PLUMAS COUNTY OFFICE OF EDUCATION

AUDIT REPORT
JUNE 30, 2025

PLUMAS COUNTY OFFICE OF EDUCATION
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Independent Auditors' Report

Governing Board
Plumas County Office of Education
Quincy, California

Report on the Audit of the Financial Statements

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 Plumas County Office of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Plumas County Office of Education's basic financial statements as listed in the table of contents.

Summary of Opinions:

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
County School Service Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on Governmental Activities and the County School Service Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities and the County School Service Fund of the Plumas County Office of Education, as of June 30, 2025, 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.

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 governmental activities and the aggregate remaining fund information of the Plumas County Office of Education, as of June 30, 2025, 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 Qualified and Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information 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 Plumas County Office of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

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Basis for Qualified and Unmodified Opinions (continued)

Matter Giving Rise to the Qualified Opinion on Governmental Activities and the County School Service Fund

Plumas County Office of Education did not provide sufficient appropriate audit evidence to support the completeness and valuation of accounts receivable and accrued liabilities balances as of June 30, 2025. We were unable to obtain confirmations or perform alternative procedures to verify accounts receivable and accrued liabilities and therefore, we were unable to determine whether any adjustments might be necessary to accounts receivable, accrued liabilities, and related revenue and expense accounts impacting the fund balance/net position.

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

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 judgment made by a reasonable user of the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 county office of education contributions for pensions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in 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 Plumas County Office of Education's basic financial statements. The supplementary information listed in the table of contents 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026 on our consideration of the Plumas County Office of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plumas County Office of Education'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 Plumas County Office of Education's internal control over financial reporting and compliance.

Christy White, Inc

San Diego, California
January 28, 2026

PLUMAS COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

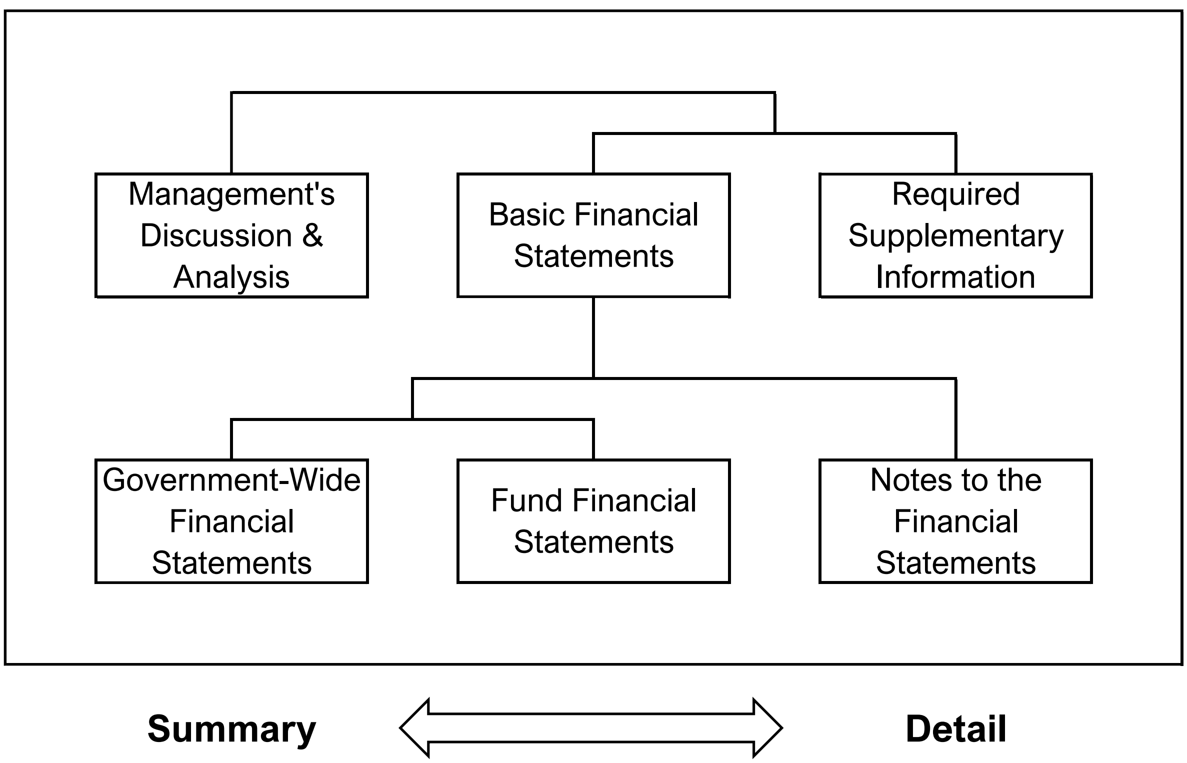
Our discussion and analysis of Plumas County Office of Education's (County Office of Education) financial performance provides an overview of the County Office of Education's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the County Office of Education's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County Office of Education's net position was $6,282,278 at June 30, 2025. This was an increase of $1,761,884 from the prior year, after restatement.
- Overall revenues were $9,434,364 which exceeded expenses of $7,672,480.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



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 County Office of Education. 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 County Office of Education 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 County Office of Education's 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 explains and support the financial statements.

Government-Wide Statements

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

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The County Office of Education's net position was $6,282,278 at June 30, 2025, as reflected in the table below. Of this amount, $2,640,286 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		
	2025	2024	Net Change
ASSETS			
Current and other assets	$ 11,132,401	$ 9,950,018	$ 1,182,383
Capital assets	229,488	235,408	(5,920)
Total Assets	11,361,889	10,185,426	1,176,463
DEFERRED OUTFLOWS OF RESOURCES	1,714,397	1,443,321	271,076
LIABILITIES			
Current liabilities	2,675,605	3,175,671	(500,066)
Long-term liabilities	3,988,395	3,484,877	503,518
Total Liabilities	6,664,000	6,660,548	3,452
DEFERRED INFLOWS OF RESOURCES	130,008	192,119	(62,111)
NET POSITION			
Net investment in capital assets	229,488	235,408	(5,920)
Restricted	3,412,504	1,983,013	1,429,491
Unrestricted	2,640,286	2,557,659	82,627
Total Net Position	$ 6,282,278	$ 4,776,080	$ 1,506,198

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the County Office of Education 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		
	2025	**2024**	**Net Change**
REVENUES			
Program revenues			
Operating grants and contributions	$ 4,614,255	$ 3,427,404	$ 1,186,851
General revenues			
Property taxes	88,908	54,450	34,458
Unrestricted federal and state aid	2,611,221	3,478,624	(867,403)
Other	2,119,980	2,091,855	28,125
Total Revenues	9,434,364	9,052,333	382,031
EXPENSES			
Instruction	2,086,326	1,817,755	268,571
Instruction-related services	777,509	972,692	(195,183)
Pupil services	1,447,122	929,181	517,941
General administration	3,129,520	2,374,406	755,114
Plant services	7,359	10,706	(3,347)
Ancillary services	7,853	6,300	1,553
Other outgo	210,871	1,254,064	(1,043,193)
Depreciation	5,920	6,300	(380)
Total Expenses	7,672,480	7,371,404	301,076
Change in net position	1,761,884	1,680,929	80,955
Net Position - Beginning, as Restated*	4,520,394	3,095,151	1,425,243
Net Position - Ending	$ 6,282,278	$ 4,776,080	$ 1,506,198

**Beginning net position was restated for the 2025 year only.*

The cost of all our governmental activities this year was $7,672,480 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only $88,908 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions

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 County Office of Education's functions. Net cost shows the financial burden that was placed on the County Office of Education'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	
	2025	2024
Instruction	$ 1,512,567	$ 464,735
Instruction-related services	282,345	621,635
Pupil services	(687,645)	(102,943)
General administration	1,730,051	1,692,065
Plant services	(1,555)	1,844
Ancillary services	5,671	6,300
Transfers to other agencies	210,871	1,254,064
Depreciation	5,920	6,300
Total	$ 3,058,225	$ 3,944,000

FINANCIAL ANALYSIS OF THE COUNTY OFFICE OF EDUCATION'S MAJOR FUNDS

The financial performance of the County Office of Education as a whole is reflected in its governmental funds as well. As the County Office of Education completed this year, its governmental funds reported a combined fund balance of $8,700,969, which is more than last year's ending fund balance of $6,832,845. The County Office of Education's County School Service Fund had $1,803,447 more in operating revenues than expenditures for the year ended June 30, 2025.

CURRENT YEAR BUDGET 2024-2025

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 County Office of Education's financial projections and current budget based on State and local financial information.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2024-2025 the County Office of Education had invested $229,488 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Furniture & equipment	$ 307,173	$ 307,173	$ -
Less: Accumulated depreciation	(77,685)	(71,765)	(5,920)
Total	$ 229,488	$ 235,408	$ (5,920)

Long-Term Liabilities

At year-end, the County Office of Education had $3,988,395 in long-term liabilities, an increase of 6.63% from last year after restatement – as shown in the table below. More detailed information about the County Office of Education's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2025	2024	Net Change
LONG-TERM LIABILITIES			
Early retirement incentive	$ -	$ 16,395	$ (16,395)
Supplemental early retirement plan	23,907	66,009	(42,102)
Compensated absences*	489,479	375,229	114,250
Total OPEB liability	47,383	48,678	(1,295)
Net pension liability	3,671,799	3,292,750	379,049
Less: current portion of long-term liabilities	(244,173)	(58,498)	(185,675)
Total	$ 3,988,395	$ 3,740,563	$ 247,832

**Compensated Absences for 2024 was restated in order to record the County Office of Education's compensated with GASB Statement No. 101 which supersedes GASB Statement No. 16 for the year ended June 30, 2025.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Several economic and fiscal factors could influence the County Office of Education's financial condition in the coming year, including continued enrollment declines, uncertain Federal and State revenues, high pension obligations, and a cooling California economy.

Long-Term Declining Enrollment
California's K–12 system continues to experience enrollment decline. Statewide enrollment fell another 0.5% in 2024–25 to about 5.8 million students, roughly 420,000 fewer than a decade ago. The Department of Finance projects an additional 586,000-student decline by 2033–34. Lower birth rates, high housing costs, and out-migration are key drivers, along with growing competition from charter and private schools. Because many costs—such as staffing and facilities—cannot easily adjust, revenue loss from declining Average Daily Attendance (ADA) creates structural fiscal challenges that require multi-year planning.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Revenue Uncertainties

- **Status of Proposition 98:** The 2025–26 State Budget sets the Proposition 98 guarantee at $114.6 billion, slightly below earlier projections. To maintain K–12 funding commitments amid weaker tax receipts, the State relied on reserve drawdowns, internal borrowing, and limited deferrals. The outlook remains fragile since Proposition 98 revenues are highly sensitive to income-tax and capital-gains fluctuations. A market slowdown could trigger future adjustments. The Legislative Analyst's Office urges local education agencies to budget cautiously and preserve flexibility given ongoing volatility.
- **Federal Funding Uncertainties:** Federal funding for K–12 education remains uncertain heading into 2025–26. Several large federal programs—including Title I, Title II, IDEA, and after-school and enrichment grants—face potential reductions or delays under current federal budget proposals and continuing appropriations negotiations. The U.S. Department of Education has also paused or delayed disbursement of certain previously approved formula and competitive grants, creating short-term cash-flow and planning challenges for County Office of Education's. Analyses by nonpartisan agencies such as the Congressional Budget Office and the Learning Policy Institute note that up to $5–6 billion in K-12 formula funds nationwide remain at risk of reduction or deferral if congressional appropriations are not finalized. While County Office of Education's are expected to continue receiving baseline allocations during temporary funding resolutions, long-term federal support levels for education could decline modestly in real terms, requiring local education agencies to plan for possible funding interruptions or reductions in future years.

Pension Liabilities and Employer Rates

The County Office of Education participates in CalSTRS and CalPERS, both of which remain underfunded and continue to exert upward pressure on budgets. For 2025–26, the CalSTRS employer rate is 19.10%, and the CalPERS Schools Pool rate is 26.81%. These elevated rates—well above pre-2014 levels—will likely persist through the decade as both systems address unfunded liabilities. County Office of Education's must continue to account for escalating pension costs in long-range projections.

Economic and Market Conditions

California's economy has cooled following its post-pandemic rebound. High interest rates, weaker venture investment, and commercial-real-estate softness have slowed growth, especially in tech-dependent regions. The UCLA Anderson Forecast (Fall 2025) expects subdued growth into 2026, with unemployment near 5%. Inflation has eased, but interest-rate uncertainty continues to constrain housing and business investment.

Because the State's tax base depends heavily on capital-gains income, stock-market volatility remains a major risk to General Fund and Proposition 98 revenues. Fiscal advisors therefore recommend that local education agencies maintain prudent reserves and avoid long-term commitments based on one-time revenue gains.

Summary

Declining enrollment, volatile revenues, persistent pension costs, and broader economic uncertainty all contribute to a challenging fiscal environment for California school County Office of Education's. The County Office of Education's 2025–26 budget reflects these conditions through conservative revenue assumptions, strong reserves, and continued monitoring of State fiscal trends.

CONTACTING THE COUNTY OFFICE OF EDUCATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the County Office of Education's finances and to show the County Office of Education's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Plumas County Office of Education at 50 Church Street, Quincy, California 95971.

PLUMAS COUNTY OFFICE OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	$ 7,439,522
Accounts receivable	3,692,879
Capital assets:	
Capital assets, net of accumulated depreciation	229,488
Total Assets	11,361,889
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,697,130
Deferred outflows related to OPEB	17,267
Total Deferred Outflows of Resources	1,714,397
LIABILITIES	
Accrued liabilities	2,100,666
Unearned revenue	330,766
Long-term liabilities, current portion	244,173
Long-term liabilities, non-current portion	3,988,395
Total Liabilities	6,664,000
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	105,897
Deferred inflows related to OPEB	24,111
Total Deferred Inflows of Resources	130,008
NET POSITION	
Net investment in capital assets	229,488
Restricted:	
Capital projects	220,724
Educational programs	3,191,780
Unrestricted	2,640,286
Total Net Position	$ 6,282,278

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

PLUMAS COUNTY OFFICE OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
GOVERNMENTAL ACTIVITIES			
Instruction	$ 2,086,326	$ 573,759	$ (1,512,567)
Instruction-related services			
Instructional supervision and administration	607,563	482,573	(124,990)
Instructional library, media, and technology	151,429	-	(151,429)
School site administration	18,517	12,591	(5,926)
Pupil services			
All other pupil services	1,447,122	2,134,767	687,645
General administration			
Centralized data processing	805,544	2,160	(803,384)
All other general administration	2,323,976	1,397,309	(926,667)
Plant services	7,359	8,914	1,555
Ancillary services	7,853	2,182	(5,671)
Other outgo	210,871	-	(210,871)
Depreciation (unallocated)	5,920	-	(5,920)
Total Governmental Activities	$ 7,672,480	$ 4,614,255	(3,058,225)
	General revenues		
	Taxes and subventions		
	Property taxes, levied for general purposes		88,908
	Federal and state aid not restricted for specific purposes		2,611,221
	Interest and investment earnings		238,348
	Interagency revenues		1,644,616
	Miscellaneous		237,016
	Subtotal, General Revenue		4,820,109
	CHANGE IN NET POSITION		1,761,884
	Net Position - Beginning, as Restated		4,520,394
	Net Position - Ending		$ 6,282,278

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

PLUMAS COUNTY OFFICE OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	County School Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	$ 7,159,132	$ 280,390	$ 7,439,522
Accounts receivable	3,596,737	96,142	3,692,879
Total Assets	$ 10,755,869	$ 376,532	$ 11,132,401
LIABILITIES			
Accrued liabilities	$ 2,099,537	$ 1,129	$ 2,100,666
Unearned revenue	256,750	74,016	330,766
Total Liabilities	2,356,287	75,145	2,431,432
FUND BALANCES			
Restricted	3,111,117	301,387	3,412,504
Unassigned	5,288,465	-	5,288,465
Total Fund Balances	8,399,582	301,387	8,700,969
Total Liabilities and Fund Balances	$ 10,755,869	$ 376,532	$ 11,132,401

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

PLUMAS COUNTY OFFICE OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds		$ 8,700,969
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	$ 307,173	
Accumulated depreciation	(77,685)	229,488
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:		
Supplemental early retirement plan	$ 23,907	
Compensated absences	489,479	
Total OPEB liability	47,383	
Net pension liability	3,671,799	(4,232,568)
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	$ 1,697,130	
Deferred inflows of resources related to pensions	(105,897)	1,591,233
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	$ 17,267	
Deferred inflows of resources related to OPEB	(24,111)	(6,844)
Total Net Position - Governmental Activities		$ 6,282,278

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

PLUMAS COUNTY OFFICE OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	County School Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES			
LCFF sources	$ 2,446,393	$ -	$ 2,446,393
Federal sources	47,298	398,274	445,572
Other state sources	1,560,693	104,055	1,664,748
Other local sources	4,938,213	13,139	4,951,352
Total Revenues	8,992,597	515,468	9,508,065
EXPENDITURES			
Current			
Instruction	2,129,648	15,317	2,144,965
Instruction-related services			
Instructional supervision and administration	378,906	223,943	602,849
Instructional library, media, and technology	148,154	-	148,154
School site administration	19,237	-	19,237
Pupil services			
All other pupil services	1,430,135	-	1,430,135
General administration			
Centralized data processing	788,858	-	788,858
All other general administration	2,279,660	-	2,279,660
Plant services	6,699	660	7,359
Ancillary services	7,853	-	7,853
Transfers to other agencies	-	210,871	210,871
Total Expenditures	7,189,150	450,791	7,639,941
Excess (Deficiency) of Revenues Over Expenditures	1,803,447	64,677	1,868,124
Other Financing Sources (Uses)			
Transfers in	37,212	-	37,212
Transfers out	-	(37,212)	(37,212)
Net Financing Sources (Uses)	37,212	(37,212)	-
NET CHANGE IN FUND BALANCE	1,840,659	27,465	1,868,124
Fund Balance - Beginning	6,558,923	273,922	6,832,845
Fund Balance - Ending	$ 8,399,582	$ 301,387	$ 8,700,969

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

PLUMAS COUNTY OFFICE OF EDUCATION
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, 2025

Net Change in Fund Balances - Governmental Funds			$ 1,868,124
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:			
Depreciation expense:	$	(5,920)	(5,920)
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:			(114,250)
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:			(4,637)
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 contributions was:			(39,930)
Other liabilities not normally liquidated with current financial resources:			
In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were:			58,497
Change in Net Position of Governmental Activities			$ 1,761,884

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Plumas County Office of Education (the “County Office of Education”) 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 County Office of Education 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 County Office of Education 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 County Office of Education consists of all funds, departments and agencies that are not legally separate from the County Office of Education. For the County Office of Education, this includes general operations and student-related activities.

B. Component Units

Component units are legally separate organizations for which the County Office of Education is financially accountable. Component units may also include organizations that are fiscally dependent on the County Office of Education in that the County Office of Education 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 County Office of Education is not financially accountable but the nature and significance of the organization’s relationship with the County Office of Education is such that exclusion would cause the County Office of Education’s financial statements to be misleading or incomplete. The County Office of Education has no such component units.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the County Office of Education). 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 County Office of Education’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 County Office of Education.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements. The fund financial statements provide information about the County Office of Education's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

Major Governmental Funds

County School Service Fund: The County School Service Fund is the main operating fund of the County Office of Education. 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 County Office of Education's activities are reported in the County School Service Fund unless there is a compelling reason to account for an activity in another fund. A County Office of Education may have only one County School Service 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 County Office of Education maintains the following special revenue funds:

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (*Education Code Sections* 52616[b] and 52501.5[a]).

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

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

Net Position 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 County Office of Education's 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 County Office of Education's as collectible within one year.

Non-exchange transactions, in which the County Office of Education 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 County Office of Education must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the County Office of Education 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 County Office of Education prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County Office of Education 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 County Office of Education's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash and Cash Equivalents
The County Office of Education'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.

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.

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)

Capital Assets (continued)
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 County Office of Education maintains a capitalization threshold of $5,000. The County Office of Education 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:

Asset Class	Estimated Useful Life
Buildings and Improvements	15-40 years
Furniture and Equipment	10-15 years
Vehicles	8 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
In accordance with GASB Statement No. 101, *Compensated Absences*, accumulated unpaid employee vacation and sick leave benefits are accrued as a liability in the government-wide financial statements as the benefits are earned, provided they accumulate and are more likely than not to be used or paid. The measurement of this liability includes estimated salary amounts and the employer's share of related taxes and benefits, as applicable, that are directly related to these compensated absences.

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 resources. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. For accumulated sick leave benefits, a liability is recognized for the portion that employees have earned and that are more likely than not to be used or paid. The County Office of Education's policy for sick leave recognition aligns with this criterion, accruing the liability based on historical usage patterns and other relevant factors.

Accrued Liabilities and Long-Term Obligations
All payables, accrued liabilities, and long-term obligations are reported in the government-wide 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.

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, 2023
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 – June 30, 2025

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 financial statements, long-term obligations are reported as liabilities in the applicable governmental activities 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 County Office of Education 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 County Office of Education 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.

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 County Office of Education 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 County School Service 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 County School Service Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The County Office of Education 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.

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 County Office of Education 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 County Office of Education. Local property tax revenues are recorded when received.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

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 County Office of Education has implemented this Statement as of June 30, 2025.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures.* This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The County Office of Education has implemented this Statement as of June 30, 2025.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The statement is effective for periods beginning after June 15, 2025. The County Office of Education has not yet determined the impact on the financial statements.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement is effective for periods beginning after June 15, 2025. The County Office of Education has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

		Governmental Activities
Investment in county treasury	$	7,417,041
Cash on hand and in banks		22,481
Total	$	7,439,522

B. Policies and Practices

The County Office of Education 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 County Office of Education maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section* 41001. The Plumas 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 County Office of Education's investment in the pool is based upon the County Office of Education'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 County Office of Education 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.

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations (continued)

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

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 County Office of Education manages its exposure to interest rate risk by investing in the County Treasury. The County Office of Education maintains a pooled investment with the County Treasury. The County Office of Education maintains a pooled investment with the County Treasury with a fair value of approximately $7,423,996 and an amortized book value of $7,417,041. The average weighted maturity for this pool is 999 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.

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the County Office of Education's deposits may not be returned to it. The County Office of Education 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, 2025, the County Office of Education's bank balance was not exposed to custodial credit risk.

NOTE 2 – CASH AND INVESTMENTS (continued)

G. Fair Value

The County Office of Education 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 County Office of Education's own data. The County Office of Education should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the County Office of Education are not available to other market participants.

Uncategorized - Investments in the Plumas County Treasury Investment Pool are not measured using the input levels above because the County Office of Education'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 County Office of Education's fair value measurements at June 30, 2025 were as follows:

	Uncategorized
Investment in county treasury	$ 7,423,996
Total	$ 7,423,996

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 consisted of the following:

	County School Service Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government			
Categorical aid	$ 249,983	$ 93,855	$ 343,838
State Government			
Apportionment	1,831,927	-	1,831,927
Categorical aid	574,042	2,287	576,329
Local Government			
Other local sources	940,785	-	940,785
Total	$ 3,596,737	$ 96,142	$ 3,692,879

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital assets being depreciated				
Furniture & equipment	$ 307,173	$ -	$ -	$ 307,173
Total capital assets being depreciated	307,173	-	-	307,173
Less: Accumulated depreciation				
Furniture & equipment	71,765	5,920	-	77,685
Total accumulated depreciation	71,765	5,920	-	77,685
Total capital assets being depreciated, net	235,408	(5,920)	-	229,488
Governmental Activities				
Capital Assets, net	$ 235,408	$ (5,920)	$ -	$ 229,488

NOTE 5 – INTERFUND TRANSACTIONS

Operating Transfers

Interfund transfers for the year ended June 30, 2025 consisted of a $37,212 transfer from the Forest Service Fund to the County School Service Fund for the County Office of Education's portion of federal funding.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025 consisted of the following:

	County School Service Fund	Non-Major Governmental Funds	Governmental Activities
Payroll	$ 17,919	$ -	$ 17,919
Vendors payable	2,081,618	1,129	2,082,747
Total	$ 2,099,537	$ 1,129	$ 2,100,666

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2025 consisted of the following:

	County School Service Fund	Non-Major Governmental Funds	Governmental Activities
State categorical sources	$ 256,750	$ 74,016	$ 330,766
Total	$ 256,750	$ 74,016	$ 330,766

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 consisted of the following:

	Restated Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Balance Due In One Year
Governmental Activities					
Early retirement incentive	$ 16,395	$ -	$ 16,395	$ -	$ -
Supplemental early retirement plan	66,009	-	42,102	23,907	23,907
Compensated absences*	375,229	114,250	-	489,479	220,266
Total OPEB liability	48,678	-	1,295	47,383	-
Net pension liability	3,292,750	379,049	-	3,671,799	-
Total	$ 3,799,061	$ 493,299	$ 59,792	$ 4,232,568	$ 244,173

*The change in the compensated absences liability is presented as a net change.

- Payments for early retirement incentives and supplemental early retirement plans are typically liquidated in the County School Service Fund and the Non-Major Governmental Funds.

A. Early Retirement Incentive

During the fiscal years ending June 30, 2015 and June 30, 2016, the County Office of Education offered an early retirement incentive to employees equal to seventy percent of the difference between the final year of salary and the salary of the first step of their position. The final payment of $16,395 was made during the fiscal year ending June 30, 2025.

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. Supplemental Early Retirement Plan

The County Office of Education has established a supplemental early retirement incentive program (SERP) whereby certain qualified employees may retire early and receive a portion of their salary paid out as an annuity. The final payment of $23,907 will be made in the fiscal year ending June 30, 2026.

C. Compensated Absences

The County Office of Education's restated beginning total unpaid employee compensated absences was $375,229 and increased by a net amount of $114,250 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to $489,479. This amount is included as part of long-term liabilities in the government-wide financial statements.

D. Other Postemployment Benefits

The County Office of Education's beginning total OPEB liability was $48,678 and decreased by $1,295 during the year-ended June 30, 2025. The ending total OPEB liability at June 30, 2025 was $3,671,799. See Note 10 for additional information regarding the total OPEB liability.

E. Net Pension Liability

The County Office of Education's beginning net pension liability was $3,292,750 and increased by $379,049 during the year-ended June 30, 2025. The ending net pension liability at June 30, 2025 was $3,671,799. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2025:

	County School Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Restricted			
Educational programs	$ 3,111,117	$ 80,663	$ 3,191,780
Capital projects	-	220,724	220,724
Total restricted	3,111,117	301,387	3,412,504
Unassigned	5,288,465	-	5,288,465
Total	$ 8,399,582	$ 301,387	$ 8,700,969

The County Office of Education 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 County Office of Education's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of County School Service Fund expenditures and other financing uses.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Plumas County Office of Education's defined benefit OPEB plan (the Plan) is described below. The Plan is a single-employer defined benefit plan that provides OPEB for eligible certificated, classified, and management employees of the County Office of Education. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members.

B. Benefits Provided

The County Office of Education offers health benefits to its employees and qualifying retirees through the Tri-County Schools Insurance Group JPA (TCSIG). Seven medical/Rx options are available through TCSIG: five PPO options (Premier+, Premier, Standard, Basic, and Consumer Driven) and two Kaiser HMOs (High and Low options).

Employees of Classified, Classified Management, and Confidential groups may retire with County Office of Education-paid health benefits after the later of age 55 and completion of at least 10 years of service. The duration of the contribution is dependent on the number of hours of accumulated sick leave as of the date of retirement. Other groups are not eligible for this benefit.

The Plumas County Office of Education offers health benefits to its employees and qualifying retirees through the Tri-County Schools Insurance Group JPA (TCSIG). Seven medical/Rx options are available through TCSIG: five PPO options (Premier+, Premier, Standard, Basic, and Consumer Driven) and two Kaiser HMOs (High and Low options).

Employees of Classified, Classified Management and Confidential groups may retire with PCOE-paid health benefits after the later of age 55 and completion of at least 10 years of service. The duration of the contribution is dependent on the number of hours of accumulated sick leave as of the date of retirement. Other groups are not eligible for this benefit.

A member must have accumulated at least 554 hours of sick leave to qualify for benefits, and all applicable hours must have accumulated because of working for PCOE. Retirees receive a PCOE contribution of up to the health benefits cap (currently $6,648/year) for one year for each full 554 hours of accumulated sick leave. Any hours more than the highest integer multiple of 554 will provide prorated benefits for the following year. If the prorated amount is not at least equal to one month's health insurance premium, it will be the responsibility of the retiree to pay the difference between the prorated amount and the actual monthly premium.

C. Contributions

For the measurement period, the County Office of Education contributed $4,828 to the Plan, all of which was used for current premiums. There is no actuarially determined contribution, nor any contribution requirement established by statute or contract. The County Office of Education's contribution is currently based on a projected pay as-you-go funding method, that is, benefits are payable when due.

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

D. Plan Membership

Membership of the Plan consisted of the following:

	Number of participants
Inactive employees receiving benefits	4
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	20
Total number of participants**	24

*Information not provided
**As of the July 1, 2023 valuation date

E. Total OPEB Liability

The Plumas County Office of Education's total OPEB liability of $47,383 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2023.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of July 1, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Salary increases	3.00 percent
Inflation rate	2.50 percent
Healthcare cost trend rate	5.25 percent for 2025-2029
Preretirement Mortality	
Certificated	Mortality Rates for active employees from CalSTRS Experience Analysis (2015-2018).
Classified	Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).
Postretirement Mortality	
Certificated	Mortality Rates for retired members and beneficiaries from CalSTRS Experience Analysis (2015-2018).
Classified	Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

The actuarial assumptions used in the July 1, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

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.

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

G. Changes in Total OPEB Liability

	June 30, 2025
Total OPEB Liability	
Service cost	$ 8,469
Interest on total OPEB liability	2,174
Changes of assumptions	(7,110)
Benefits payments	(4,828)
Net change in total OPEB liability	(1,295)
Total OPEB liability - beginning	48,678
Total OPEB liability - ending	$ 47,383
Covered-employee payroll	$ 2,542,767
County Office of Education's total OPEB liability as a percentage of covered-employee payroll	1.86%

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

The following presents the total OPEB liability of the Plumas County Office of Education, as well as what the County Office of Education'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 (4.20%)	Valuation Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 53,105	$ 47,383	$ 42,148

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

The following presents the total OPEB liability of the Plumas County Office of Education, as well as what the County Office of Education'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 (4.25%)	Healthcare Cost Trend Rate (5.25%)	1% Increase (6.25%)
Total OPEB liability	$ 38,778	$ 47,383	$ 57,764

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

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

For the year ended June 30, 2025, the Plumas County Office of Education recognized OPEB expense of $9,465. At June 30, 2025, the Plumas County Office of Education 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	$ 14,958	$ 11,723
Changes in assumptions	2,309	12,388
Total	$ 17,267	$ 24,111

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
2026	$ 2,014	$ 3,192
2027	2,014	3,192
2028	2,014	3,155
2029	2,014	3,007
2030	1,839	3,007
Thereafter	7,372	8,558
Total	$ 17,267	$ 24,111

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 County Office of Education 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:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
CalSTRS Pension	$ 539,957	$ 286,835	$ 81,463	$ 102,206
CalPERS Pension	3,131,842	1,410,295	24,434	564,757
Total	$ 3,671,799	$ 1,697,130	$ 105,897	$ 666,963

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS)

Plan Description
The County Office of Education 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 annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, CA 95851-0275.

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.

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 2025, respectively, and the County Office of Education 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 2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the County Office of Education were $118,642 for the year ended June 30, 2025.

On-Behalf Payments
The County Office of Education 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 $50,031 to CalSTRS.

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
At June 30, 2025, the County Office of Education reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the County Office of Education. The amount recognized by the County Office of Education 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 County Office of Education were as follows:

County Office of Education's proportionate share of the net pension liability	$	539,957
State's proportionate share of the net pension liability associated with the County Office of Education		247,738
Total	$	787,695

The net pension liability was measured as of June 30, 2024, 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, 2023 and rolling forward the total pension liability to June 30, 2024. The County Office of Education's proportion of the net pension liability was based on a projection of the County Office of Education's long-term share of contributions to the pension plan relative to the projected contributions of all participating school County Office of Educations, actuarially determined. At June 30, 2024, the County Office of Education's proportion was 0.001 percent, which did not change from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County Office of Education recognized pension expense of $102,206. In addition, the County Office of Education recognized pension expense and revenue of $(23,670) for support provided by the State. At June 30, 2025, the County Office of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between projected and actual earnings on plan investments	$	-	$	2,179
Differences between expected and actual experience		61,076		23,612
Changes in assumptions		2,364		36,877
Changes in proportion and differences between County Office of Education contributions and proportionate share of contributions		104,753		18,795
County Office of Education contributions subsequent to the measurement date		118,642		-
Total	$	286,835	$	81,463

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)
The $118,642 reported as deferred outflows of resources related to pensions resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 48,643	$ 79,395
2027	31,468	(23,993)
2028	30,286	15,437
2029	30,286	(1,685)
2030	17,755	6,142
2031	9,755	6,167
Total	$ 168,193	$ 81,463

Actuarial Assumptions
The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 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 Growth	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-2021 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

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 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. 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, 2024, are summarized in the table on the following page:

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
	100%	

*Real return is net of assumed 2.75% inflation.

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 County Office of Education's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County Office of Education's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the County Office of Education'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%)
County Office of Education's proportionate share of the net pension liability	$ 960,407	$ 539,957	$ 188,864

Pension Plan Fiduciary Net Position

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

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description
The County Office of Education 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 annual comprehensive 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 Q 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 8.0% 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 County Office of Education 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 2025 was 27.05% of annual payroll. Contributions to the plan from the County Office of Education were $508,391 for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2025, the County Office of Education reported a liability of $3,131,842 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 and rolling forward the total pension liability to June 30, 2024. The County Office of Education's proportion of the net pension liability was based on a projection of the County Office of Education's long-term share of contributions to the pension plan relative to the projected contributions of all participating school County Office of Educations, actuarially determined. At June 30, 2024, the County Office of Education's proportion was 0.009 percent, which was a 0.001 percent increase from its proportion measured as of June 30, 2023.

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, 2025, the County Office of Education recognized pension expense of $564,757. At June 30, 2025, the County Office of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 121,654	$ -
Differences between expected and actual experience	262,559	22,414
Changes in assumptions	69,224	-
Changes in proportion and differences between County Office of Education contributions and proportionate share of contributions	448,467	2,020
County Office of Education contributions subsequent to the measurement date	508,391	-
Total	$ 1,410,295	$ 24,434

The $508,391 reported as deferred outflows of resources related to pensions resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 372,003	$ 24,434
2027	418,995	-
2028	149,399	-
2029	(38,493)	-
Total	$ 901,904	$ 24,434

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, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Discount Rate	6.90%
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 80% of scale MP 2020.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

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.

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

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*
Global Equity – cap-weighted	30.0%	4.54%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	100.0%	

*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study

Discount Rate

The discount rate used to measure the total pension liability was 6.90 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 County Office of Education's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County Office of Education's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the County Office of Education'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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County Office of Education's proportionate share of the net pension liability	$ 4,652,377	$ 3,131,842	$ 1,875,759

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 County Office of Education 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 County School Service 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 County Office of Education at June 30, 2025.

B. Litigation

The County Office of Education 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 County Office of Education at June 30, 2025.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The County Office of Education participates in three joint ventures under joint powers authorities (JPAs), the Northern California School Insurance Group (NCSIG), Schools Excess Liability Fund (SELF), and the Tri-County School Insurance Group (TCSIG) The relationships between the County Office of Education and the JPAs are such that the JPAs are not component units of the County Office of Education 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 County Office of Education 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 County Office of Education recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the County Office of Education-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, 2025, total deferred outflows related to pensions was $1,697,130 and total deferred inflows related to pensions was $105,897.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the County Office of Education recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the County Office of Education-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, 2025, total deferred outflows related to other postemployment benefits was $17,267 and total deferred inflows related to other postemployment benefits was $24,111.

NOTE 15 – RESTATEMENT OF NET POSITION

The beginning net position of the Governmental Activities has been restated due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for liabilities related to compensated absences, requiring that the liability be recognized when leave is attributable to services already rendered and it is probable that the leave will be used or paid. This standard supersedes certain provisions of GASB Statement No. 16.

The cumulative effect of applying GASB 101 required a restatement of the beginning net position, as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	$ 4,776,080
Restatement	(255,686)
Net Position - Beginning, as Restated	$ 4,520,394

REQUIRED SUPPLEMENTARY INFORMATION

PLUMAS COUNTY OFFICE OF EDUCATION
COUNTY SCHOOL SERVICE FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 2,630,755	$ 2,589,238	$ 2,446,393	$ (142,845)
Federal sources	141,193	387,252	47,298	(339,954)
Other state sources	1,260,888	1,499,940	1,560,693	60,753
Other local sources	2,710,892	3,428,455	4,900,545	1,472,090
Total Revenues	6,743,728	7,904,885	8,954,929	1,050,044
EXPENDITURES				
Certificated salaries	588,986	888,458	531,083	357,375
Classified salaries	1,935,922	2,274,716	2,021,731	252,985
Employee benefits	1,060,122	1,273,889	1,198,954	74,935
Books and supplies	474,966	1,206,033	331,888	874,145
Services and other operating expenditures	2,289,911	3,344,530	3,105,494	239,036
Other outgo				
Excluding transfers of indirect costs	(1,225)	(26,613)	-	(26,613)
Total Expenditures	6,348,682	8,961,013	7,189,150	1,771,863
Excess (Deficiency) of Revenues				
Over Expenditures	395,046	(1,056,128)	1,765,779	2,821,907
Other Financing Sources (Uses)				
Transfers in	225,000	225,000	37,212	(187,788)
Net Financing Sources (Uses)	225,000	225,000	37,212	(187,788)
NET CHANGE IN FUND BALANCE	620,046	(831,128)	1,802,991	2,634,119
Fund Balance - Beginning	6,558,923	6,596,591	6,596,591	-
Fund Balance - Ending	$ 7,178,969	$ 5,765,463	$ 8,399,582	$ 2,634,119

* 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 because that schedule does not include reclassifying entries.

See accompanying notes to required supplementary information.

PLUMAS COUNTY OFFICE OF EDUCATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service cost	$ 8,469	$ 8,340	$ 7,809	$ 9,642	$ 8,395	$ 7,521	$ 6,710	$ 6,895
Interest on total OPEB liability	2,174	2,136	2,369	1,398	1,095	1,358	1,772	1,424
Changes of benefit terms	-	-	(14,654)	-	-	-	-	-
Difference between expected and actual experience	-	(3,068)	-	21,258	-	(18,829)	-	-
Changes of assumptions	(7,110)	(584)	(1,044)	(5,758)	2,338	384	2,213	(1,998)
Benefits payments	(4,828)	(16,288)	-	-	(21,875)	-	(5,790)	-
Net change in total OPEB liability	(1,295)	(9,464)	(5,520)	26,540	(10,047)	(9,566)	4,905	6,321
Total OPEB liability - beginning	48,678	58,142	63,662	37,122	47,169	56,735	51,830	45,509
Total OPEB liability - ending	$ 47,383	$ 48,678	$ 58,142	$ 63,662	$ 37,122	$ 47,169	$ 56,735	$ 51,830
Covered-employee payroll	$ 2,542,767	$ 2,119,897	$ 1,620,896	$ 1,049,558	$ 1,405,436	$ 1,623,237	$ 1,433,825	$ 1,402,696
County Office of Education's total OPEB liability as a percentage of covered-employee payroll	1.86%	2.30%	3.59%	6.07%	2.64%	2.91%	3.96%	3.70%

See accompanying notes to required supplementary information.

PLUMAS COUNTY OFFICE OF EDUCATION
SCHEDULE OF THE COUNTY OFFICE OF EDUCATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
County Office of Education's proportion of the net pension liability	0.001%	0.001%	0.001%	0.001%	0.001%	0.001%	0.001%	0.001%	0.001%	0.001%
County Office of Education's proportionate share of the net pension liability	$ 539,957	$ 539,547	$ 495,981	$ 304,610	$ 725,120	$ 695,932	$ 716,862	$ 580,736	$ 808,810	$ 673,240
State's proportionate share of the net pension liability associated with the County Office of Education	247,738	258,517	248,388	153,268	373,799	379,677	410,437	343,559	460,509	356,069
Total	$ 787,695	$ 798,064	$ 744,369	$ 457,878	$ 1,098,919	$ 1,075,609	$ 1,127,299	$ 924,295	$ 1,269,319	$ 1,029,309
County Office of Education's covered payroll	$ 535,613	$ 421,117	$ 361,377	$ 359,802	$ 418,047	$ 403,388	$ 424,179	$ 339,229	$ 435,377	$ 790,101
County Office of Education's proportionate share of the net pension liability as a percentage of its covered payroll	100.81%	128.12%	137.25%	84.66%	173.45%	172.52%	169.00%	171.19%	185.77%	85.21%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%

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

See accompanying notes to required supplementary information.

PLUMAS COUNTY OFFICE OF EDUCATION
SCHEDULE OF THE COUNTY OFFICE OF EDUCATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
County Office of Education's proportion of the net pension liability	0.009%	0.008%	0.007%	0.008%	0.007%	0.007%	0.007%	0.007%	0.007%	0.008%
County Office of Education's proportionate share of the net pension liability	$ 3,131,842	$ 2,753,203	$ 2,487,662	$ 1,404,560	$ 2,296,269	$ 2,093,698	$ 1,751,540	$ 1,610,822	$ 1,323,254	$ 1,120,248
County Office of Education's covered payroll	$ 1,700,790	$ 1,314,209	$ 1,137,573	$ 1,069,541	$ 1,125,511	$ 667,556	$ 866,512	$ 860,520	$ 813,100	$ 837,966
County Office of Education's proportionate share of the net pension liability as a percentage of its covered payroll	184.14%	209.50%	218.68%	131.32%	204.02%	313.64%	202.14%	187.19%	162.74%	133.69%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%

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

See accompanying notes to required supplementary information.

PLUMAS COUNTY OFFICE OF EDUCATION
SCHEDULE OF COUNTY OFFICE OF EDUCATION CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually required contribution	$ 118,642	$ 110,711	$ 80,955	$ 61,145	$ 58,108	$ 71,486	$ 65,672	$ 61,209	$ 42,675	$ 46,716
Contributions in relation to the contractually required contribution*	(118,642)	(110,711)	(80,955)	(61,145)	(58,108)	(71,486)	(65,672)	(61,209)	(42,675)	(46,716)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County Office of Education's covered payroll	$ 621,171	$ 535,613	$ 421,117	$ 361,377	$ 359,802	$ 418,047	$ 403,388	$ 424,179	$ 339,229	$ 435,377
Contributions as a percentage of covered payroll	19.10%	20.67%	19.22%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

PLUMAS COUNTY OFFICE OF EDUCATION
SCHEDULE OF COUNTY OFFICE OF EDUCATION CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually required contribution	$ 508,391	$ 454,224	$ 333,490	$ 260,618	$ 221,395	$ 221,962	$ 120,574	$ 134,578	$ 119,509	$ 96,328
Contributions in relation to the contractually required contribution*	(508,391)	(454,224)	(333,490)	(260,618)	(221,395)	(221,962)	(120,574)	(134,578)	(119,509)	(96,328)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County Office of Education's covered payroll	$ 1,879,450	$ 1,700,790	$ 1,314,209	$ 1,137,573	$ 1,069,541	$ 1,125,511	$ 667,556	$ 866,512	$ 860,520	$ 813,100
Contributions as a percentage of covered payroll	27.05%	26.71%	25.38%	22.91%	20.70%	19.72%	18.06%	15.53%	13.89%	11.85%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule
This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the County School Service 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 County Office of Education'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, including 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 3.97 percent to 5.20 percent since the previous measurement.

Schedule of the County Office of Education'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. The schedule presents the County Office of Education's proportion (percentage) of the collective net pension liability, the County Office of Education's proportionate share (amount) of the collective net pension liability, the County Office of Education's covered payroll, the County Office of Education'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 or CalPERS.

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

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of County Office of Education Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the County Office of Education'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 County Office of Education'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 County Office of Education's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, the County Office of Education incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	**Actual**	**Excess**
County School Service Fund			
Other outgo			
Excluding transfers of indirect costs	$ (26,613)	$ -	$ 26,613

SUPPLEMENTARY INFORMATION

PLUMAS COUNTY OFFICE OF EDUCATION
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025

	Second Period Report	Annual Report
DISTRICT FUNDED COUNTY PROGRAMS		
TK/K through Third		
Other County Operated Programs	1.47	1.60
Total TK/K through Third	1.47	1.60
Fourth through Sixth		
Other County Operated Programs	3.27	2.79
Total Fourth through Sixth	3.27	2.79
Seventh through Eighth		
Other County Operated Programs	0.35	0.63
Total Seventh through Eighth	0.35	0.63
Ninth through Twelfth		
County Community Schools	7.88	7.95
Other County Operated Programs	0.44	0.34
Total Ninth through Twelfth	8.32	8.29
Total District Funded County Programs	13.41	13.31

See accompanying notes to supplementary information.

PLUMAS COUNTY OFFICE OF EDUCATION
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

	2026 (Budget)	2025	2024	2023
County School Service Fund - Budgetary Basis				
Revenues And Other Financing Sources	$ 6,284,696	$ 8,992,141	$ 7,630,533	$ 5,850,148
Expenditures And Other Financing Uses	5,144,969	7,189,150	6,154,887	4,742,927
Net change in Fund Balance	$ 1,139,727	$ 1,802,991	$ 1,475,646	$ 1,107,221
Ending Fund Balance	$ 8,951,924	$ 8,399,582	$ 6,558,923	$ 5,083,277
Available Reserves*	$ 6,629,431	$ 5,288,465	$ 1,939,312	$ 1,717,370
Available Reserves As A Percentage Of Outgo	128.85%	73.56%	31.51%	36.21%
Long-term Liabilities	$ 3,988,395	$ 4,232,568	$ 3,543,375	$ 3,265,271
Average Daily Attendance At P-2	13	13	10	12

The County School Service Fund ending fund balance has increased by $3,316,305 over the past two years. However, the fiscal year 2025-26 budget projects an increase of $1,139,727. For a County Office of Education this size, the State recommends available reserves of at least 5% of County School Service Fund expenditures, transfers out, and other uses (total outgo).

The County Office of Education has incurred operating surpluses in each of the past three years and anticipates incurring a further operating surplus during the 2025-26 fiscal year. Total long-term obligations have increased by $967,297 over the past two years.

Average daily attendance has increased by 1 ADA over the past two years. No change in ADA is anticipated during the 2025-26 fiscal year.

*Available reserves consist of all unassigned fund balance within the County School Service Fund.

There were no differences between the annual financial and budget report with audited financial statements.

See accompanying notes to supplementary information.

PLUMAS COUNTY OFFICE OF EDUCATION
COMBINING BALANCE SHEET
JUNE 30, 2025

	Adult Education Fund	Child Development Fund	Forest Reserve Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS					
Cash and investments	$ 41,876	$ 5,929	$ 11,861	$ 220,724	$ 280,390
Accounts receivable	2,287	93,855	-	-	96,142
Total Assets	$ 44,163	$ 99,784	$ 11,861	$ 220,724	$ 376,532
LIABILITIES					
Accrued liabilities	$ 1,056	$ 73	$ -	$ -	$ 1,129
Unearned revenue	-	74,016	-	-	74,016
Total Liabilities	1,056	74,089	-	-	75,145
FUND BALANCES					
Restricted	43,107	25,695	11,861	220,724	301,387
Total Fund Balances	43,107	25,695	11,861	220,724	301,387
Total Liabilities and Fund Balances	$ 44,163	$ 99,784	$ 11,861	$ 220,724	$ 376,532

See accompanying notes to supplementary information.

PLUMAS COUNTY OFFICE OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Adult Education Fund	Child Development Fund	Forest Reserve Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES					
Federal sources	$ -	$ 150,191	$ 248,083	$ -	$ 398,274
Other state sources	33,423	70,632	-	-	104,055
Other local sources	1,124	4,448	386	7,181	13,139
Total Revenues	34,547	225,271	248,469	7,181	515,468
EXPENDITURES					
Current					
Instruction	12,656	2,661	-	-	15,317
Instruction-related services					
Instructional supervision and administration	6,441	217,502	-	-	223,943
Plant services	-	660	-	-	660
Transfers to other agencies	-	-	210,871	-	210,871
Total Expenditures	19,097	220,823	210,871	-	450,791
Excess (Deficiency) of Revenues					
Over Expenditures	15,450	4,448	37,598	7,181	64,677
Other Financing Sources (Uses)					
Transfers out	-	-	(37,212)	-	(37,212)
Net Financing Sources (Uses)	-	-	(37,212)	-	(37,212)
NET CHANGE IN FUND BALANCE	15,450	4,448	386	7,181	27,465
Fund Balance - Beginning	27,657	21,247	11,475	213,543	273,922
Fund Balance - Ending	$ 43,107	$ 25,695	$ 11,861	$ 220,724	$ 301,387

See accompanying notes to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

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

Schedule of Financial Trends and Analysis
This schedule discloses the County Office of Education's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the County Office of Education'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.

Combining Statements – Non-Major Funds
These statements provide information on the County Office of Education’s non-major funds.

OTHER INFORMATION

The Plumas County Office of Education was established and is comprised of an area of located in Plumas County. There were no changes in the boundaries of the County Office of Education during the current year. The Plumas County Office of Education educates children who are referred by other public agencies, and youth who are wards of the Juvenile Court. County Office programs also provide educational services for preschool children and youth through specific categorical programs. As the intermediary between the California Department of Education and Plumas Unified School County, the Plumas County Office of Education represents the local County on appropriate matters before the State government and carries out responsibilities mandated by statutes and regulations.

GOVERNING BOARD

Member	Office	Term Expires
JoDee Johnson	President	December 2026
Chelsea Harrison	Clerk	December 2026
Cindy Crim	Member	December 2026
Joleen Cline	Member	December 2028
Vacant	Member	December 2026

COUNTY OFFICE OF EDUCATION ADMINISTRATORS

Andrea White
Superintendent

Stephanie Shatto
Chief Business Official

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
Plumas County Office of Education
Quincy, 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 Plumas County Office of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Plumas County Office of Education's basic financial statements, and have issued our report thereon dated January 27, 2026. Our opinion on the financial statements was qualified, because we were unable to obtain sufficient appropriate audit evidence to support the completeness and valuation of accounts receivable and accrued liabilities balances as of June 30, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding #2025-001 that we consider to be material weakness.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plumas County Office of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Plumas County Office of Education's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Plumas County Office of Education's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Plumas County Office of Education'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
January 28, 2026

CHRISTY WHITE
Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Independent Auditors' Report

Governing Board
Plumas County Office of Education
Quincy, California

Report on State Compliance

Opinion on State Compliance

We have audited Plumas County Office of Education's compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Plumas County Office of Education's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2025.

In our opinion, Plumas County Office of Education complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2025.

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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (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 Plumas County Office of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Plumas County Office of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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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 Plumas County Office of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Plumas County Office of Education'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 judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Plumas County Office of Education's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of Plumas County Office of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Plumas County Office of Education's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Plumas County Office of Education's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Not Applicable
Independent Study	No
Continuation Education	Not Applicable
Instructional Time	Not Applicable
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Not Applicable
Classroom Teacher Salaries	Not Applicable
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools or Programs	Not Applicable
K-3 Grade Span Adjustment	Not Applicable
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	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	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Not Applicable
Kindergarten Continuance	Not Applicable
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

We did not perform testing for Independent Study because the ADA was not material.

The term "Not Applicable" is used above to mean either the County Office of Education did not offer the program during the current fiscal year, the County Office of Education did not participate in 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 and material weaknesses in internal control over compliance that we identify during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over 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, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control Over Compliance (continued)

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
January 28, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PLUMAS COUNTY OFFICE OF EDUCATION
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025

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

FEDERAL AWARDS

The County Office of Education was not subject to Uniform Guidance Single Audit for the year ended June 30, 2025 because federal award expenditures did not exceed $750,000.

STATE AWARDS	
Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	None Reported
Any audit findings disclosed that are required to be reported in accordance with *2024-25 Guide for Annual Audits of California K-12 Local Education Agencies* ?	No
Type of auditors' report issued on compliance for state programs:	Unmodified

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

FINDING #2025-001: ACCOUNTS RECEIVABLE AND ACCRUED LIABILITIES (30000) (MATERIAL WEAKNESS)

Criteria: Generally accepted accounting principles (GAAP) require that the year-end accounts receivable and accrued liabilities balances are reconciled as of the date of the financial statements. The County Office of Education should ensure that all applicable accounting principles are adhered to when preparing the financial statements. Good internal controls and prudent business practices require the County Office of Education to verify that prior year balances are reviewed and adequate documentation is maintained to support the balances reported in the financial statements.

Condition: The County Office of Education had beginning balances of accounts receivable and accrued liabilities rolled forward from the prior year without reconciliation or review.

Effect: Internal controls in place do not appear adequate to ensure accounts receivable and accrued liabilities are tracked for accuracy.

Cause: The conditions appear to be due to deficiencies in processes related to the preparation of the County Office of Education's financial statements, caused by general oversight and turnover in management and staffing.

Repeat Finding: This is a repeat finding of Finding #2024-001.

Recommendation: We recommend that the County Office of Education implement internal controls to ensure that all account balances are accurately stated in the financial statements at year-end and ensure that employees are properly trained.

Corrective Action Plan: The County Office of Education will work diligently to ensure that the accounting department is fully staffed and trained for year-end closing. We will consider working with consultants to assist as necessary to ensure that the financial statements are properly closed at year-end. The COE has engaged the Fiscal Crisis and Management Assistance Team (FCMAT) to assist in developing and implementing comprehensive internal controls and clearly documented year-end closing procedures. These processes will include specific assignments of responsibilities, timelines, and verification steps to ensure accuracy and consistency in financial reporting. The COE is also working diligently to ensure that the accounting department is appropriately staffed and trained to support these improvements and sustain them moving forward.

FIVE DIGIT CODE	AB 3627 FINDING TYPE
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2025.

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs for the year ended** June 30, 2025**.

FINDING #2024-001: ACCOUNTS RECEIVABLE AND ACCRUED LIABILITIES (30000) (MATERIAL WEAKNESS)

Criteria: Generally accepted accounting principles (GAAP) require that the year-end accounts receivable and accrued liabilities balances are reconciled as of the date of the financial statements. The County Office of Education should ensure that all applicable accounting principles are adhered to when preparing the financial statements. Good internal controls and prudent business practices require the County Office of Education to verify that prior year balances are reviewed and adequate documentation is maintained to support the balances reported in the financial statements.

Condition: The County Office of Education had beginning balances of accounts receivable and accrued liabilities rolled forward from the prior year without reconciliation or review.

Effect: Internal controls in place do not appear adequate to ensure accounts receivable and accrued liabilities are tracked for accuracy.

Cause: The conditions appear to be due to deficiencies in processes related to the preparation of the County Office of Education's financial statements, caused by general oversight and turnover in management and staffing.

Repeat Finding: This is a partial repeat finding of Finding #2022-001 & #2023-001.

Recommendation: We recommend that the County Office of Education implement internal controls to ensure that all account balances are accurately stated in the financial statements at year-end and ensure that employees are properly trained.

Corrective Action Plan: The County Office of Education will work diligently to ensure that the accounting department is fully staffed and trained for year-end closing. We will consider working with consultants to assist as necessary to ensure that the financial statements are properly closed at year-end. The COE has engaged the Fiscal Crisis and Management Assistance Team (FCMAT) to assist in developing and implementing comprehensive internal controls and clearly documented year-end closing procedures. These processes will include specific assignments of responsibilities, timelines, and verification steps to ensure accuracy and consistency in financial reporting. The COE is also working diligently to ensure that the accounting department is appropriately staffed and trained to support these improvements and sustain them moving forward.

Current Status: Not implemented, see finding #2025-001.