	<u>34,029</u>	<u>562,959</u>	<u>-</u>	<u>-</u>	<u>1,498,586</u>
Fund Balance:						
Restricted fund balances	433,902	159,421	9,296	-	-	602,619
Assigned fund balances	1,935,757	33,327	197,480	2,237,702	168	4,404,434
Other unassigned	(2)	-	3	(1)	-	-
Total fund balance	<u>2,369,657</u>	<u>192,748</u>	<u>206,779</u>	<u>2,237,701</u>	<u>168</u>	<u>5,007,053</u>
Total liabilities and fund balances	<u>\$3,271,255</u>	<u>\$ 226,777</u>	<u>\$ 769,738</u>	<u>\$ 2,237,701</u>	<u>\$ 168</u>	<u>\$6,505,639</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

Year Ended June 30, 2024

	Charter Schools Special Revenue Fund	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund	Forest Reserve Fund	Total Nonmajor Special Revenue Funds
Revenues:						
LCFF sources:						
State apportionment or State aid	\$ 3,037,830	\$ -	\$ -	\$ -	\$ -	\$ 3,037,830
Education protection account funds	387,956	-	-	-	-	387,956
Local sources	-	-	-	60,000	-	60,000
Federal revenue	130,102	-	239,878	-	48,816	418,796
Other State revenue	434,534	67,487	822,283	-	-	1,324,304
Other local revenue	122,202	251,083	372,393	98,149	297	844,124
Total revenues	<u>4,112,624</u>	<u>318,570</u>	<u>1,434,554</u>	<u>158,149</u>	<u>49,113</u>	<u>6,073,010</u>
Expenditures:						
Current:						
Instruction	2,365,694	72,926	-	-	-	2,438,620
Instruction-related services	883,592	82,371	4,279	-	-	970,242
Pupil services	341,678	8,300	-	-	-	349,978
Community services	-	-	1,339,217	-	-	1,339,217
General administration	41,332	8,089	80,872	-	-	130,293
Plant services	149,003	21,620	-	11,400	-	182,023
Other outgo	6,370	-	-	-	41,603	47,973
Total expenditures	<u>3,787,669</u>	<u>193,306</u>	<u>1,424,368</u>	<u>11,400</u>	<u>41,603</u>	<u>5,458,346</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>324,955</u>	<u>125,264</u>	<u>10,186</u>	<u>146,749</u>	<u>7,510</u>	<u>614,664</u>
Other Financing Sources (Uses):						
Transfers in	-	71,253	-	-	-	71,253
Transfers out	-	(3,769)	(1,200)	-	(7,342)	(12,311)
Total other financing sources (uses)	<u>-</u>	<u>67,484</u>	<u>(1,200)</u>	<u>-</u>	<u>(7,342)</u>	<u>58,942</u>
Net Change in Fund Balance	324,955	192,748	8,986	146,749	168	673,606
Fund Balance, July 1	<u>2,044,702</u>	<u>-</u>	<u>197,793</u>	<u>2,090,952</u>	<u>-</u>	<u>4,333,447</u>
Fund Balance, June 30	<u>\$ 2,369,657</u>	<u>\$ 192,748</u>	<u>\$ 206,779</u>	<u>\$ 2,237,701</u>	<u>\$ 168</u>	<u>\$ 5,007,053</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2024

	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Capital Projects Funds
Assets:			
Cash in County Treasury	\$ 2,152,877	\$ 136,687	\$ 2,289,564
Accounts receivable	76,916	1,017	77,933
Due from other funds	15,481	-	15,481
Total assets	<u>2,245,274</u>	<u>137,704</u>	<u>2,382,978</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$ 521,124	\$ -	\$ 521,124
Unearned revenue	513,998	-	513,998
Total liabilities	<u>1,035,122</u>	<u>-</u>	<u>1,035,122</u>
Fund Balance:			
Restricted fund balances	1,225,488	-	1,225,488
Assigned fund balances	-	137,704	137,704
Other unassigned	(54,001)	-	(54,001)
Total fund balance	<u>1,171,487</u>	<u>137,704</u>	<u>1,309,191</u>
Total liabilities and fund balances	<u>\$ 2,245,274</u>	<u>\$ 137,704</u>	<u>\$ 2,382,978</u>

The accompanying notes are an integral part of this statement.

Yuba County Office of Education

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds

Year Ended June 30, 2024

	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Capital Projects Funds
Revenues:			
Other State revenue	\$ 1,928,026	\$ -	\$ 1,928,026
Other local revenue	136,349	6,044	142,393
Total revenues	<u>2,064,375</u>	<u>6,044</u>	<u>2,070,419</u>
Expenditures:			
Current:			
Plant services	2,226	-	2,226
Capital outlay	3,500	-	3,500
Total expenditures	<u>5,726</u>	<u>-</u>	<u>5,726</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,058,649</u>	<u>6,044</u>	<u>2,064,693</u>
Other Financing Sources (Uses):			
Transfers out	(2,350,000)	-	(2,350,000)
Total other financing sources (uses)	<u>(2,350,000)</u>	<u>-</u>	<u>(2,350,000)</u>
Net Change in Fund Balance	(291,351)	6,044	(285,307)
Fund Balance, July 1	<u>1,462,838</u>	<u>131,660</u>	<u>1,594,498</u>
Fund Balance, June 30	<u>\$ 1,171,487</u>	<u>\$ 137,704</u>	<u>\$ 1,309,191</u>

The accompanying notes are an integral part of this statement.

Other Auditor's Reports

Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards

To the Board of Trustees
Yuba County Office of Education
Marysville, California 95901

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education, as of and for the year ended June 30, 2024, 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 December 6, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Yuba County Office of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 6, 2024

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
Yuba County Office of Education
Marysville, California 95901

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Yuba County Office of Education's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Yuba County Office of Education's major federal programs for the year ended June 30, 2024. 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, 2024.

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, *Code of Federal Regulations*, Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F—Audit Requirements (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.

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.

Purpose of This Report

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.

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 6, 2024

Independent Auditor's Report on State Compliance

To the Board of Trustees
Yuba County Office of Education
Marysville, California 95901

Report on Compliance

Opinion

We have audited the COE's compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, (K-12 Audit Guide), published by the Education Audit Appeals Panel, applicable to the COE's state program requirements identified below for the year ended June 30, 2024.

In our opinion, Yuba County Office of Education complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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 the COE's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the COE's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the COE's compliance with the compliance requirements referred to above performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the COE's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the COE's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the COE's compliance with the state laws and regulations applicable to the following items:

Local Education Agencies Other Than Charter Schools:

Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Not applicable
Independent Study	Not applicable
Continuation Education	Not applicable
Instructional Time	Not applicable
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Not applicable
Classroom Teacher Salaries	Not applicable
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Yes
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Not applicable
Apprenticeship: Related and Supplemental Instruction	Yes
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Not applicable

School Districts, County Offices of Education, and Charter Schools:

Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not applicable
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Not applicable
Transitional Kindergarten	Not applicable

Charter Schools:

Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

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

We did not perform procedures for Independent Study (non-Charter School related) for the COE as it was considered immaterial and not required per state testing guidance.

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

Report on Internal Control over Compliance

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

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

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

Purpose of This Report

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 6, 2024

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, <i>Code of Federal Regulations</i> , Part 200, paragraph 200.516(a)?	No

Identification of major programs:

Name of federal program or cluster	Assistance Listing Number (ALN)
Special Education Cluster	10.555

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

State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's <i>2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting</i> ?	No
Type of auditor's report issued on compliance for state programs:	Unmodified

Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *"Government Auditing Standards."*

There were no financial statement findings or questioned costs.

Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs.

State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs.

Yuba County Office of Education
Summary Schedule of Prior Audit Findings
June 30, 2024

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
There were no prior year findings or questioned costs.		

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