

BIGGS UNIFIED SCHOOL DISTRICT

**AUDIT REPORT
JUNE 30, 2022**



BIGGS UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2022

FINANCIAL SECTION

Report on the Audit of the Financial Statements	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities	13
Fund Financial Statements	
Governmental Funds – Balance Sheet.....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	15
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances.....	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
Fiduciary Funds – Statement of Net Position	18
Fiduciary Funds – Statement of Changes in Net Position.....	19
Notes to Financial Statements.....	20

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Budgetary Comparison Schedule	52
Schedule of Changes in Total OPEB Liability and Related Ratios	53
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalSTRS	54
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalPERS	55
Schedule of District Contributions - CalSTRS	56
Schedule of District Contributions - CalPERS	57
Notes to Required Supplementary Information	58

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards.....	60
Schedule of Average Daily Attendance (ADA)	61
Schedule of Instructional Time	62
Schedule of Financial Trends and Analysis	63
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	64
Schedule of Charter Schools	65
Combining Statements – Non-Major Governmental Funds	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	67
Local Education Agency Organization Structure	68
Notes to Supplementary Information	69

**BIGGS UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2022**

OTHER INDEPENDENT AUDITORS' REPORTS

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*71
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by the Uniform Guidance73
Report on State Compliance76

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results.....80
Financial Statement Findings81
Federal Award Findings and Questioned Costs84
State Award Findings and Questioned Costs85
Summary Schedule of Prior Audit Findings87

FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Independent Auditors' Report

Governing Board
Biggs Unified School District
Biggs, California

Report on the Audit of the Financial Statements

Adverse, Qualified, and Unmodified Opinions

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Discretely Presented Component Unit	Adverse
General Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the Discretely Presented Component Unit of the Biggs Unified School District, as of June 30, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on the General Fund and Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Adverse, Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund and Governmental Activities of the Biggs Unified School District, as of June 30, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Aggregate Remaining Fund Information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate remaining fund information of the Biggs Unified School District, as of June 30, 2022, 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 Adverse, Qualified, and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Biggs Unified School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Adverse Opinion on Discretely Presented Component Unit and Qualified Opinion on the General Fund and Governmental Activities

The financial statements referred to above do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. The effects of not including the District's legally separate component unit on the discretely presented component unit have not been determined. Additionally, the District's cash in county treasury balance could not be confirmed as materially stated in the Governmental Activities and General Fund. The amount by which this departure would effect assets, liabilities, fund balance/net position, revenues, and expenditures/expenses has not been determined.

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

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 Biggs Unified School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Biggs Unified School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions be presented to supplement the basic financial statements. Such information, although not 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 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 Biggs Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2023 on our consideration of the Biggs Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Biggs Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Biggs Unified School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
February 14, 2023

BIGGS UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

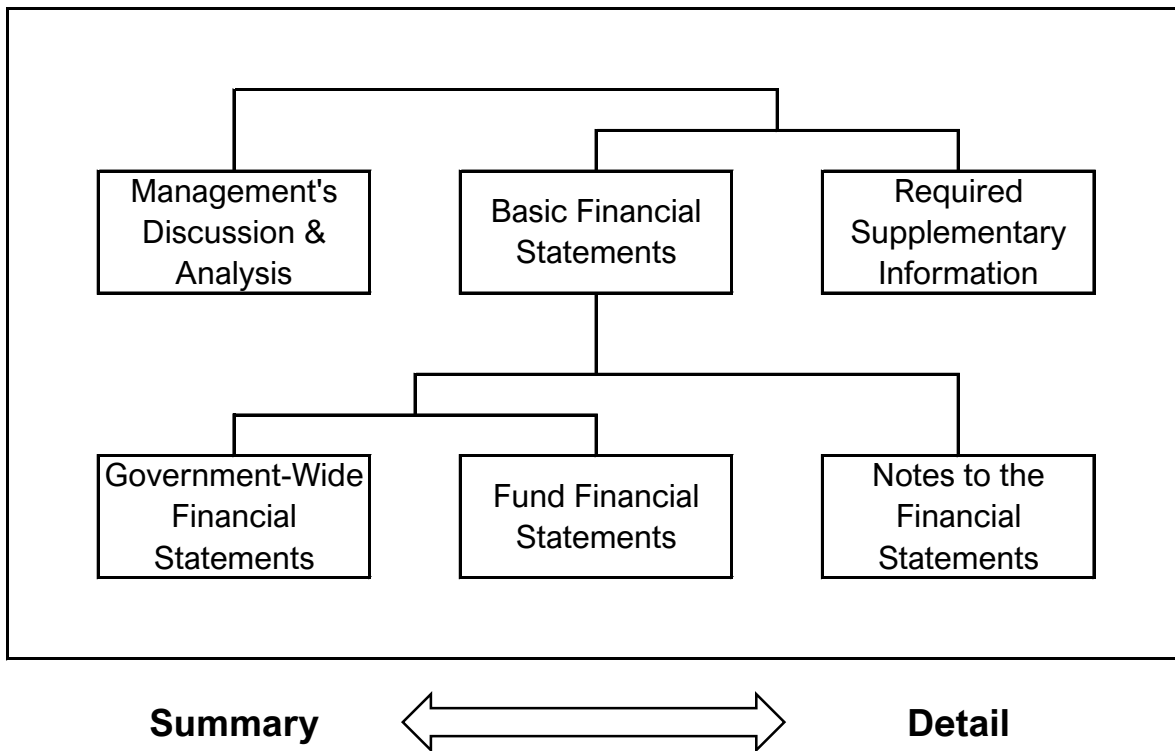
Our discussion and analysis of Biggs Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ The District's net position was \$9,530,139 at June 30, 2022. This was an increase of \$1,161,550 from the prior year, after restatement.
- ▶ Overall revenues were \$9,273,576 which exceeded expenses of \$8,112,026.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

 - ▶ **Fiduciary Funds** report resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide statement because the resources of the fund are not available to support the District's own programs.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

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

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was \$9,530,139 at June 30, 2022, as reflected in the table below. Of this amount, \$(5,063,844) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2022	2021	Net Change
ASSETS			
Current and other assets	\$ 6,426,176	\$ 5,844,963	\$ 581,213
Capital assets	13,238,450	13,618,263	(379,813)
Total Assets	19,664,626	19,463,226	201,400
DEFERRED OUTFLOWS OF RESOURCES	1,779,028	2,100,410	(321,382)
LIABILITIES			
Current liabilities	1,267,515	1,579,265	(311,750)
Long-term liabilities	6,306,297	10,993,021	(4,686,724)
Total Liabilities	7,573,812	12,572,286	(4,998,474)
DEFERRED INFLOWS OF RESOURCES	4,339,703	642,761	3,696,942
NET POSITION			
Net investment in capital assets	13,000,048	13,277,198	(277,150)
Restricted	1,593,935	665,889	928,046
Unrestricted	(5,063,844)	(5,594,498)	530,654
Total Net Position	\$ 9,530,139	\$ 8,348,589	\$ 1,181,550

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

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

	Governmental Activities		
	2022	2021	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 156,046	\$ 285,454	\$ (129,408)
Operating grants and contributions	2,493,019	1,993,788	499,231
Capital grants and contributions	955	8,118,026	(8,117,071)
General revenues			
Property taxes	2,967,772	2,677,040	290,732
Unrestricted federal and state aid	3,629,799	3,640,481	(10,682)
Other	25,985	158,393	(132,408)
Total Revenues	9,273,576	16,873,182	(7,599,606)
EXPENSES			
Instruction	3,927,682	4,700,543	(772,861)
Instruction-related services	532,519	568,173	(35,654)
Pupil services	1,023,633	1,130,590	(106,957)
General administration	939,939	1,041,668	(101,729)
Plant services	831,841	959,076	(127,235)
Ancillary and community services	226,812	187,915	38,897
Debt service	11,655	35,516	(23,861)
Other outgo	617,945	237,536	380,409
Total Expenses	8,112,026	8,861,017	(748,991)
Change in net position	1,161,550	8,012,165	(6,850,615)
Net Position - Beginning, as Restated	8,368,589	336,424	8,032,165
Net Position - Ending	\$ 9,530,139	\$ 8,348,589	\$ 1,181,550

The cost of all our governmental activities this year was \$8,112,026 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was \$2,967,772 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District’s functions. Net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2022	2021
Instruction	\$ 2,834,627	\$ (4,790,233)
Instruction-related services	126,180	536,316
Pupil services	385,419	608,966
General administration	814,058	941,409
Plant services	751,585	918,113
Ancillary and community services	115,708	85,732
Debt service	11,655	35,516
Transfers to other agencies	422,774	127,930
Total	\$ 5,462,006	\$ (1,536,251)

FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$5,263,708, which is more than last year’s ending fund balance of \$4,363,550. The District’s General Fund had \$795,574 more in operating revenues than expenditures for the year ended June 30, 2022.

CURRENT YEAR BUDGET 2021-2022

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District’s financial projections and current budget based on State and local financial information.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2021-2022 the District had invested \$13,238,450 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2022	2021	Net Change
CAPITAL ASSETS			
Land	\$ 283,366	\$ 283,366	\$ -
Land improvements	2,258,620	2,258,620	-
Buildings & improvements	14,913,918	14,874,686	39,232
Furniture & equipment	1,820,590	1,820,590	-
Accumulated depreciation	(6,038,044)	(5,619,181)	(418,863)
Total Capital Assets	\$ 13,238,450	\$ 13,618,081	\$ (379,631)

Long-Term Liabilities

At year-end, the District had \$6,306,297 in long-term liabilities, a decrease of 43% from last year – as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2022	2021	Net Change
LONG-TERM LIABILITIES			
Financed purchase	\$ 238,402	\$ 341,065	\$ (102,663)
Early retirement incentive	-	20,000	(20,000)
Compensated absences	30,478	43,674	(13,196)
Total OPEB liability	2,001,630	2,877,740	(876,110)
Net pension liability	4,138,450	7,805,039	(3,666,589)
Less: current portion of long-term liabilities	(102,663)	(94,497)	(8,166)
Total Long-term Liabilities	\$ 6,306,297	\$ 10,993,021	\$ (4,686,724)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

In its September 2022 quarterly report, the UCLA Anderson Forecast stated the U.S. economy was likely to muddle along with below-trend growth and continued high inflation over the next twelve months. No recession is forecast at this time; however, the possibility still exists that persistent inflation and aggressive interest rate policy will lead to a hard landing of the economy, potentially triggering a recession. In California, defense spending and technology demands will likely keep the economy growing.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET (continued)

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. The May 2022 Budget Revision includes total funding of \$128.3 billion (\$78.4 billion General Fund and \$49.9 billion other funds) for all K-12 education programs, additionally, the revised spending plan further accelerates the implementation of the “California for All Kids” plan, which is a whole-child support framework designed to target inequities in educational outcomes among students from different demographic backgrounds, and empower parents and families with more options and services. The Proposition 98 Guarantee continues to be in Test 1 for 2021-22 and 2022-23. To accommodate enrollment increases related to the expansion of transitional kindergarten, the Governor’s Budget proposed rebenching the Test 1 percentage to increase the percentage of General Fund revenues due to the Guarantee, from 38.03 percent to approximately 38.4 percent. The May Revision updates the increased Test 1 percentage from approximately 38.4 percent to approximately 38.3 percent. At May Revision, the 2022-23 cost-of-living adjustment (COLA) is updated to 6.56 percent, the largest COLA in the history of LCFF.

The District participates in state employee pensions plans, California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) and both are underfunded. The District’s proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2022. The amount of the liability is material to the financial position of the District. The CalSTRS projected employer contribution rate for 2022-23 is 19.10 percent. The CalPERS projected employer contribution rate for 2022-23 is 25.37 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District’s budget for the 2022-23 fiscal year.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office, Biggs Unified School District, 300 B Street, Biggs, California 95917.

**BIGGS UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities
ASSETS	
Cash and investments	\$ 5,878,715
Accounts receivable	546,311
Inventory	1,150
Capital assets, not depreciated	283,366
Capital assets, net of accumulated depreciation	12,955,084
Total Assets	19,664,626
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,528,815
Deferred outflows related to OPEB	250,213
Total Deferred Outflows of Resources	1,779,028
LIABILITIES	
Accrued liabilities	659,807
Unearned revenue	505,045
Long-term liabilities, current portion	102,663
Long-term liabilities, non-current portion	6,306,297
Total Liabilities	7,573,812
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,188,149
Deferred inflows related to OPEB	1,151,554
Total Deferred Inflows of Resources	4,339,703
NET POSITION	
Net investment in capital assets	13,000,048
Restricted:	
Capital projects	216,154
Debt service	143
Educational programs	1,174,522
Food service	100,874
Associated student body	102,242
Unrestricted	(5,063,844)
Total Net Position	\$ 9,530,139

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

**BIGGS UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 3,927,682	\$ -	\$ 1,092,100	\$ 955	\$ (2,834,627)
Instruction-related services					
Instructional supervision and administration	76,756	97,773	265,848	-	286,865
Instructional library, media, and technology	2,821	-	-	-	(2,821)
School site administration	452,942	-	42,718	-	(410,224)
Pupil services					
Home-to-school transportation	282,767	-	2,101	-	(280,666)
Food services	411,995	38,111	473,394	-	99,510
All other pupil services	328,871	-	124,608	-	(204,263)
General administration					
Centralized data processing	103,354	-	-	-	(103,354)
All other general administration	836,585	10,331	115,550	-	(710,704)
Plant services	831,841	9,831	70,425	-	(751,585)
Ancillary services	168,323	-	111,104	-	(57,219)
Community services	58,489	-	-	-	(58,489)
Interest on long-term debt	11,655	-	-	-	(11,655)
Other outgo	617,945	-	195,171	-	(422,774)
Total Governmental Activities	\$ 8,112,026	\$ 156,046	\$ 2,493,019	\$ 955	(5,462,006)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					2,967,772
Federal and state aid not restricted for specific purposes					3,629,799
Interest and investment earnings					(145,394)
Miscellaneous					171,379
Subtotal, General Revenue					6,623,556
CHANGE IN NET POSITION					1,161,550
Net Position - Beginning, as Restated					8,368,589
Net Position - Ending					\$ 9,530,139

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

**BIGGS UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 5,478,566	\$ 400,149	\$ 5,878,715
Accounts receivable	505,094	41,217	546,311
Due from other funds	20,558	-	20,558
Stores inventory	-	1,150	1,150
Total Assets	\$ 6,004,218	\$ 442,516	\$ 6,446,734
LIABILITIES			
Accrued liabilities	\$ 656,423	\$ 1,000	\$ 657,423
Due to other funds	-	20,558	20,558
Unearned revenue	505,045	-	505,045
Total Liabilities	1,161,468	21,558	1,183,026
FUND BALANCES			
Nonspendable	2,000	1,545	3,545
Restricted	1,174,522	419,413	1,593,935
Assigned	1,161,609	-	1,161,609
Unassigned	2,504,619	-	2,504,619
Total Fund Balances	4,842,750	420,958	5,263,708
Total Liabilities and Fund Balances	\$ 6,004,218	\$ 442,516	\$ 6,446,734

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

**BIGGS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2022**

Total Fund Balance - Governmental Funds \$ 5,263,708

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

Capital assets:

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

Capital assets	\$ 19,276,494	
Accumulated depreciation	<u>(6,038,044)</u>	13,238,450

Unmatured interest on long-term debt:

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

(2,384)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Financed purchase	\$ 238,402	
Compensated absences	30,478	
Total OPEB liability	2,001,630	
Net pension liability	<u>4,138,450</u>	(6,408,960)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources related to pensions	\$ 1,528,815	
Deferred inflows of resources related to pensions	<u>(3,188,149)</u>	(1,659,334)

Deferred outflows and inflows of resources relating to OPEB:

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

Deferred outflows of resources related to OPEB	\$ 250,213	
Deferred inflows of resources related to OPEB	<u>(1,151,554)</u>	(901,341)

Total Net Position - Governmental Activities		<u>\$ 9,530,139</u>
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**BIGGS UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES			
LCFF sources	\$ 6,432,394	\$ -	\$ 6,432,394
Federal sources	1,020,684	434,735	1,455,419
Other state sources	1,425,471	33,639	1,459,110
Other local sources	198,937	259,053	457,990
Total Revenues	9,077,486	727,427	9,804,913
EXPENDITURES			
Current			
Instruction	4,307,110	-	4,307,110
Instruction-related services			
Instructional supervision and administration	98,920	-	98,920
Instructional library, media, and technology	3,081	-	3,081
School site administration	527,426	-	527,426
Pupil services			
Home-to-school transportation	277,369	-	277,369
Food services	-	429,758	429,758
All other pupil services	394,031	-	394,031
General administration			
Centralized data processing	99,102	-	99,102
All other general administration	903,940	20,558	924,498
Plant services	836,844	5,205	842,049
Facilities acquisition and construction	-	39,050	39,050
Ancillary services	42,366	128,272	170,638
Community services	58,489	-	58,489
Transfers to other agencies	617,945	-	617,945
Debt service			
Principal	102,663	-	102,663
Interest and other	12,626	-	12,626
Total Expenditures	8,281,912	622,843	8,904,755
Excess (Deficiency) of Revenues Over Expenditures	795,574	104,584	900,158
Other Financing Sources (Uses)			
Transfers in	-	39,642	39,642
Transfers out	(39,642)	-	(39,642)
Net Financing Sources (Uses)	(39,642)	39,642	-
NET CHANGE IN FUND BALANCE	755,932	144,226	900,158
Fund Balance - Beginning	4,086,818	276,732	4,363,550
Fund Balance - Ending	\$ 4,842,750	\$ 420,958	\$ 5,263,708

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

**BIGGS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Governmental Funds \$ 900,158

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

Capital outlay:

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

Expenditures for capital outlay:	\$	39,050	
Depreciation expense:		(418,863)	(379,813)

Debt service:

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

102,663

Unmatured interest on long-term debt:

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

971

Compensated absences:

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

13,196

Postemployment benefits other than pensions (OPEB):

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

(37,335)

Pensions:

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

561,710

Change in Net Position of Governmental Activities	\$	1,161,550
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**BIGGS UNIFIED SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022**

	<u>Private-Purpose Trust Fund Scholarship Funds</u>
ASSETS	
Cash and investments	\$ 686,081
Accounts receivable	<u>351</u>
Total Assets	<u>686,432</u>
 NET POSITION	
Restricted	686,432
Total Net Position	<u>\$ 686,432</u>

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

**BIGGS UNIFIED SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Private-Purpose Trust Fund Scholarship Funds</u>
ADDITIONS	
Investment earnings	\$ (75,719)
Total Additions	<u>(75,719)</u>
DEDUCTIONS	
Scholarships awarded	<u>3,790</u>
Total Deductions	<u>3,790</u>
CHANGE IN NET POSITION	(79,509)
Net Position - Beginning	<u>765,941</u>
Net Position - Ending	<u>\$ 686,432</u>

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

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Biggs Unified School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no such component units.

The District has determined that the Biggs Educational Foundation, (the Foundation), a non-profit, public benefit corporation, meets the criteria set forth in GASB 39, as amended. However, since the Foundation does not issue audited financial statements, the financial statements of the District include only the financial data of the primary government, which consists of all funds that comprise the District's legal entity, and all funds for which it has a fiduciary responsibility. The financial statements do not include financial data of the Foundation, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the primary government. As a result, these financial statements do not present fairly the financial position of the discretely presented component unit of the District, as of June 30, 2022, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

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

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

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District that cannot be used to support the District's own programs.

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Non-Major Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Student Activity Fund: This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

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

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

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

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Projects Funds (continued)

County School Facilities Fund: This fund is established pursuant to *Education Code Section 17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code Section 17070 et seq.*).

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code Section 42840*).

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Private-Purpose Trust Fund: This Fund is used to account separately for gifts or bequests that provide scholarships to students of the District. For financial reporting purposes, the financial activities and balances of the Nannie Grace Caldwell and Hilda H. Seely Trust Under Will investment accounts, which are both managed and held by Wells Fargo Bank N. A., for the benefit of the Biggs Unified School District, have been included in the District's Private Purpose Trust Fund. The accounts have been included due to the fact that certain members of the District's Board of Trustees are also members on the "Caldwell-Pitts, McKasson, Doty & Thomas Scholarship Fund Board" that have the ability to access the net income and principal of the account, as long as the funds are distributed to eligible recipients in the form of Caldwell-Pitts, McKasson, Doty & Thomas Scholarships.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Financial Statements

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

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Governmental Funds

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Unearned Revenue

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

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Sites and Improvements	10 to 20 Years
Buildings and Improvements	10 to 50 Years
Furniture and Equipment	5 to 20 Years

Interfund Balances

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

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 – June 30, 2022

Postemployment Benefits Other Than Pensions (OPEB) (continued)

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Premiums and Discounts

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

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

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

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Fund Balance

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

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, lease receivables (net of related deferred inflows), prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

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

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Activity

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

G. Estimates

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

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has implemented this Statement as of June 30, 2022.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has not yet determined the impact on the financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. A portion of this statement was effective upon issuance, while the majority of this statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has fully implemented this Statement as of June 30, 2022.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The statement is effective for periods beginning after June 15, 2022. The District has not yet determined the impact on the financial statements.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This standard's primary objectives are to increase consistency and comparability related to reporting fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The statement is effective for periods beginning after June 15, 2021. The District has implemented this Statement as of June 30, 2022.

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has not yet determined the impact on the financial statements.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities	Fiduciary Fund
Investment in county treasury	\$ 5,954,814	\$ 219,915
Fair value adjustment	(180,736)	(6,636)
Cash on hand and in banks	102,242	91,793
Cash in revolving fund	2,395	-
Scholarship investments	-	381,009
Total	\$ 5,878,715	\$ 686,081

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022

NOTE 2 – CASH AND INVESTMENTS (continued)

B. Policies and Practices

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

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Butte County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker’s Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 2 – CASH AND INVESTMENTS (continued)

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$5,987,357. The average weighted maturity for this pool is 523 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2022, the pooled investments in the County Treasury were not rated.

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2022, the District's bank balance was not exposed to custodial credit risk.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 2 – CASH AND INVESTMENTS (continued)

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Butte County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2022 were as follows:

	Observable Inputs Level 2	Uncategorized	Total
Investment in county treasury	\$ -	\$ 5,987,357	\$ 5,987,357
Scholarship investments	381,009	-	381,009
Total	\$ 381,009	\$ 5,987,357	\$ 6,368,366

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consisted of the following:

	General Fund	Non-Major Governmental Funds	Governmental Activities	Fiduciary Fund
Federal Government				
Categorical aid	\$ 103,289	\$ 41,069	\$ 144,358	\$ -
State Government				
Categorical aid	127,933	-	127,933	-
Lottery	25,628	-	25,628	-
Local Government				
Other local sources	248,244	148	248,392	351
Total	\$ 505,094	\$ 41,217	\$ 546,311	\$ 351

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 283,366	\$ -	\$ -	\$ 283,366
Total capital assets not being depreciated	283,366	-	-	283,366
Capital assets being depreciated				
Land improvements	2,258,620	-	-	2,258,620
Buildings & improvements	14,874,868	39,050	-	14,913,918
Furniture & equipment	1,820,590	-	-	1,820,590
Total capital assets being depreciated	18,954,078	39,050	-	18,993,128
Less accumulated depreciation				
Land improvements	521,246	61,902	-	583,148
Buildings & improvements	3,824,160	281,104	-	4,105,264
Furniture & equipment	1,273,775	75,857	-	1,349,632
Total accumulated depreciation	5,619,181	418,863	-	6,038,044
Governmental Activities				
Capital Assets, net	\$ 13,618,263	\$ (379,813)	\$ -	\$ 13,238,450

Depreciated expense was allocated by function as follows:

Governmental Activities	
Instruction	\$ 343,990
Home-to-school transportation	20,391
Food services	4,971
All other pupil services	499
Centralized data processing	4,252
All other general administration	9,664
Plant services	35,096
Total	\$ 418,863

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances at June 30, 2022 consisted of \$20,558 due from the Cafeteria Fund to the General Fund for indirect costs.

B. Operating Transfers

Interfund transfers at June 30, 2022 consisted of a \$39,642 transfer from the General Fund to the Cafeteria Fund for program contribution.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2022 consisted of the following:

	General Fund	Cafeteria Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	\$ 25,386	\$ 400	\$ 400	\$ -	\$ 25,786
Vendors payable	317,229	600	600	-	317,829
Unmatured interest	-	-	-	2,384	2,384
Due to grantor government	313,808	-	-	-	313,808
Total	\$ 656,423	\$ 1,000	\$ 1,000	\$ 2,384	\$ 659,807

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2022 consisted of the following:

	General Fund
Federal sources	\$ 355,869
State categorical sources	149,176
Total	\$ 505,045

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2022 consisted of the following:

	Restated Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Balance Due In One Year
Governmental Activities					
Financed purchase	\$ 341,065	\$ -	\$ 102,663	\$ 238,402	\$ 102,663
Compensated absences	43,674	-	13,196	30,478	-
Total OPEB liability	2,877,740	-	876,110	2,001,630	-
Net pension liability	7,805,039	-	3,666,589	4,138,450	-
Total	\$ 11,067,518	\$ -	\$ 4,658,558	\$ 6,408,960	\$ 102,663

- Payments for the financed purchase is made in the General Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

A. Financed Purchase

On March 1, 2020, the District entered into a financed purchase agreement to repair the stadium damaged by fire at Biggs High School for \$2,500,000 at an effective interest rate of 4.00%. Future minimum payments under this agreement are as follows:

Year Ended June 30,	Payment
2023	\$ 115,289
2024	115,289
2025	20,875
Total minimum payments	251,453
Less amount representing interest	(13,051)
Present value of minimum payments	\$ 238,402

B. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2022 amounted to \$30,478. This amount is included as part of long-term liabilities in the government-wide financial statements.

C. Other Postemployment Benefits

The District's beginning total OPEB liability was \$2,877,740 and decreased by \$876,110 during the year ended June 30, 2022. The ending total OPEB liability at June 30, 2022 was \$2,001,630. See Note 10 for additional information regarding the total OPEB liability.

D. Net Pension Liability

The District's beginning net pension liability was \$7,805,039 and decreased by \$3,666,589 during the year ended June 30, 2022. The ending net pension liability at June 30, 2022 was \$4,138,450. See Note 11 for additional information regarding the net pension liability.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2022:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable			
Revolving cash	\$ 2,000	\$ 395	\$ 2,395
Stores inventory	-	1,150	1,150
Total non-spendable	<u>2,000</u>	<u>1,545</u>	<u>3,545</u>
Restricted			
Educational programs	1,174,522	-	1,174,522
Food service	-	100,874	100,874
Associated student body	-	102,242	102,242
Capital projects	-	216,154	216,154
Debt service	-	143	143
Total restricted	<u>1,174,522</u>	<u>419,413</u>	<u>1,593,935</u>
Assigned			
Special reserve for other than capital projects	633,852	-	633,852
Special reserve for postemployment benefits	527,757	-	527,757
Total assigned	<u>1,161,609</u>	<u>-</u>	<u>1,161,609</u>
Unassigned	<u>2,504,619</u>	<u>-</u>	<u>2,504,619</u>
Total Fund Balance	\$ 4,842,750	\$ 420,958	\$ 5,263,708

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 4 percent of General Fund expenditures and other financing uses.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Biggs Unified School District’s defined benefit OPEB plan, Biggs Unified School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. Plan benefits and contribution requirements for both the employee and District are established by labor agreements. All contracts with District employees may be renegotiated at various times in the future, and thus, benefits and costs are subject to change. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

B. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below.

Classified, Confidential, and Classified Management employees may retire with District-paid medical benefits after the later of age 50 and 10 years of continuous service (55 and 15 for Classified employees hired on or after January 1, 2014). Benefits are paid for the lesser of five years or Medicare eligibility age (currently age 65). If the retiree dies before the end of the prescribed benefit period, the surviving spouse will be entitled to any unused benefits. District contributions are capped at \$15,000 per year for employees who retire on or before June 30, 2015, and \$12,000 per year for employees who retire after June 30, 2015. Classified employees hired on or after January 1, 2014 and Confidential employees hired on or after January 1, 2013 are subject to a cap of \$8,400 regardless of date of retirement.

Certificated employees hired prior to January 1, 2013 may retire with District-paid medical, dental, and vision benefits after the later of age 55 and 15 years of District service credit. Benefits are paid for seven years plus one additional year for each five years of service credit in excess of 15, to a maximum of 10 years of District-paid benefits. The cap is 110% of the maximum District contribution for actives in the year of retirement. For retirements between 2007 and 2017 inclusive, an annual District cap of \$12,243 applies.

Certificated employees hired on or after January 1, 2013 become eligible for retiree health benefits after the later of age 55 and 20 years of District service, and benefits are paid for the lesser of seven years or until Medicare eligibility age (currently age 65). The cap is 100% of the maximum District contribution for active employees in the year of retirement (\$11,130 in 2021).

As of the valuation date there are two Certificated retirees earning benefits for their lifetime under a former plan of the District.

Certificated Management employees negotiate their own retiree health packages. Contracts currently in effect guarantee benefits at least as valuable as those provided to Certificated unit members.

C. Contributions

For the measurement period, the District contributed \$72,142 to the Plan, all of which was used for current premiums.

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

D. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	7
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>73</u>
Total number of participants**	<u>80</u>

*Information not provided

**As of the July 1, 2021 valuation date

E. Total OPEB Liability

The Biggs Unified School District’s total OPEB liability of \$2,001,630 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Economic assumptions:

Inflation	2.75%
Salary increases	3.00%
Discount rate	3.69%
Healthcare cost trend rates	4.00%

Non-economic assumptions:

Mortality:

Certificated	Mortality Rates for active employees from CalSTRS Experience Analysis (2015-2018). Mortality Rates for retired members and beneficiaries from CalSTRS Experience Analysis (2015-2018).
Classified	Preretirement Mortality Rates from CalPERS Experience Study (2000-2019). Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

The actuarial assumptions used in the July 1, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

G. Changes in Total OPEB Liability

	<u>June 30, 2022</u>
Total OPEB Liability	
Service cost	\$ 175,501
Interest on total OPEB liability	44,031
Difference between expected and actual experience	(721,126)
Changes of assumptions	(302,374)
Benefits payments	<u>(72,142)</u>
Net change in total OPEB liability	(876,110)
Total OPEB liability - beginning	2,877,740
Total OPEB liability - ending	<u>\$ 2,001,630</u>
Covered-employee payroll	\$ 4,580,921
District's total OPEB liability as a percentage of covered-employee payroll	43.69%

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

The following presents the total OPEB liability of the Biggs Unified School District, as well as what the District'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	Valuation Discount Rate	1% Increase
	(2.69%)	(3.69%)	(4.69%)
Total OPEB liability	\$ 2,165,197	\$ 2,001,630	\$ 1,852,248

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Biggs Unified School District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (4.00%)	Valuation Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 1,809,761	\$ 2,001,630	\$ 2,224,165

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

For the year ended June 30, 2022, the Biggs Unified School District recognized OPEB expense of \$109,477. At June 30, 2022, the Biggs Unified School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 860,188
Changes in assumptions	250,213	291,366
Total	\$ 250,213	\$ 1,151,554

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	\$ 44,602	\$ 154,657
2024	44,602	150,982
2025	44,602	142,409
2026	36,534	142,409
2027	33,073	142,409
Thereafter	46,800	418,688
Total	\$ 250,213	\$ 1,151,554

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement 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). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
STRS Pension	\$ 2,320,059	\$ 1,157,675	\$ 2,240,861	\$ 134,177
PERS Pension	1,818,391	371,140	947,288	97,621
Total	<u>\$ 4,138,450</u>	<u>\$ 1,528,815</u>	<u>\$ 3,188,149</u>	<u>\$ 231,798</u>

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2022, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2022 was 16.92% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$494,267 for the year ended June 30, 2022.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$327,862 to CalSTRS.

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

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

District's proportionate share of the net pension liability	\$ 2,320,059
State's proportionate share of the net pension liability associated with the District	1,167,387
Total	\$ 3,487,446

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District’s proportion was 0.005 percent, which remained unchanged from its proportion measured as of June 30, 2020.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

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

For the year ended June 30, 2022, the District recognized pension expense of \$134,177. In addition, the District recognized pension expense and revenue of \$(203,475) for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 1,835,226
Differences between expected and actual experience	5,812	246,902
Changes in assumptions	328,728	-
Changes in proportion and differences between District contributions and proportionate share of contributions	328,868	158,733
District contributions subsequent to the measurement date	494,267	-
Total	<u>\$ 1,157,675</u>	<u>\$ 2,240,861</u>

The \$494,267 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ 234,914	\$ 563,270
2024	235,067	514,069
2025	82,612	524,724
2026	45,529	582,770
2027	45,530	31,405
2028	19,756	24,623
Total	<u>\$ 663,408</u>	<u>\$ 2,240,861</u>

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

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

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	42%	4.80%
Real Estate	15%	3.60%
Private Equity	13%	6.30%
Fixed Income	12%	1.30%
Risk Mitigating Strategies	10%	1.80%
Inflation Sensitive	6%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

*20-year geometric average

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
	<hr/>	<hr/>	<hr/>
District's proportionate share of the net pension liability	\$ 4,722,809	\$ 2,320,059	\$ 325,822

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2022 was 22.91% of annual payroll. Contributions to the plan from the District were \$299,241 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$1,818,391 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.009 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2020.

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

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

For the year ended June 30, 2022, the District recognized pension expense of \$97,621. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 697,844
Differences between expected and actual experience	54,284	4,287
Changes in proportion and differences between District contributions and proportionate share of contributions	17,615	245,157
District contributions subsequent to the measurement date	299,241	-
Total	<u>\$ 371,140</u>	<u>\$ 947,288</u>

The \$299,241 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ 49,757	\$ 265,000
2024	21,154	245,090
2025	988	243,114
2026	-	194,084
Total	<u>\$ 71,899</u>	<u>\$ 947,288</u>

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2022**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from 1997 through 2015.

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, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+-years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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 adjusted to account for assumed administrative expenses.

The table below reflects 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 geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	100.0%		

*An expected inflation of 2.00% used for this period.

**An expected inflation of 2.92% used for this period.

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

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

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

	<u>1% Decrease (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
District's proportionate share of the net pension liability	\$ 3,066,062	\$ 1,818,391	\$ 782,556

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2022.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2022.

C. Construction Commitments

As of June 30, 2022, the District had no commitments with respect to unfinished capital projects.

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2022**

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in three joint ventures under joint powers authorities (JPAs), Butte Schools Self-Funded Program (BSSP), North Valley Schools Insurance Group (NVSIG), and the Schools Excess Liability Fund (SELF). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2022, total deferred outflows related to pensions was \$1,528,815 and total deferred inflows related to pensions was \$3,188,149.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2022, total deferred outflows related to other postemployment benefits was \$250,213 and total deferred inflows related to other postemployment benefits was \$1,151,554.

NOTE 15 – RESTATEMENT OF NET POSITION

The beginning net position for governmental activities have been restated to reflect the in order to more accurately reflect the substance of the underlying transactions that occurred in the prior year. The effect on beginning net position is presented as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	\$ 8,348,589
Restatement	20,000
Net Position - Beginning, as Restated	<u>\$ 8,368,589</u>

REQUIRED SUPPLEMENTARY INFORMATION

**BIGGS UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 6,495,909	\$ 6,453,288	\$ 6,432,394	\$ (20,894)
Federal sources	682,942	4,373,625	1,020,684	(3,352,941)
Other state sources	959,650	1,365,218	1,425,471	60,253
Other local sources	253,013	306,449	359,942	53,493
Total Revenues	8,391,514	12,498,580	9,238,491	(3,260,089)
EXPENDITURES				
Certificated salaries	3,001,384	3,259,769	3,125,910	133,859
Classified salaries	1,282,672	1,358,058	1,257,755	100,303
Employee benefits	1,896,639	2,102,015	1,955,902	146,113
Books and supplies	647,697	2,809,720	454,409	2,355,311
Services and other operating expenditures	967,094	2,189,800	727,377	1,462,423
Capital outlay	-	416,446	47,883	368,563
Other outgo				
Excluding transfers of indirect costs	323,010	598,070	733,234	(135,164)
Transfers of indirect costs	-	-	(20,558)	20,558
Total Expenditures	8,118,496	12,733,878	8,281,912	4,451,966
Excess (Deficiency) of Revenues Over Expenditures	273,018	(235,298)	956,579	1,191,877
Other Financing Sources (Uses)				
Contributions	(529,071)	-	-	-
Transfers out	(127,529)	(192,529)	(39,642)	152,887
Net Financing Sources (Uses)	(656,600)	(192,529)	(39,642)	152,887
NET CHANGE IN FUND BALANCE	(383,582)	(427,827)	916,937	1,344,764
Fund Balance - Beginning	2,485,760	3,190,660	2,934,612	(256,048)
Fund Balance - Ending	\$ 2,102,178	\$ 2,762,833	\$ 3,851,549	\$ 1,088,716

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- The amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.
- Audit adjustments are not included in this schedule.

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability					
Service cost	\$ 175,501	\$ 177,716	\$ 154,227	\$ 141,295	\$ 148,082
Interest on total OPEB liability	44,031	67,414	77,432	86,361	74,964
Difference between expected and actual experience	(721,126)	-	(318,986)	-	-
Changes of assumptions	(302,374)	104,230	195,310	84,164	(82,061)
Benefits payments	(72,142)	(90,449)	(109,401)	(153,117)	(147,786)
Net change in total OPEB liability	(876,110)	258,911	(1,418)	158,703	(6,801)
Total OPEB liability - beginning	2,877,740	2,618,829	2,620,247	2,461,544	2,468,345
Total OPEB liability - ending (a)	<u>\$ 2,001,630</u>	<u>\$ 2,877,740</u>	<u>\$ 2,618,829</u>	<u>\$ 2,620,247</u>	<u>\$ 2,461,544</u>
Covered-employee payroll	\$ 4,580,921	\$ 4,252,704	\$ 3,907,493	\$ 4,166,051	\$ 3,644,096
District's total OPEB liability as a percentage of covered-employee payroll	43.69%	67.67%	67.02%	62.90%	67.55%

See accompanying notes to required supplementary information.

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.005%	0.005%	0.005%	0.005%	0.005%	0.005%	0.005%	0.005%
District's proportionate share of the net pension liability	\$ 2,320,059	\$ 4,743,325	\$ 4,257,710	\$ 4,657,441	\$ 4,401,308	\$ 3,826,274	\$ 3,195,863	\$ 2,660,107
State's proportionate share of the net pension liability associated with the District	1,167,387	2,445,185	2,322,571	2,666,603	2,603,777	2,178,230	1,690,259	1,606,287
Total	\$ 3,487,446	\$ 7,188,510	\$ 6,580,281	\$ 7,324,044	\$ 7,005,085	\$ 6,004,504	\$ 4,886,122	\$ 4,266,394
District's covered payroll	\$ 2,805,783	\$ 2,653,918	\$ 2,599,791	\$ 2,806,535	\$ 2,563,362	\$ 2,426,002	\$ 2,069,775	\$ 2,027,515
District's proportionate share of the net pension liability as a percentage of its covered payroll	82.69%	178.73%	163.77%	165.95%	171.70%	157.72%	154.41%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	87.20%	71.80%	72.60%	71.00%	69.46%	70.04%	74.02%	76.52%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.009%	0.010%	0.010%	0.010%	0.010%	0.010%	0.010%	0.010%
District's proportionate share of the net pension liability	\$ 1,818,391	\$ 3,061,714	\$ 2,759,045	\$ 2,563,697	\$ 2,353,815	\$ 1,892,939	\$ 1,467,131	\$ 1,090,732
District's covered payroll	\$ 1,192,643	\$ 1,405,233	\$ 1,310,719	\$ 1,267,909	\$ 1,256,617	\$ 1,144,290	\$ 1,108,003	\$ 1,008,591
District's proportionate share of the net pension liability as a percentage of its covered payroll	152.47%	217.88%	210.50%	202.20%	187.31%	165.42%	132.41%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	81.00%	70.00%	70.00%	70.80%	71.87%	73.90%	79.43%	83.38%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 494,267	\$ 453,134	\$ 453,820	\$ 423,246	\$ 404,983	\$ 322,471	\$ 260,310	\$ 183,796
Contributions in relation to the contractually required contribution*	(494,267)	(453,134)	(453,820)	(423,246)	(404,983)	(322,471)	(260,310)	(183,796)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,949,407	\$ 2,805,783	\$ 2,653,918	\$ 2,599,791	\$ 2,806,535	\$ 2,563,362	\$ 2,426,002	\$ 2,069,775
Contributions as a percentage of covered payroll	16.76%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%

*Amounts do not include on-behalf contributions

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 299,241	\$ 246,877	\$ 277,126	\$ 236,742	\$ 196,919	\$ 174,519	\$ 135,564	\$ 130,423
Contributions in relation to the contractually required contribution*	(299,241)	(246,877)	(277,126)	(236,742)	(196,919)	(174,519)	(135,564)	(130,423)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,309,141	\$ 1,192,643	\$ 1,405,233	\$ 1,310,719	\$ 1,267,909	\$ 1,256,617	\$ 1,144,290	\$ 1,108,003
Contributions as a percentage of covered payroll	22.86%	20.70%	19.72%	18.06%	15.53%	13.89%	11.85%	11.77%

*Amounts do not include on-behalf contributions

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Total OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, the total OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation.

Changes in Assumptions

The discount rate changed from 1.92% to 3.69% from the previous measurement date.

Schedule of the District's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
 FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2022, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code.

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Other outgo			
Excluding transfers of indirect costs	\$ 598,070	\$ 733,234	\$ 135,164

SUPPLEMENTARY INFORMATION

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 255,597
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	26,498
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	7,485
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	59,146
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: [1]			
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	5,905
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	126,012
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	101,851
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	127,836
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	57,242
Subtotal Education Stabilization Fund Discretionary Grants			418,846
Total U. S. Department of Education			767,572
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
COVID-19 Emergency Acts Funding/Extending Summer Food Service Program and SSO:			
Child Nutrition Cluster [1]			
School Breakfast Program - Basic	10.553	13525	1,753
School Breakfast Program - Needy	10.553	13526	102,084
National School Lunch Program	10.555	13391	217,146
USDA Commodities [2]	10.555	*	18,588
Meal Supplements	10.555	*	7,725
Subtotal Child Nutrition Cluster			347,296
NSLP Equipment Assistance Grants	10.579	14906	87,439
Forest Reserve Funds	10.665	10044	1,263
Total U. S. Department of Agriculture			435,998
Total Federal Expenditures			\$ 1,203,570

[1] - Major Program

[2] - In-Kind Contribution

* - Pass-Through Entity Identifying Number not available or not applicable

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Second Period Report	Revised Second Period Report	Original Annual Report	Revised Annual Report
	Data ID: 55E5D5F0	N/A*	Data ID: 10C23CB4	N/A*
SCHOOL DISTRICT				
TK/K through Third				
Regular ADA	149.28	138.45	148.36	138.50
Total TK/K through Third	149.28	138.45	148.36	138.50
Fourth through Sixth				
Regular ADA	113.81	109.78	114.40	109.97
Total Fourth through Sixth	113.81	109.78	114.40	109.97
Seventh through Eighth				
Regular ADA	74.33	68.09	74.04	66.61
Total Seventh through Eighth	74.33	68.09	74.04	66.61
Ninth through Twelfth				
Regular ADA	154.76	149.81	154.33	149.37
Total Ninth through Twelfth	154.76	149.81	154.33	149.37
TOTAL SCHOOL DISTRICT	492.18	466.13	491.13	464.45

*There is no certificate number associated with the revised attendance reports as the amounts are derived from a finding. See Finding #2022-004 for additional information.

**BIGGS UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2022**

Grade Level	Minutes Requirement	2021-22 Actual Minutes	Number of Days	Status
Kindergarten	36,000	36,150	180	Complied
Grade 1	50,400	51,660	180	Complied
Grade 2	50,400	51,660	180	Complied
Grade 3	50,400	51,660	180	Complied
Grade 4	54,000	55,200	180	Complied
Grade 5	54,000	55,200	180	Complied
Grade 6	54,000	55,200	180	Complied
Grade 7	54,000	61,290	180	Complied
Grade 8	54,000	61,290	180	Complied
Grade 9	64,800	67,147	180	Complied
Grade 10	64,800	67,147	180	Complied
Grade 11	64,800	67,147	180	Complied
Grade 12	64,800	67,147	180	Complied

See accompanying notes to supplementary information.

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

	2023 (Budget)	2022	2021	2020
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 8,186,763	\$ 9,238,491	\$ 8,384,736	\$ 8,100,199
Expenditures And Other Financing Uses	8,892,221	8,321,554	7,563,074	7,874,254
Net change in Fund Balance	\$ (705,458)	\$ 916,937	\$ 821,662	\$ 225,945
Ending Fund Balance	\$ 3,146,091	\$ 3,851,549	\$ 4,086,818	\$ 3,265,156
Available Reserves*	\$ 2,189,560	\$ 2,504,619	\$ 3,170,715	\$ 2,549,618
Available Reserves As A Percentage Of Outgo	24.62%	30.10%	41.92%	32.38%
Long-term Liabilities	\$ 6,306,297	\$ 6,408,960	\$ 11,087,518	\$ 10,240,131
Average Daily Attendance At P-2***	513	492	565	565

The General Fund ending fund balance has increased by \$568,393 over the past two years. The fiscal year 2022-23 budget projects a decrease of \$705,458. For a District this size, the State recommends available reserves of at least 4% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2022-23 fiscal year. Total long-term obligations have decreased by \$3,831,171 over the past two years.

Average daily attendance has decreased by 73 ADA over the past two years. An increase of 21 ADA is anticipated during the 2022-23 fiscal year.

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

**The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54. Additionally, audit adjustments are not included in this schedule.

***Due to the COVID-19 pandemic, Average Daily Attendance at P-2 was not reported in 2021. Funding was based on Average Daily Attendance at P-2 as reported in 2020.

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

	General Fund	Cafeteria Fund	Special Reserve Fund for Other Than Capital Outlay Projects
June 30, 2022, annual financial and budget report fund balance	\$ 3,851,549	\$ 106,021	\$ 633,852
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Fair value adjustment (GASB 31)	(170,408)	(3,602)	-
Fund balance transfer (GASB 54)	1,161,609	-	(633,852)
Net adjustments and reclassifications	991,201	(3,602)	(633,852)
June 30, 2022, audited financial statement fund balance	\$ 4,842,750	\$ 102,419	\$ -

	Special Reserve Fund for Postemployment Benefits	Capital Facilities Fund	County School Facilities Fund
June 30, 2022, annual financial and budget report fund balance	\$ 527,757	\$ 112,244	\$ 110,536
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Fair value adjustment (GASB 31)	-	(3,383)	(3,336)
Fund balance transfer (GASB 54)	(527,757)	-	-
Net adjustments and reclassifications	(527,757)	(3,383)	(3,336)
June 30, 2022, audited financial statement fund balance	\$ -	\$ 108,861	\$ 107,200

	Special Reserve Fund for Capital Outlay Projects	Debt Service Fund	Private-Purpose Trust Fund
June 30, 2022, annual financial and budget report fund balance/net position	\$ 96	\$ 147	\$ 762,481
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Fair value adjustment (GASB 31)	(3)	(4)	(6,636)
Cash in banks	-	-	732
Investments	-	-	(70,145)
Net adjustments and reclassifications	(3)	(4)	(76,049)
June 30, 2022, audited financial statement fund balance/net position	\$ 93	\$ 143	\$ 686,432

See accompanying notes to supplementary information.

**BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2022**

The District does not sponsor any charter schools.

**BIGGS UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Debt Service Fund	Non-Major Governmental Funds
ASSETS							
Cash and investments	\$ 102,242	\$ 81,758	\$ 108,713	\$ 107,200	\$ 93	\$ 143	\$ 400,149
Accounts receivable	-	41,069	148	-	-	-	41,217
Stores inventory	-	1,150	-	-	-	-	1,150
Total Assets	\$ 102,242	\$ 123,977	\$ 108,861	\$ 107,200	\$ 93	\$ 143	\$ 442,516
LIABILITIES							
Accrued liabilities	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Due to other funds	-	20,558	-	-	-	-	20,558
Total Liabilities	-	21,558	-	-	-	-	21,558
FUND BALANCES							
Non-spendable	-	1,545	-	-	-	-	1,545
Restricted	102,242	100,874	108,861	107,200	93	143	419,413
Total Fund Balances	102,242	102,419	108,861	107,200	93	143	420,958
Total Liabilities and Fund Balances	\$ 102,242	\$ 123,977	\$ 108,861	\$ 107,200	\$ 93	\$ 143	\$ 442,516

See accompanying notes to supplementary information.

**BIGGS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Debt Service Fund	Non-Major Governmental Funds
REVENUES							
Federal sources	\$ -	\$ 434,735	\$ -	\$ -	\$ -	\$ -	\$ 434,735
Other state sources	-	33,639	-	-	-	-	33,639
Other local sources	111,632	36,762	113,045	(2,381)	(2)	(3)	259,053
Total Revenues	111,632	505,136	113,045	(2,381)	(2)	(3)	727,427
EXPENDITURES							
Current							
Pupil services							
Food services	-	429,758	-	-	-	-	429,758
General administration							
All other general administration	-	20,558	-	-	-	-	20,558
Plant services	-	-	5,205	-	-	-	5,205
Facilities acquisition and construction	-	-	-	39,050	-	-	39,050
Ancillary services	128,272	-	-	-	-	-	128,272
Total Expenditures	128,272	450,316	5,205	39,050	-	-	622,843
Excess (Deficiency) of Revenues Over Expenditures	(16,640)	54,820	107,840	(41,431)	(2)	(3)	104,584
Other Financing Sources (Uses)							
Transfers in	-	39,642	-	-	-	-	39,642
Net Financing Sources (Uses)	-	39,642	-	-	-	-	39,642
NET CHANGE IN FUND BALANCE	(16,640)	94,462	107,840	(41,431)	(2)	(3)	144,226
Fund Balance - Beginning	118,882	7,957	1,021	148,631	95	146	276,732
Fund Balance - Ending	\$ 102,242	\$ 102,419	\$ 108,861	\$ 107,200	\$ 93	\$ 143	\$ 420,958

See accompanying notes to supplementary information.

**BIGGS UNIFIED SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2022**

The Biggs Unified School District was established in 1906 and is comprised of an area in Butte County. There were no changes in the boundaries of the District during the current year. The District is operating two elementary schools and one high school.

GOVERNING BOARD

Member	Office	Term Expires
Jonna Phillips	President	November 2024
M. America Navarro	Vice President	November 2022
Linda Brown	Clerk	November 2024
Kathryn Sheppard	Member	November 2022
Dennis Slusser	Member	November 2022

DISTRICT ADMINISTRATORS

Doug Kaelin
Superintendent

Lorelle Mudd
Chief Business Official

**BIGGS UNIFIED SCHOOL DISTRICT
 NOTES TO SUPPLEMENTARY INFORMATION
 JUNE 30, 2022**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2022 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2022.

	AL	
	Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 1,455,419
Comprehensive Literacy State Development Grant	84.371C	<u>(251,849)</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 1,203,570</u>

The District has not elected to use the 10 percent de minimis indirect cost rate.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

**BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION, continued
JUNE 30, 2022**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of Charter Schools

This schedule lists all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

Combining Statements – Non-Major Funds

These statements provide information on the District's non-major funds.

Local Education Agency Organization Structure

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

OTHER INDEPENDENT AUDITORS' REPORTS

**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**

Independent Auditors' Report

Governing Board
Biggs Unified School District
Biggs, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Biggs Unified School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Biggs Unified School District's basic financial statements, and have issued our report thereon dated February 14, 2023. Our opinions on the Governmental Activities and General Fund were qualified because we were unable to obtain sufficient appropriate audit evidence supporting the amount at which cash in county treasury was reported. Our opinion on the Discretely Presented Component Unit was Adverse because the financial statements do not include financial data for the District's legally separate component unit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Biggs Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Biggs Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Biggs Unified School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Finding #2022-001 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings #2022-002 and #2022-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Biggs Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

Biggs Unified School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Biggs Unified School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Biggs Unified School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Christy White, Inc.

San Diego, California
February 14, 2023

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

Governing Board
Biggs Unified School District
Biggs, California

Report on Compliance for Each Major Federal Program***Opinion on Each Major Federal Program***

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for 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 Biggs Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user of the report on compliance about Biggs Unified School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement 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 Biggs Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Biggs Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Biggs Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (continued)

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

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

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

Christy White, Inc.

San Diego, California
February 14, 2023

REPORT ON STATE COMPLIANCEIndependent Auditors' Report

Governing Board
Biggs Unified School District
Biggs, California

Report on State Compliance***Opinion on State Compliance***

We have audited Biggs Unified School District's compliance with the types of compliance requirements described in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Biggs Unified School District's state programs for the fiscal year ended June 30, 2022, as identified below.

In our opinion, Biggs Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the applicable state programs for the year ended June 30, 2022.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Biggs Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user of the report on compliance about Biggs Unified School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgement 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 Biggs Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Biggs Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Biggs Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine Biggs Unified School District's compliance with the state laws and regulations related to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable

Auditor’s Responsibilities for the Audit of State Compliance (continued)

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	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	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
In-Person Instruction Grant	Yes
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
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 District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

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 or material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2022-004 and #2022-005. Our opinion on state compliance is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Biggs Unified School District’s response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. Biggs Unified School District’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state 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 State Compliance section 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. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
February 14, 2023

**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS

Type of auditors' report issued:	Qualified with Adverse Opinion on Discretely Presented Component Unit
Internal control over financial reporting:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553, 10.555</u>	<u>Child Nutrition Cluster</u>
<u>84.425C, 84.425D, 84.425U</u>	<u>Education Stabilization Fund Discretionary Grants</u>

Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with 2021-22 Guide for Annual Audits of California K-12 Local Education Agencies?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**BIGGS UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

FINDING #2022-001: FINANCIAL REPORTING (30000) (MATERIAL WEAKNESS)

Criteria: Each year, districts are responsible for preparing complete and accurate financial information, which is reported to the California Department of Education in the form of the “Unaudited Actuals” Financial Report. In addition, each year the governing board certifies that the report was prepared in accordance with Education Code Section 41010, and approves the report as the official submission of financial information that will be used as the basis for the district’s annual financial statements. Accordingly, districts should have an effective system of internal control over financial reporting that will ensure that the information contained in the report is free of material misstatement.

Condition: The District’s “Unaudited Actuals” included misstatements that we consider to be material to their annual financial statements. Accordingly, it appears that internal control over financial reporting was inadequate in the areas where audit adjustments were required.

Cause: The District did not have effective procedures in place to ensure that the “Unaudited Actuals” were free of material misstatements.

Effect: When an effective system of internal control over financial reporting is not in place, there is a reasonable possibility that material misstatements of the District’s financial statements will not be prevented, or detected and corrected on a timely basis.

Questioned Costs: None.

Repeat Finding: This is a repeat finding.

Recommendation: The District should develop a more comprehensive financial reporting checklist, to be used by staff during the year-end closing process, to prevent misstatements from occurring in the future.

Corrective Action Plan: The district has had turnover in the business office and will develop a more comprehensive financial reporting checklist to be used by staff during the year-end closing process to prevent misstatements in the future.

**BIGGS UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS (continued)
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2022-002: SCHOLARSHIP FUND CASH IN BANKS/INVESTMENTS (30000)

Criteria: All activity on the District's bank statements, CD statements, and investment statements should be recorded on the District's general ledger on at least a quarterly basis.

Condition: Activity incurred during the 2021-22 fiscal year on the various bank and investment related statements was not posted to the District's general ledger for the Foundation Fund.

Cause: Lack of oversight over scholarship cash and investment balances.

Effect: Balances on the unaudited actuals presented and approved by the District's Board of Trustees for fiscal year 2021-22 were not accurate. Audit adjustments were made to include current year activity related to the cash and investment accounts.

Questioned Cost: None.

Repeat Finding: This is a repeat finding.

Recommendation: The District should ensure that activity on the bank statements and investment statements are recorded on the District's general ledger on at least on a quarterly basis. The District should follow up with the financial institutions for any missing statements in a timely manner.

Corrective Action Plan: The new Chief Business Officer will investigate, initiate the process of recording and reconciling financial items regarding financial institution statements and balancing the funds or any investments of the District general ledger. Activity will be posted to the general ledger on a quarterly basis.

**BIGGS UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS (continued)
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2022-003: BANK RECONCILIATIONS – REVOLVING CASH (30000)

Criteria: Internal controls over bank accounts and reconciliations are important to ensure that the District's financial statements are free of material misstatement.

Condition: During our testing of the District's bank accounts and reconciliations, we noted that bank reconciliations are not being performed. Revolving Fund should reconcile to imprest balance. The register ending balance as of June 30, 2022, had an ending balance of \$14,640. This amount does not agree to the imprest balance of \$2,000.

Cause: Lack of oversight over District bank accounts and reconciliations.

Effect: Risk of material misstatement.

Questioned Cost: None

Repeat Finding: This is not a repeat finding.

Recommendation: Sound internal controls and oversight should be put into place to review all activity related to the District's bank accounts and reconciliations. Reconciliations should be performed monthly.

Corrective Action Plan: The new Chief Business Officer will meet with the Superintendent to investigate the reason for the discrepancy. The revolving account has very limited use and will be evaluated for closure.

**BIGGS UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

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

**BIGGS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental Instruction
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

FINDING #2022-004: INDEPENDENT STUDY (10000)

Criteria: For attendance generated through independence study, all independent study written agreements must contain the signature of the pupil, pupil’s parents, and certificated employee, affixed no later than 30 days after the first day of independent study instruction or October 15, whichever date comes later (Education Code Section 51747(g)(9)(F)).

Condition: Auditor determined that 3 out of 3 independent study agreements did not contain all the required elements outlined in Education Code Section 51747(g)(9)(F) in regard to signatures and dates. In each instance, the contracts were signed, but there was no place for a date in the agreement. The error rate of 100% was extrapolated to the entire population of students where independent study ADA was claimed. Therefore, the total average daily attendance (ADA) credited, 26.05 and 26.68, in P2 and the Annual, respectively, is unallowable.

Effect: Loss of apportionment funding for days of attendance related to incomplete and deficient independent study contracts.

Cause: Clerical oversight.

Questioned Costs: \$212,957, as calculated using the Second Period Report in the table below. The errors noted for the District’s P2 Attendance Report have not been revised to reflect the revised P2 report listed on the Schedule of Average Daily Attendance

	Second Period Report ADA (Over)/Under Statement	Annual Report ADA (Over)/Under Statement	2021-22 Derived Value of ADA by Grade Span	Questioned Cost
Grad Span				
TK/Kindergarten through Third	(10.83)	(9.86)	\$ 10,417.58	\$ 112,822
Fourth through Sixth	(4.03)	(4.43)	\$ 9,578.11	\$ 38,600
Seventh through Eighth	(6.24)	(7.43)	\$ 9,861.44	\$ 61,535
Ninth through Twelvth	(4.95)	(4.96)	\$ 11,725.76	\$ 58,043
	<u>(26.05)</u>	<u>(26.68)</u>		<u>\$ 212,957</u>

There is no question cost related to the error noted for the Annual Attendance Report since the District is not funded on Annual Attendance. The District’s Annual Attendance Report has not been revised to reflect the revised Annual report listing on the Schedule of Average Daily Attendance.

(continued on the following page)

**BIGGS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2022-004: INDEPENDENT STUDY (10000) (continued)

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District implement adequate procedures to ensure that independent study contracts are being completed with all the necessary information required by Education Code.

Corrective Action Plan: The new Chief Business Officer, with the assistance of the Superintendent, will develop procedures to meet independent study requirements. Training will be provided to principals, teachers and school secretaries to ensure compliance.

FINDING #2022-005: SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria: School Accountability Report Cards (SARCs), prepared on annual basis for each school site within the District and posted in February, should contain information regarding school facilities conditions, as indicated in the most recently prepared facility inspection tool (FIT) form developed by the Office of Public School Construction and approved by the State Allocation Board, or local evaluation instruments that meet the same criteria, as per Education Code Sections 33126(b)(8) and 17002(d).

Condition: In one (1) out of two (2) SARCs included in the representative sample, we found that the 2020-21 SARC that was published in the 2021-22 fiscal year included information reported under the School Facility Conditions and Planned Improvements (Most Recent Year) section that was not accurately supported by the most recently completed FIT form. This condition was noted for the External component of the SARC for Biggs Elementary School as the SARC indicated "Poor" condition while the FIT form indicated "Good" condition.

Effect: The District is not in compliance with the related sections of California Education Code.

Cause: Administrative oversight.

Questioned Costs: None. There is no State funding source directly related to SARCs.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District implement procedures to ensure that all information presented on the SARCs is contemporaneous and complete.

Corrective Action Plan: The District will implement additional controls over reporting for the SARC and ensure they accurately reflect supporting documents such as the FIT.

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2021-001: FINANCIAL REPORTING - UNAUDITED ACTUALS – 30000

Criteria: Each year, districts are responsible for preparing complete and accurate financial information, which is reported to the California Department of Education in the form of the “Unaudited Actuals” Financial Report. In addition, each year the governing board certifies that the report was prepared in accordance with Education Code Section 41010, and approves the report as the official submission of financial information that will be used as the basis for the district’s annual financial statements. Accordingly, districts should have an effective system of internal control over financial reporting that will ensure that the information contained in the report is free of material misstatement.

Condition: The District’s “Unaudited Actuals” included misstatements that we consider to be material to their annual financial statements. Accordingly, it appears that internal control over financial reporting was inadequate in the areas where audit adjustments were required.

Questioned Costs: None.

Cause: The District did not have effective procedures in place to ensure that the “Unaudited Actuals” were free of material misstatements.

Effect: When an effective system of internal control over financial reporting is not in place, there is a reasonable possibility that material misstatements of the District’s financial statements will not be prevented, or detected and corrected on a timely basis.

Recommendation: The District should develop a more comprehensive financial reporting checklist, to be used by staff during the year-end closing process, to prevent misstatements from occurring in the future.

District Response: The district has developed a more comprehensive financial reporting checklist to be used by staff during the year-end closing process to prevent misstatements in the future.

Current Status: Not Implemented. See Finding #2022-001.

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2021-002: AUDIT ADJUSTMENTS – 30000

Criteria: All audit adjustments provided by the auditor should be posted on the District's general ledger so that the beginning balances on the general ledger for the affected balances agree to the balances presented in the District's annual audit report.

Condition: The District did not post the auditor provided adjusting journal entries accurately on the District's general ledger. The adjusting journal entries and instructions on posting were provided to the District as a result of the 2019-20 audit.

Questioned Costs: None. This is an administrative comment only.

Cause: The District did not follow the instructions provided by the auditor in posting the adjusting journal entries. In addition, the District did not verify that the adjusted beginning fund balances agreed to the audited fund balances presented in the District's 2019-20 audit report.

Effect: District beginning fund balances for several funds did not agree to the audited fund balances presented in the District's 2019-20 audit report.

Recommendation: The District should follow the auditor's instructions in posting future adjusting journal entries. In addition, the District should verify that the adjusted beginning fund balance(s) on the general ledger for the affected fund(s) agree(s) to the fund balance(s) presented in the District's audited annual audit report.

District Response: In the future, the district will follow the auditor's instructions in posting adjusting journal entries. In addition, the district will verify that the adjusted beginning fund balances on the general ledger for the affected funds agree to the fund balances presented in the district's audited annual audit report.

Current Status: Implemented.

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2021-003: FOUNDATION FUND - CASH IN BANK / CERTIFICATE OF DEPOSITS (CD) / INVESTMENTS – 30000

Criteria: All activity on the District's bank statements, CD statements, and investment statements should be recorded on the District's general ledger on at least a quarterly basis.

Condition: Activity incurred during the 2020-21 fiscal year on the various bank and investment related statements was not posted to the District's general ledger for the Foundation Fund.

Questioned Costs: None. These are administrative comments only.

Cause: Obtaining and / or requesting bank statements, CD statements and investment statements, and posting the activity from these statements on the District's general ledger has not been a priority of the District.

Effect: Balances on the unaudited actuals presented and approved by the District's Board of Trustees for fiscal year 2020-21 were not accurate and did not include more than \$100,000 of activity.

Recommendation: The District should ensure that activity on the bank statements, CD statements, and investment statements is recorded on the District's general ledger on at least on a quarterly basis. The District should follow up with the financial institutions for any missing statements in a timely manner.

District Response: The district will ensure that activity in the foundation accounts will be posted to the general ledger at least quarterly.

Current Status: Not Implemented. See Finding #2022-002.

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2021-004: PAYROLL - TIMESHEETS – 30000

Criteria: Employee timesheets should be reviewed and signed by each employee’s immediate supervisor, prior to being processed for payment.

Condition: Employee timesheets were processed for payment prior to being reviewed and signed by each employee’s immediate supervisor.

Questioned Costs: None. We have determined through alternative procedures that the amounts paid appear appropriate.

Cause: The District has not adequately enforced procedures that require supervisors to review and sign all employee timesheets prior to submitting them to payroll for processing.

Effect: There is no documentation available that substantiates that the hours claimed on employee timesheets were reviewed for accuracy and completeness prior to being submitted to payroll for processing.

Recommendation: The District should actively enforce procedures that require supervisors to review and sign all employee timesheets prior to submitting them to payroll for processing.

District Response: The district will actively enforce procedures that require supervisors to review and sign all employee timesheets prior to submitting them to payroll.

Current Status: Implemented.

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2021-005: STUDENT BODY – 30000

Criteria: The District is responsible for the general oversight of the student body activities. In this capacity, the District should ensure that the appropriate internal controls are in place to:

- Safeguard the organization's assets
- Promote success of fund-raising ventures
- Promote reliable financial information
- Reduce the risk of fraud and abuse

In addition, as noted in the Associated Student Body Accounting Manual, Fraud Prevention Guide, curriculum related supplies are generally considered to be an inappropriate use of student body funds.

Condition:

1. Student body funds were used to pay for curriculum supplies and other supplies related to distance learning.
2. Reimbursements to employees and parents were made for goods delivered directly to employees' and parent's residences.
3. Payments were not supported by invoices or receipts.
4. Student body funds were committed for the purchase of goods or services prior to obtaining documented authorization from the required three signors.

Questioned Costs: \$426.86 for the payment without a supporting invoice or receipt. \$360.35 for curriculum related supplies.

Cause: The District business office has not performed internal audits of the student body accounts to ensure that proper procedures and policies are being followed

Effect: Internal controls for student body transactions do not adequately safeguard the organization's assets and reduce the risk of fraud and abuse. In addition, student body funds were expended for supplies that are generally considered to be responsibility of the District.

Recommendation: Training should be provided to all individuals responsible for maintaining or supervising the student body account. In addition, the District should reimburse the affected student body accounts for the costs of the inappropriate expenses.

District Response: The district will provide training to all individuals responsible for maintaining or supervising the student body account. In addition, the district will reimburse the affected student body accounts for the costs of the inappropriate expenses.

Current Status: Implemented.

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2021-006: FEDERAL CERTIFICATIONS – 50000

Criteria: The federal cost principles contained in the uniform guidance for administration of federal grants in Title 2 of the Code of Federal Regulations, Part 200 (the Uniform Guidance) specify which costs are allowable charges to federal programs, which costs are not allowable, and how costs charged to federal programs must be documented. LEAs must apply the Uniform Guidance to all federal funds that are subject to the cost principles. Section 200.430 specifies the standards for documenting salaries and wages charged to federal programs. These standards are in addition to those for payroll documentation. LEAs must adhere to these standards and to any additional standards established for particular programs.

In accordance with federal regulations, if an employee is funded solely (100%) from a single federal program or cost objective, the minimum requirement for documenting salary or wages is a semi-annual certification by the employee that he/she worked solely on that federal program or cost objective. The certification must be signed by the employee or the supervisor having firsthand knowledge of the work performed.

Condition: Payroll and benefits charged to the Coronavirus Relief Fund program were not supported by semi-annual certifications.

Questioned Costs: \$302,114. All salaries and benefits charged to the program for 2020-21.

Cause: The District was unaware of the requirement for semi-annual certifications by employees who are funded solely (100%) from a single federal program.

Effect: The District did not comply with federal regulations, and did not provide adequate supporting documentation for payroll charged to a federal program. As a result, payroll and benefit costs charged to the Coronavirus Relief Fund program could be disallowed due to the lack of adequate documentation.

Recommendation: Semi-annual certifications should be prepared by all employees who are funded solely (100%) from a single federal program. The certification should be signed by the employee or the supervisor having firsthand knowledge of the work performed, and should be forwarded to the business office as soon as they are completed.

District Response: The district will ensure that semi-annual certifications are generated and signed by each employee who is funded solely by a single federal program in fiscal years starting with 2021-22.

Current Status: Implemented.

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2021-007: CLASSROOM ATTENDANCE REPORTS – 10000

Criteria: In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.

Condition: Classroom attendance reports, which are used by teachers to document the attendance of students, were not signed by teachers and submitted to the attendance office, on a consistent basis.

Questioned Costs: None. Attendance is recorded on-line in the classrooms by the teachers.

Cause: Teachers and the school secretary did not follow District established attendance procedures.

Effect: There is no documented evidence that attendance was taken by teachers if signed weekly classroom attendance reports are not submitted to the school secretary.

Recommendation: The District should remind the school of the established policies and procedures that require the school secretary to track whether teachers submit signed weekly classroom attendance reports, perform follow-up procedures on delinquent teachers, and report those delinquent teachers to site administrators.

District Response: The district will remind the school of the established policies and procedures that require the school secretary to track whether teachers submit signed weekly classroom attendance reports, perform follow up procedures on delinquent teachers, and report those delinquent teachers to site administrators.

Current Status: Implemented.

**BIGGS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2022**

FINDING #2021-008: ATTENDANCE ABSENCES – 10000

Criteria: In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.

Condition: Attendance recorded on the weekly classroom attendance reports did not agree to the attendance recorded in the computerized attendance system.

Questioned Costs: None. The condition appears to be limited to one teacher for 6 days in one school month.

Cause: Site personnel did not follow District procedures to ensure that attendance recorded in the computerized system agrees to signed weekly classroom attendance reports.

Effect: The District did not comply with the requirements of Education Code Section 46000.

Recommendation: The District should emphasize the importance of reporting accurate attendance information to school personnel and continue to provide in-service training on proper attendance procedures.

District Response: The school site will be reminded of the importance of reporting accurate attendance information to school personnel and continue to provide in-service training on proper attendance procedures.

Current Status: Implemented.