

**BIGGS UNIFIED SCHOOL DISTRICT
COUNTY OF BUTTE
BIGGS, CALIFORNIA**

AUDIT REPORT

JUNE 30, 2021

BIGGS UNIFIED SCHOOL DISTRICT

JUNE 30, 2021

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BIGGS UNIFIED SCHOOL DISTRICT

JUNE 30, 2021

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FINANCIAL SECTION

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Biggs Unified School District
Biggs, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Biggs Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and adverse audit opinions.

Basis for Adverse Opinion on Discretely Presented Component Unit

The financial statements referred to above do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the discretely presented component unit are not reported.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the District, as of June 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Biggs Unified School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1B to the financial statements, in fiscal year 2020-21, the District adopted new accounting guidance, Governmental Accounting Standard Board Statement No. 84 *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of the proportionate share of the net pension liabilities, and schedules of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Concluded)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Biggs Unified School District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 on our consideration of the Biggs Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Biggs Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Biggs Unified School District's internal control over financial reporting and compliance.

Stephen Roatch Accountancy Corporation

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

January 31, 2022

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(PREPARED BY DISTRICT MANAGEMENT)

This section of Biggs Unified School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 through 3, and the District's financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, presented on pages 14 and 15, provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 16 through 19, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- The District's financial status improved during the course of the year, as total net position increased \$8,012,165 due primarily to the receipt of \$8,106,989 of school facilities apportionments.
- Net capital assets increased \$7,611,876 due to the current year addition of \$8,054,073 of new capital assets and improvements, and the current year recognition of \$442,197 of depreciation expense.
- Total long-term liabilities increased \$847,387 due primarily to the increase in the District's proportionate share of the net pension liabilities related to its participation in the CalSTRS and CalPERS pension plans.
- The District's General Fund produced an operating surplus of \$821,662 during fiscal year 2020-21 and recognized a \$621,097 increase in its available reserves.
- The District maintains sufficient reserves for a district its size. It meets the state required minimum reserve for economic uncertainty of 4% of total General Fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2020-21, General Fund expenditures and other financing uses totaled \$7,563,074. At June 30, 2021, the District had available reserves of \$3,170,715 in the General Fund, which represents a reserve of 41.9%.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(PREPARED BY DISTRICT MANAGEMENT)

THE FINANCIAL REPORT

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and management's discussion and analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives, government-wide and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements comprise the remaining statements.
 - ❖ Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
 - ❖ Financial relationships, for which the District acts as a trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's budget for the year is included.

Reporting the District as a Whole

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health (net position) can be measured by the difference between the District's assets and liabilities.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(PREPARED BY DISTRICT MANAGEMENT)

THE FINANCIAL REPORT (CONCLUDED)

Reporting the District as a Whole (Concluded)

In the Statement of Net Position and the Statement of Activities all amounts presented represent governmental activities, since the District does not provide any services that should be categorized as business-type activities.

The basic services provided by the District, such as regular and special education, administration, and transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition are also included here, but are financed by a combination of local revenues and state and federal programs.

Reporting the District's Most Significant Funds

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

Governmental Funds

The major governmental funds of Biggs Unified School District are the General Fund and County School Facilities Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship funds. All of the District's fiduciary activities are reported in separate fiduciary statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The District's net position increased from a balance of \$336,424 at June 30, 2020 to a balance of \$8,348,589 at June 30, 2021.

	Governmental Activities	
	2020	2021
<u>Comparative Statement of Net Position</u>		
<u>Assets</u>		
Deposits and Investments *	\$ 3,411,397	\$ 4,928,930
Receivables	955,610	914,633
Store Inventories	845	1,400
Capital Assets, net	6,006,387	13,618,263
Total Assets *	<u>10,374,239</u>	<u>19,463,226</u>
<u>Deferred Outflows of Resources</u>		
OPEB Deferrals	235,187	294,815
Pension Deferrals	1,872,377	1,805,595
Total Deferred Outflows of Resources	<u>2,107,564</u>	<u>2,100,410</u>
<u>Liabilities</u>		
Current	1,006,125	1,579,265
Long-term	10,184,222	10,993,021
Total Liabilities	<u>11,190,347</u>	<u>12,572,286</u>
<u>Deferred Inflows of Resources</u>		
OPEB Deferrals	329,631	282,711
Pension Deferrals	625,401	360,050
Total Deferred Inflows of Resources	<u>955,032</u>	<u>642,761</u>
<u>Net Position</u>		
Net Investment in Capital Assets	5,457,475	13,277,198
Restricted *	258,078	665,889
Unrestricted (Deficit)	<u>(5,379,129)</u>	<u>(5,594,498)</u>
Total Net Position *	<u>\$ 336,424</u>	<u>\$ 8,348,589</u>
<i>Table includes financial data of the combined governmental funds</i>		
<i>* The amounts presented for fiscal year 2019-20 have been adjusted to reflect the restatement discussed in Note 16 of these financial statements</i>		

The unrestricted deficit balance is due primarily to the requirement that the District record a liability in the financial statements to reflect the total OPEB liability and the District's proportionate share of the net pension liabilities related to its participation in the CalSTRS and CalPERS pension plans.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

The District's financial status improved during the course of the year as total net position increased \$8,012,165.

<u>Comparative Statement of Changes in Net Position</u>		
	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2021</u>
<u>Program Revenues</u>		
Charges for Services	\$ 123,058	\$ 285,454
Operating Grants & Contributions	1,467,075	1,993,788
Capital Grants & Contributions		8,118,026
<u>General Revenues</u>		
Taxes Levied	2,588,330	2,677,040
Federal & State Aid	3,847,781	3,640,481
Interest & Investment Earnings	71,287	40,906
Miscellaneous	168,242	117,487
Total Revenues	<u>8,265,773</u>	<u>16,873,182</u>
<u>Expenses</u>		
Instruction	4,555,653	4,700,543
Instruction-Related Services	552,377	568,173
Pupil Services	1,079,119	1,130,590
General Administration	1,053,336	1,041,668
Plant Services	973,368	959,076
Ancillary Services	56,610	130,676
Community Services	38,015	57,239
Interest on Long-Term Debt	80,734	35,516
Other Outgo	200,581	237,536
Total Expenses	<u>8,589,793</u>	<u>8,861,017</u>
Changes in Net Position before Special Item	(324,020)	8,012,165
Special Item	<u>1,916,616</u>	
Changes in Net Position	<u>\$ 1,592,596</u>	<u>\$ 8,012,165</u>

Table includes financial data of the combined governmental funds

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

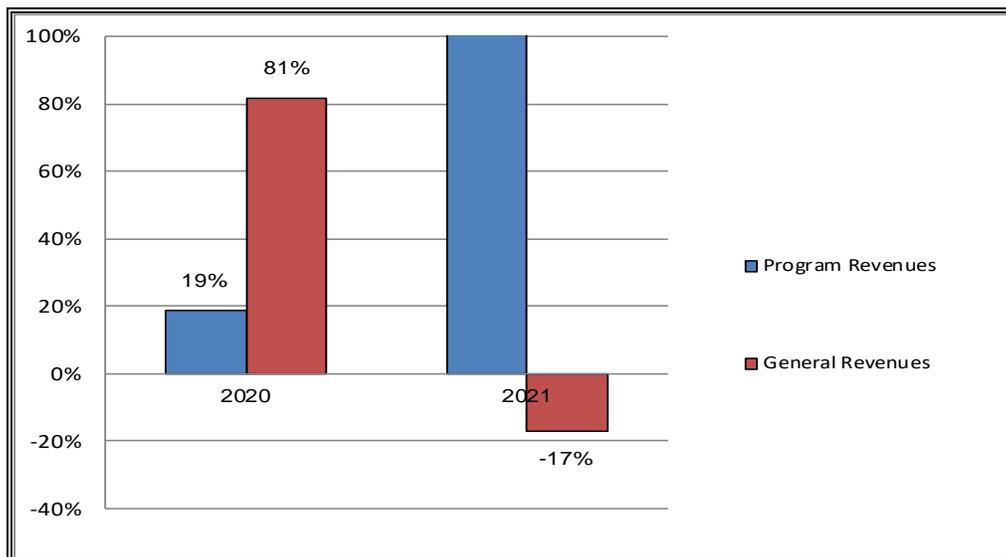
(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

	<u>Total Cost of Services</u>		<u>Net Cost (Revenue) of Services</u>	
	2020	2021	2020	2021
	Instruction	\$ 4,555,653	\$ 4,700,543	\$ 3,643,384
Instruction-Related Services	552,377	568,173	520,382	536,316
Pupil Services	1,079,119	1,130,590	674,099	608,966
General Administration	1,053,336	1,041,668	959,958	941,409
Plant Services	973,368	959,076	898,927	918,113
Other Expenses	375,940	460,967	302,910	249,178
Totals	\$ 8,589,793	\$ 8,861,017	\$ 6,999,660	\$ (1,536,251)

Table includes financial data of the combined governmental funds

The table above presents the cost of major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).



For fiscal year 2020-21, program revenues financed more than 100% of the total cost of providing the services listed above.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

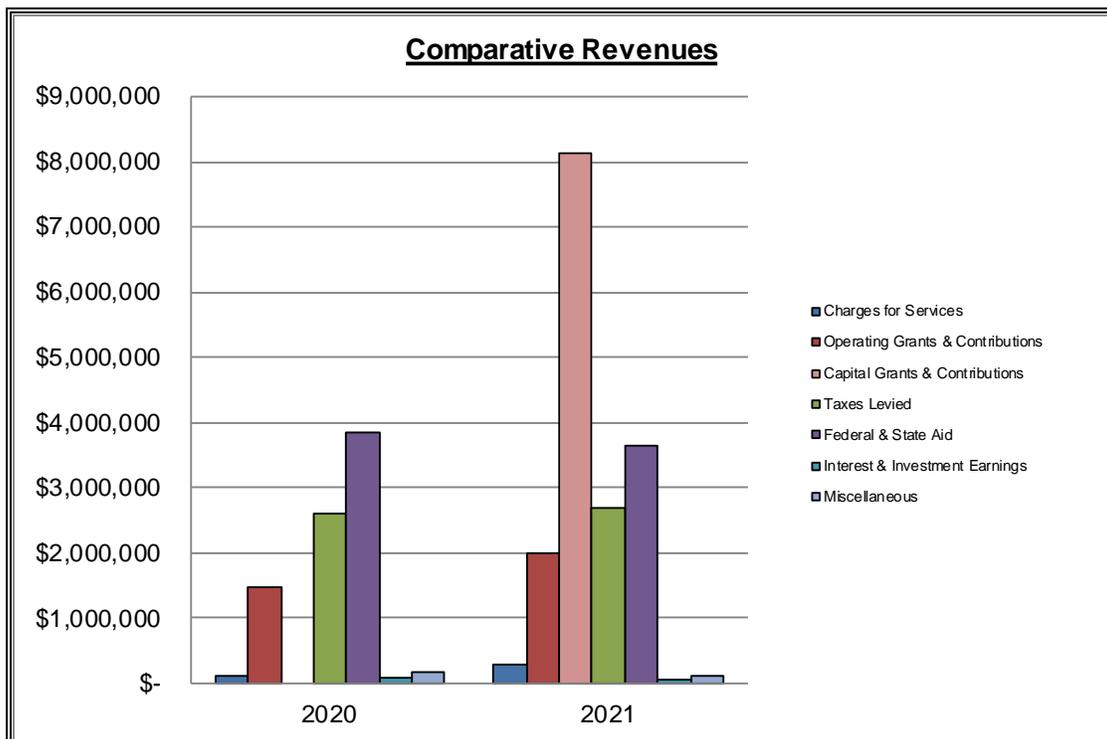
(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Schedule of Revenues For Governmental Functions

	<u>FYE 2020 Amount</u>	<u>Percent of Total</u>	<u>FYE 2021 Amount</u>	<u>Percent of Total</u>
<u>Program Revenues</u>				
Charges for Services	\$ 123,058	1.49%	\$ 285,454	1.69%
Operating Grants & Contributions	1,467,075	17.75%	1,993,788	11.82%
Capital Grants & Contributions			8,118,026	48.11%
<u>General Revenues</u>				
Taxes Levied	2,588,330	31.31%	2,677,040	15.87%
Federal & State Aid	3,847,781	46.55%	3,640,481	21.58%
Interest & Investment Earnings	71,287	0.86%	40,906	0.24%
Miscellaneous	168,242	2.04%	117,487	0.70%
Total Revenues	<u>\$ 8,265,773</u>	<u>100.00%</u>	<u>\$ 16,873,182</u>	<u>100.00%</u>

Table includes financial data of the combined governmental funds



**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

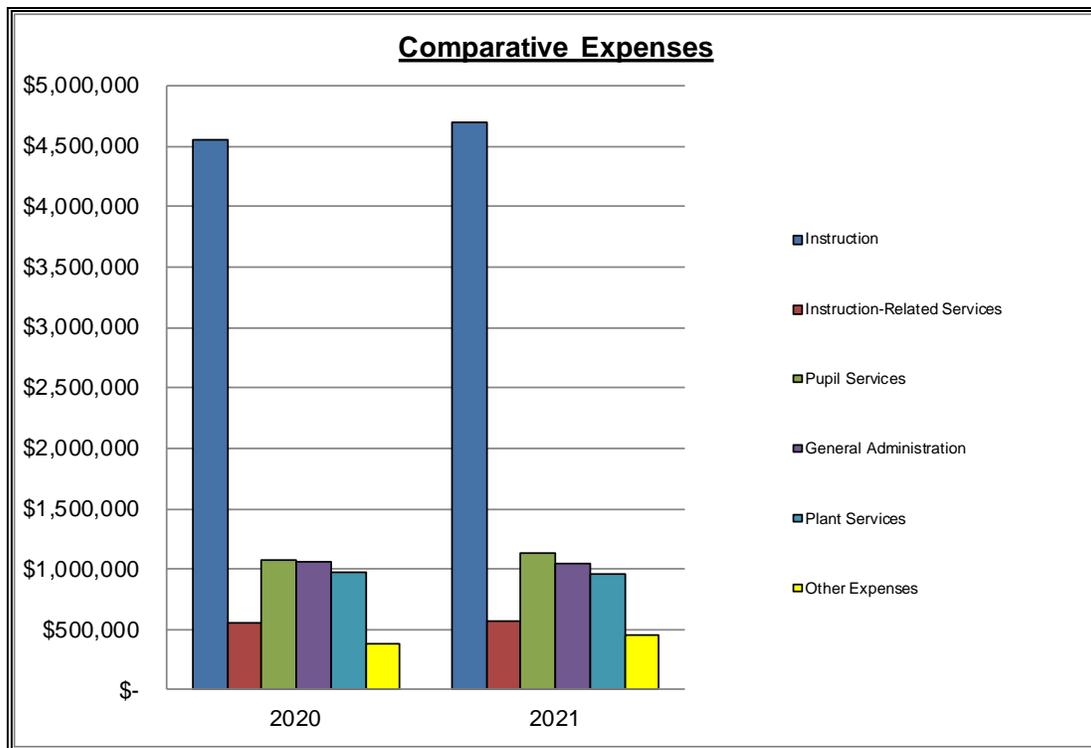
(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Schedule of Expenses For Governmental Functions

<u>Expenses</u>	<u>FYE 2020 Amount</u>	<u>Percent of Total</u>	<u>FYE 2021 Amount</u>	<u>Percent of Total</u>
Instruction	\$ 4,555,653	53.04%	\$ 4,700,543	53.05%
Instruction-Related Services	552,377	6.43%	568,173	6.41%
Pupil Services	1,079,119	12.56%	1,130,590	12.76%
General Administration	1,053,336	12.26%	1,041,668	11.76%
Plant Services	973,368	11.33%	959,076	10.82%
Other Expenses	375,940	4.38%	460,967	5.20%
Total Expenses	\$ 8,589,793	100.00%	\$ 8,861,017	100.00%

Table includes financial data of the combined governmental funds



**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONCLUDED)

	Governmental Activities	
	2020	2021
	2020	2021
Land	\$ 283,366	\$ 283,366
Sites and Improvements	2,258,620	2,258,620
Buildings and Improvements	6,894,150	14,874,868
Furniture and Equipment	1,747,235	1,820,590
Subtotals	11,183,371	19,237,444
Less: Accumulated Depreciation	(5,176,984)	(5,619,181)
Capital Assets, net	<u>\$ 6,006,387</u>	<u>\$ 13,618,263</u>

Net capital assets increased \$7,611,876 due to the current year addition of \$8,054,073 of new capital assets and improvements, and the current year recognition of \$442,197 of depreciation expense.

	Governmental Activities	
	2020	2021
	2020	2021
Compensated Absences	\$ 36,175	\$ 43,674
Capital Lease	548,912	341,065
Early Retirement Incentives	20,000	20,000
Total OPEB Liability	2,618,829	2,877,740
Net Pension Liabilities	7,016,215	7,805,039
Totals	<u>\$ 10,240,131</u>	<u>\$ 11,087,518</u>

The capital lease represents 3% of the District's total long-term liabilities, total OPEB liability represent 26%, and the net pension liabilities represent 70%. The District has satisfied all debt service requirements on its bonded debt and continues to maintain an excellent credit rating on its debt issue. The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

**BIGGS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF DISTRICT'S FUNDS

The fund balance of the General Fund increased \$821,662 and the combined fund balances of all other District governmental funds increased \$118,796.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May Revise figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim to reflect the most current financial information available at that point in time.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

The District will continue to be impacted by the on-going health concerns associated with Covid-19. The District has already modified most of its operational procedures as most aspects of its operations were directly affected by Covid-19. However, due to the nature of the virus and the changing guidance provided by the California Department of Education, further procedural modifications may be necessary. In addition, State and Local economies have also been impacted by Covid-19, which may affect future school funding and student enrollment.

Accordingly, based on the above factors, the District's budget should continue to be managed with a great degree of conservatism over the next few years. The District has an excellent track record in meeting this challenge in what has proven to be a cycle of lean years and prosperous years for education finances.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BIGGS UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<u>Assets</u>	
Deposits and Investments (Note 2)	\$ 4,928,930
Receivables (Note 3)	914,633
Stores Inventory (Note 11)	1,400
Capital Assets, Not Depreciated (Note 5)	283,366
Capital Assets, Net of Accumulated Depreciation	13,334,897
Total Assets	19,463,226
<u>Deferred Outflows of Resources</u>	
OPEB Deferrals (Note 8)	294,815
Pension Deferrals (Note 9)	1,805,595
Total Deferred Outflows of Resources	2,100,410
<u>Liabilities</u>	
Accounts Payable and Other Current Liabilities	1,106,837
Accrued Interest Payable	3,355
Unearned Revenue (Note 11)	374,576
Long-Term Liabilities:	
<i>Portion Due or Payable Within One Year:</i>	
Compensated Absences (Note 11)	43,674
Capital Lease (Note 6)	50,823
<i>Portion Due or Payable After One Year:</i>	
Capital Lease (Note 6)	290,242
Early Retirement Incentives (Note 7)	20,000
Total OPEB Liability (Note 8)	2,877,740
Net Pension Liabilities (Note 9)	7,805,039
Total Liabilities	12,572,286
<u>Deferred Inflows of Resources</u>	
OPEB Deferrals (Note 8)	282,711
Pension Deferrals (Note 9)	360,050
Total Deferred Inflows of Resources	642,761
<u>Net Position</u>	
Net Investment in Capital Assets	13,277,198
Restricted:	
For Capital Projects	149,652
For Debt Service (Deficit)	(3,209)
For Educational Programs	390,607
For Other Purposes	128,839
Unrestricted (Deficit)	(5,594,498)
Total Net Position	\$ 8,348,589

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**BIGGS UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Governmental Activities</u>					
Instruction	\$ 4,700,543		\$ 1,372,750	\$ 8,118,026	\$ 4,790,233
Instruction-Related Services:					
Supervision of Instruction	31,066		205		(30,861)
Instructional Library and Technology	5,972				(5,972)
School Site Administration	531,135		31,652		(499,483)
Pupil Services:					
Home-to-School Transportation	267,330				(267,330)
Food Services	439,546	\$ 248,594	2,186		(188,766)
Other Pupil Services	423,714		270,844		(152,870)
General Administration:					
Data Processing Services	95,662				(95,662)
Other General Administration	946,006	12,430	87,829		(845,747)
Plant Services	959,076	24,430	16,533		(918,113)
Ancillary Services	130,676		102,183		(28,493)
Community Services	57,239				(57,239)
Interest on Long-Term Debt	35,516				(35,516)
Other Outgo	237,536		109,606		(127,930)
Total Governmental Activities	<u>\$ 8,861,017</u>	<u>\$ 285,454</u>	<u>\$ 1,993,788</u>	<u>\$ 8,118,026</u>	<u>1,536,251</u>
<u>General Revenues</u>					
Taxes Levied for General Purposes					2,677,040
Federal and State Aid - Unrestricted					3,640,481
Interest and Investment Earnings					40,906
Miscellaneous					117,487
Total General Revenues					<u>6,475,914</u>
Change in Net Position					8,012,165
Net Position - July 1, 2020 (As Restated - Note 16)					336,424
Net Position - June 30, 2021					<u>\$ 8,348,589</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**BIGGS UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>General</u>	<u>County School Facilities</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Deposits and Investments (Note 2)	\$ 4,376,768	\$ 458,307	\$ 93,855	\$ 4,928,930
Receivables (Note 3)	861,900		52,733	914,633
Due from Other Funds (Note 4)	18,552		7,957	26,509
Stores Inventory (Note 11)			1,400	1,400
Total Assets	<u>\$ 5,257,220</u>	<u>\$ 458,307</u>	<u>\$ 155,945</u>	<u>\$ 5,871,472</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ 787,869	\$ 309,676	\$ 9,292	\$ 1,106,837
Due to Other Funds (Note 4)	7,957		18,552	26,509
Unearned Revenue (Note 11)	374,576			374,576
Total Liabilities	<u>1,170,402</u>	<u>309,676</u>	<u>27,844</u>	<u>1,507,922</u>
Fund Balances: (Note 11)				
Nonspendable	2,000		1,795	3,795
Restricted	390,607	148,631	126,211	665,449
Assigned	523,496		95	523,591
Unassigned	3,170,715			3,170,715
Total Fund Balances	<u>4,086,818</u>	<u>148,631</u>	<u>128,101</u>	<u>4,363,550</u>
Total Liabilities and Fund Balances	<u>\$ 5,257,220</u>	<u>\$ 458,307</u>	<u>\$ 155,945</u>	<u>\$ 5,871,472</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

BIGGS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balances - Governmental Funds \$ 4,363,550

Amounts reported for governmental activities in the statement of net position are different from amounts reported in governmental funds due to the following:

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 and accumulated depreciation are:

Capital Assets	\$ 19,237,444	
Accumulated Depreciation	(5,619,181)	
Net		13,618,263

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. The net of deferred outflows and inflows was:

1,445,545

Deferred outflows and inflows of resources related to other post employment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources related to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources related to OPEB are reported. The net of deferred outflows and inflows was:

12,104

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 reported at the end of the period are:

Compensated Absences	43,674	
Capital Lease	341,065	
Early Retirement Incentives	20,000	
Total OPEB Liability	2,877,740	
Net Pension Liabilities	7,805,039	
Total		(11,087,518)

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

(3,355)

Total Net Position - Governmental Activities \$ 8,348,589

**BIGGS UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>County School Facilities</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
LCFF Sources:				
State Apportionment / Transfers	\$ 3,507,995			\$ 3,507,995
Local Taxes	2,664,862			2,664,862
Total LCFF Sources	6,172,857			6,172,857
Federal Revenue	940,795		\$ 1,090	941,885
State Revenue	765,002	\$ 8,106,989	569	8,872,560
Local Revenue	488,253	11,037	386,590	885,880
Total Revenues	<u>8,366,907</u>	<u>8,118,026</u>	<u>388,249</u>	<u>16,873,182</u>
<u>Expenditures</u>				
Current:				
Instruction	4,157,983			4,157,983
Supervision of Instruction	29,871			29,871
Instructional Library and Technology	4,536			4,536
School Site Administration	457,133			457,133
Home-To-School Transportation	218,879			218,879
Food Services	1,154		371,036	372,190
Other Pupil Services	365,494			365,494
Data Processing Services	90,626			90,626
Other General Administration	792,353		18,552	810,905
Plant Services	763,003		12,516	775,519
Facilities Acquisition and Construction	290	7,832,149	148,569	7,981,008
Ancillary Services	40,832		89,150	129,982
Community Services	55,598			55,598
Other Outgo	237,536			237,536
Debt Service: Principal Retirement			207,847	207,847
Debt Service: Interest and Issuance Costs			37,617	37,617
Total Expenditures	<u>7,215,288</u>	<u>7,832,149</u>	<u>885,287</u>	<u>15,932,724</u>
Excess of Revenues Over (Under) Expenditures	<u>1,151,619</u>	<u>285,877</u>	<u>(497,038)</u>	<u>940,458</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	17,829		485,441	503,270
Operating Transfers Out	(347,786)	(137,655)	(17,829)	(503,270)
Total Other Financing Sources (Uses)	<u>(329,957)</u>	<u>(137,655)</u>	<u>467,612</u>	<u>0</u>
Net Change in Fund Balances	821,662	148,222	(29,426)	940,458
Fund Balances - July 1, 2020	<u>3,265,156</u>	<u>409</u>	<u>157,527</u>	<u>3,423,092</u>
Fund Balances - June 30, 2021	<u>\$ 4,086,818</u>	<u>\$ 148,631</u>	<u>\$ 128,101</u>	<u>\$ 4,363,550</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

BIGGS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Governmental Funds \$ 940,458

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds due to the following:

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 useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Capital Outlays	\$ 8,054,073	
Depreciation Expense	(442,197)	
Net		7,611,876

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statements of activities, compensated absences are measured by the amounts earned during the fiscal year. The difference between amounts paid and amounts earned was: (7,499)

Other post employment benefits (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: (152,363)

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt was: 207,847

Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pensions costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was: (590,255)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, interest expense is recognized in the period that it is incurred. Unmatured interest owed at the end of the period, less matured interest paid during the period but owed from the prior period, was: 2,101

Change in Net Position of Governmental Activities \$ 8,012,165

BIGGS UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Private-Purpose Trust
	Scholarship Funds
<u>Assets</u>	
Deposits and Investments (Note 2)	\$ 765,941
Total Assets	765,941
<u>Net Position</u>	
Restricted	765,941
Total Net Position	\$ 765,941

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**BIGGS UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Private-Purpose Trust
	Scholarship Funds
<u>Additions</u>	
Increase in Fair Value of Investments	\$ 97,354
Interest	8,315
Total Additions	105,669
<u>Deductions</u>	
Other Outgo	9,315
Scholarships Awarded	3,952
Total Deductions	13,267
Change in Net Position	92,402
<u>Net Position</u>	
Net Position - July 1, 2020	673,539
Net Position - June 30, 2021	\$ 765,941

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Biggs Unified School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five-member Board of Trustees elected by registered voters of the District, which comprises an area in Butte County. The District was established in 1906 and serves students in kindergarten through grade twelve.

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

The financial reporting entity consists of the following:

- The primary government
- Organizations for which the primary government is financially accountable
- Other organizations for which the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit.

The nucleus of a financial reporting entity is usually a primary government. Governmental Accounting Standards Board (GASB) Statement No. 61 (GASB 61), *The Financial Reporting Entity: Omnibus*, defines a *primary government* as any state government, general-purpose local government, or special-purpose government that meets all of the following criteria:

- It has a separately elected governing body
- It is legally separate
- It is fiscally independent of other state and local governments

The primary government consists of all funds that make up the legal entity. The primary government also consists of funds for which it has a fiduciary responsibility, even though those funds may represent organizations that do not meet the definition for inclusion in the financial reporting entity.

Component units include legally separate organizations (whether governmental, not-for-profit, or for-profit organizations) for which elected officials of the primary government are financially accountable. A primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. The primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Concluded)

An organization can provide a financial benefit to, or impose a financial burden on, a primary government in a variety of ways. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists:

- The primary government is legally entitled to or can otherwise access the organization's resources.
- The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- The primary government is obligated in some manner for the debt of the organization.

In addition, GASB 61 also requires certain organizations to be included as component units if the nature and significance of their relationship with the primary government are such that excluding them would cause the financial reporting entity's financial statements to be misleading.

Based on the GASB 61 criteria and definitions, the District is the primary government and there are no material potential component units which should be included in the Financial Reporting Entity in these financial statements.

GASB Statement No. 39 (GASB 39), *Determining Whether Certain Organizations are Component Units*, provides further guidance, stating that a legally separate organization should be reported as a component unit if all of the following criteria are met:

- The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government or its component units.
- The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization.
- The economic resources received or held by the organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The District has determined that the Biggs Educational Foundation, (the Foundation), a non-profit, public benefit corporation, meets the criteria set forth in GASB 39. However, since the Foundation does not issue audited financial statements, the financial statements of the District include only the financial data of the primary government, which consists of all funds that comprise the District's legal entity, and all funds for which it has a fiduciary responsibility. The financial statements do not include financial data of the Foundation, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the primary government. As a result, these financial statements do not present fairly the financial position of the discretely presented component unit of the District, as of June 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Implementation of New Accounting Pronouncements

In January 2017, the Governmental Accounting Standard Board (GASB) issued GASB Statement No. 84 (GASB 84), *Fiduciary Activities*, with required implementation for the District during the fiscal year ended June 30, 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. The effect on the beginning net position and fund balance that resulted from implementing GASB 84 is presented in Note 16.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District and its component units, when applicable. The effect of interfund activity within the governmental activities column has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Concluded)

Fund Financial Statements (Concluded):

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the 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. Under the 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. For the District, "available" means collectible within the current period or within 45, 60, 90 days after year-end, depending on the revenue source. However, to achieve comparability of reporting among California Districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state apportionments, the California Department of Education has defined available as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Concluded)

Unearned Revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred unearned.

Expenses/Expenditures:

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

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District maintains the following fund types:

General Fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

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 expenditure for specified purposes other than debt service or capital projects. Other resources also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund.

Debt Service Funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District's funds are organized into major, non-major, and fiduciary funds as follows:

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Accounting (Concluded)

Major Governmental Funds:

General Fund is the general operating fund of the District.

County School Facilities Fund is used primarily to account separately for state apportionments provided for construction of school facilities (Education Code Sections 17009.5 and 17070.10-17076.10).

Non-Major Governmental Funds:

Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's cafeteria program.

Student Activity Fund is to account for the raising and expending of money to promote the general welfare, and educational experience of the student body.

Debt Service Fund is used to account for the accumulation of resources for, and the payment of capital lease debt principal, interest, and related costs.

Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

Capital Projects - Special Reserve Fund was established to account for the capital lease proceeds and expenditures to repair the stadium damaged by fire at Biggs High School.

Fiduciary Funds:

Private-Purpose Trust Funds are used to account for assets held by the District as trustee pursuant to formal agreements with donors and under which neither principal nor income may be used for purposes that support the District's own programs. The Foundation Private-Purpose Trust Fund is used to account separately for gifts or bequests that provide scholarships to students of the District. For financial reporting purposes, the financial activities and balances of the Nannie Grace Caldwell and Hilda H. Seely Trust Under Will investment accounts, which are both managed and held by Wells Fargo Bank N. A., for the benefit of the Biggs Unified School District, have been included in the District's Private Purpose Trust Fund. The accounts have been included due to the fact that certain members of the District's Board of Trustees are also members on the "Caldwell-Pitts, McKasson, Doty & Thomas Scholarship Fund Board" that have the ability to access the net income and principal of the account, as long as the funds are distributed to eligible recipients in the form of Caldwell-Pitts, McKasson, Doty & Thomas Scholarships.

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By state law, the District's Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgets and Budgetary Accounting (Concluded)

These budgets are revised by the District's Governing Board and Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budget is presented for the General Fund as required supplementary information on page 59.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Encumbrances

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

I. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity

1. Deposits and Investments

The District is authorized to maintain cash in banks and revolving funds that are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The County is authorized to deposit cash and invest excess funds by California *Government Code* Section 53648 et seq. The funds maintained by the County are either secured by the FDIC or are collateralized. The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation; obligations with first priority security; and collateralized mortgage obligations. 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.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (Continued)

2. Stores Inventory

Inventory is recorded using the purchase method in that the cost (handling charge for state surplus food) is recorded as an expenditure at the time individual inventory items are purchased. Inventory is valued at average cost and consists of expendable supplies held for consumption. Reported inventory is equally offset by a reserve, which indicates that these amounts are not available for appropriation.

3. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Sites and Improvements	10-20
Buildings and Improvements	20-50
Furniture and Equipment	5-20

4. Deferred Outflows/Inflows of Resources

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

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

5. Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

6. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (Continued)

6. Compensated Absences (Concluded)

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

7. Other Post Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms.

8. 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 California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS), and additions to/deductions from the CalSTRS' and CalPERS' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. 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.

9. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as long-term liabilities in the Statement of Net Position. In fund financial statements, the face amount of the obligation is reported as other financing sources in the year issued.

10. Fund Balances

Governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The allowable classifications used in the governmental fund financial statements are as follows:

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (Continued)

10. Fund Balances (Concluded)

Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must be maintained intact.

Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance consists of funds that are set aside for a specific purpose by the district's highest level of decision-making authority (governing board). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the district's highest level of decision-making authority or a body or official that has been given the authority to assign funds.

Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The District's minimum fund balance policy requires a reserve for economic uncertainties of no less than 8% of total General Fund expenditures and other financing uses.

The District considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

11. Local Control Funding Formula (LCFF) / Property Tax

The LCFF creates funding targets based on student characteristics and provides greater flexibility to use these funds to improve student outcomes. For school districts, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that are calculated based on student demographic factors. District funding under the LCFF is generally provided by a mix of State aid and local property taxes.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

I. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (Concluded)

11. Local Control Funding Formula (LCFF) / Property Tax (Concluded)

The County of Butte is responsible for assessing, collecting and apportioning property taxes to the District. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternative method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local LCFF sources by the District. The California Department of Education reduces the District's LCFF entitlement by the District's local property tax revenue. Any balance remaining is paid from the State General Fund, and is known as LCFF State Aid.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2021, consist of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Cash on Hand and in Banks	\$ 118,882	\$ 92,461
Cash in Revolving Funds	2,395	
Investments		469,179
County Pool Investments	<u>4,807,653</u>	<u>204,301</u>
Totals	<u>\$ 4,928,930</u>	<u>\$ 765,941</u>

Cash on Hand and in Banks

Cash on hand and in banks consists of all cash held by the District and all cash maintained in commercial bank accounts owned by the District, exclusive of amounts held in revolving funds.

Cash in Revolving Funds

Cash in revolving funds consists of all cash maintained in commercial bank accounts that are used as revolving funds.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

Investments consists of a variety of assets held in the Nannie Grace Caldwell and Hilda H. Seely, Trust Under Will investment accounts, which are managed and held by Wells Fargo Bank N. A. Since the financial institution trustee is responsible for making all investment decisions for both accounts, these financial statements do not include any information regarding the individual investments held within each account.

County Pool Investments

County pool investments consist of District cash held by the Butte County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorization

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedule below:

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 Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Investment Pool.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Governmental Activities:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
County Pool Investments	\$ 4,807,653	\$ 4,835,362	651

Fiduciary Activities:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
County Pool Investments	\$ 204,301	\$ 205,479	651

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. Investments in the County Treasury are not required to be rated.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2021, the District's bank balance was not exposed to custodial credit risk.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONCLUDED)

Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, 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 in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

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, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specific term, a Level 2 input is required to be observable for substantially the full term of the asset.

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

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

The District's fair value measurements are as follows at June 30, 2021:

Governmental Activities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Uncategorized</u>
County Pool Investments	\$ 4,835,362	\$ 4,835,362

Fiduciary Activities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Uncategorized</u>
County Pool Investments	\$ 205,479	\$ 205,479

All assets have been valued using a market approach, with quoted market prices.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 - RECEIVABLES

Accounts receivables at June 30, 2021 consist of the following:

	General Fund	Non-Major Governmental Funds	Totals
Federal Government	\$ 37,616		\$ 37,616
State Government	772,187		772,187
Local Government	20,996	\$ 52,733	73,729
Miscellaneous	31,101		31,101
Totals	\$ 861,900	\$ 52,733	\$ 914,633

NOTE 4 - INTERFUND ACTIVITIES

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

A. Due From/Due To Other Funds

Balances at June 30, 2021 are as follows:

General Fund due to Cafeteria Fund for check deposited in wrong fund	\$ 7,957
Cafeteria Fund due to General Fund for indirect costs	18,552
Total	\$ 26,509

All interfund receivables and payables are scheduled to be paid within one year.

B. Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for fiscal year 2020-21 were as follows:

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 - INTERFUND ACTIVITIES (CONCLUDED)

B. Interfund Transfers (Concluded)

General Fund transfer to Cafeteria Fund to supplement the child nutrition program	\$ 84,447
General Fund transfer to Capital Projects - Special Reserve Fund for capital lease payments	263,339
Capital Projects - Special Reserve Fund transfer to General Fund to return excess funds transferred during the year	17,829
County School Facilities Fund transfer to Capital Projects - Special Reserve Fund to reimburse for modernization related expenditures	7,997
County School Facilities Fund transfer to Capital Facilities Fund to reimburse for modernization related expenditures	<u>129,658</u>
Total	<u><u>\$ 503,270</u></u>

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2021, is presented below:

	Balances July 1, 2020	Additions	Deletions	Balances June 30, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 283,366			\$ 283,366
Total Capital Assets Not Being Depreciated	283,366	\$ 0	\$ 0	283,366
Capital Assets Being Depreciated:				
Sites and Improvements	2,258,620			2,258,620
Buildings and Improvements	6,894,150	7,980,718		14,874,868
Furniture and Equipment	1,747,235	73,355		1,820,590
Total Capital Assets Being Depreciated	10,900,005	8,054,073	0	18,954,078
Less Accumulated Depreciation:				
Sites and Improvements	445,662	75,584		521,246
Buildings and Improvements	3,543,838	280,322		3,824,160
Furniture and Equipment	1,187,484	86,291		1,273,775
Total Accumulated Depreciation	5,176,984	442,197	0	5,619,181
Total Capital Assets Being Depreciated, Net	5,723,021	7,611,876	0	13,334,897
Capital Assets, Net	\$ 6,006,387	\$ 7,611,876	\$ 0	\$ 13,618,263

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION (CONCLUDED)

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 247,447
Instruction-Related Services	29,909
Pupil Services	59,517
General Administration	54,836
Plant Services	<u>50,488</u>
Total	<u><u>\$ 442,197</u></u>

NOTE 6 - CAPITAL LEASE

On March 1, 2020, the District entered into a capital lease agreement to repair the stadium damaged by fire at Biggs High School for \$2,500,000 at an effective interest rate of 4.00%. The lease is secured by the Biggs High School site. There is no acceleration clause in the agreement. Future minimum lease payments under this agreement are as follows:

<u>Year Ended June 30</u>	<u>Lease Payments</u>
2022	\$ 115,289
2023	115,289
2024	115,289
2025	<u>57,644</u>
Total payments	403,511
Less amounts representing interest	<u>(62,446)</u>
Present value of net minimum lease payments	<u><u>\$ 341,065</u></u>

The District will receive no sublease revenues or pay any contingent rentals for this leased asset.

NOTE 7 - EARLY RETIREMENT INCENTIVES

In addition to the other post employment benefits described in Note 8, the District has negotiated early retirement incentive agreements with certain individuals, which provide retiree health benefits that are above and beyond the benefits described in Note 8. As of June 30, 2021, there is one individual receiving benefits under these additional agreements. Future estimated payments required to provide these benefits are as follows:

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7 - EARLY RETIREMENT INCENTIVES (CONCLUDED)

Year Ended June 30	Early Retirement Incentives
2022	\$ 0
2023	4,000
2024	4,000
2025	4,000
2026	4,000
2027-2032	4,000
Total	\$ 20,000

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District's defined benefit plan, Biggs Unified School District's Other Post Employment Benefits Plan (Plan), is a single-employer defined benefit health care plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a stand-alone financial report.

Plan Description/Benefits Provided

Certificated employees hired prior to January 1, 2013 retire with District paid medical, dental and vision benefits after age 55 and 15 years of District service credit. Benefits are paid for 7 years plus one additional year for each 5 years of service credit in excess of 15 years, to a maximum of 10 years of District-paid benefits or until Medicare eligible, whichever comes first. The annual District contribution during retirement is limited to the annual health benefit cap at time of retirement plus 10%. Certificated employees hired on or after January 1, 2013 become eligible for retiree health benefits after age 55 and 20 years of District service, and benefits are paid for the lesser of 7 years or until age 65. The annual District contribution for employees hired on or after January 1, 2013 is limited to 100% of the annual health cap at time of retirement.

Classified, Confidential, and Classified Management employees may retire with District-paid medical benefits after age 50 and 10 years of continuous service (55 and 15 years for classified employee hired on or after January 1, 2014). Benefits are paid for the lesser of 5 years or until age 65 (Medicare eligibility age). If the retiree dies before the end of the prescribed benefit period, the surviving spouse will be entitled to any unused benefits. District contributions are capped at \$15,000 per year for employees who retire on or before June 30, 2015, and \$12,000 per year for employees who retire after June 30, 2015.

Classified employees hired on or after January 1, 2014 and confidential employees hired on or after January 2013 are subject to a cap of \$8,400 regardless of date of retirement.

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

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Plan benefits and contribution requirements for both the employee and the District are established by labor agreements. All contracts with District employees may be renegotiated at various times in the future, and thus, benefits and costs are subject to change.

Employees covered by benefit terms

The number of employees covered by the benefit terms of the Plan as of July 1, 2019 are as follows:

Inactive employees currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>61</u>
Total number of participants	<u><u>70</u></u>

Total OPEB Liability

The District's total OPEB liability of \$2,877,740 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial methods, assumptions, and other inputs, applied to all periods unless otherwise specified:

Measurement Date	July 1, 2020 to June 30, 2021
Actuarial Cost Method	Entry Age Normal
Inflation	3.00%
Salary Increases	3.00%
Discount Rate	2.45% for June 30, 2020 1.92% for June 30, 2021
Health care cost trend rates	5.80% for 2021; 5.70% for 2022; 5.60% for 2023; and decreasing 0.1% per year to an ultimate rate of 5.0% for 2029 and later years

The discount rate is based on the Fidelity GO AA 20 years Municipal Index. Pre-retirement mortality rates for active employees were based on the CalSTRS Experience Analysis (2015-2018) and CalPERS Experience Study (1997-2015). Post-retirement mortality rates for retired members and beneficiaries were based on the CalSTRS Experience Analysis (2015-2018) and CalPERS Experience Study (1997-2015). Actuarial assumptions used were based on a review of plan experience during the period July 1, 2017 to June 30, 2019.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2020	\$ 2,618,829
Changes for the year:	
Service cost	177,716
Interest on total OPEB liability	67,414
Changes in assumptions or other inputs	104,230
Benefit payments (includes implicit subsidy)	(90,449)
Net change	258,911
Balance at June 30, 2021	\$ 2,877,740

There were no changes in benefit terms since the July 1, 2019 valuation.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

The following table presents the District's total OPEB liability as of the measurement date, calculated using the current discount rate of 1.92%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (0.92%) or one percentage point higher (2.92%) than the current rate:

	Discount Rate 1% Decrease	Discount Rate Current Rate	Discount Rate 1% Increase
District's total OPEB liability	\$ 3,086,568	\$ 2,877,740	\$ 2,684,792

Sensitivity of the District's Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following table presents the District's total OPEB liability as of the measurement date, calculated using the current health care cost trend rate of 5.80%, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (4.80%) or one percentage point higher (6.80%) than the current rate:

	Health Care Cost Trend Rate 1% Decrease	Health Care Cost Trend Rate Current Rate	Health Care Cost Trend Rate 1% Increase
District's total OPEB liability	\$ 2,609,704	\$ 2,877,740	\$ 3,196,120

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONCLUDED)

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$245,130. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 249,642
Changes in assumptions or other inputs	\$ 294,815	33,069
Totals	\$ 294,815	\$ 282,711

Amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30	
2022	\$ (2,318)
2023	(2,318)
2024	1,356
2025	9,930
2026	1,860
Thereafter	3,594

For purposes of determining annual expense and deferral amounts, expected remaining service lives for the difference between expected and actual experience was 9.2 years for 2019-20, and for changes in assumptions or other inputs was 6.7 years for 2017-18, 7.3 years for 2018-19, 9.2 years for 2019-20, and 8.8 years for 2020-21.

NOTE 9 - RETIREMENT PLANS

Qualified employees are covered under retirement plans maintained by agencies of the State of California. Certificated employees are eligible to participate under the multiple-employer, cost-sharing defined benefit plan administered by the California State Teachers' Retirement System (CalSTRS) and classified employees are eligible to participate under the multiple-employer, cost-sharing defined benefit plan administered by the California Public Employees' Retirement System (CalPERS).

The District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources and pension expenses in the accompanying government-wide financial statements, as follows:

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

<u>Pension Plan</u>	<u>Net Pension Liabilities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 4,743,325	\$ 1,312,026	\$ 332,036	\$ 945,908
CalPERS	3,061,714	493,569	28,014	633,412
Totals	<u>\$ 7,805,039</u>	<u>\$ 1,805,595</u>	<u>\$ 360,050</u>	<u>\$ 1,579,320</u>

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The California State Teachers Retirement System (CalSTRS) provides pension benefits, including disability and survivor benefits, to California full-time and part-time public-school teachers and certain other employees of the public-school system. The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature and Governor, established the plan and CalSTRS as the administrator. The terms of the plan may be amended through legislation. CalSTRS issues publicly available reports that include a full description of the pension plan that can be found on the CalSTRS website.

Benefits Provided

The State Teachers' Retirement Plan (STRP) is a multiple-employer, cost-sharing defined benefit plan. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses for administering the STRP. Although CalSTRS is the administrator of the STRP, the State of California is the sponsor and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

Membership is mandatory for all employees meeting certain statutory requirements and optional for all other employees performing creditable services activities. The Defined Benefit Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to their survivors or beneficiaries upon the death of eligible members.

The STRP Defined Benefit Program has two benefit structures:

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

There are several differences between the two benefit structures and some of the differences are noted below.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

Benefits Provided (Concluded)

CalSTRS 2% at 60

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% of final compensation multiplied by the number of years 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 a maximum of 2.4% at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2% to the age factor, up to the 2.4% maximum.

CalSTRS calculates retirement benefits based on one-year final compensation for members with 25 or more years of credited service, or for classroom teachers with fewer than 25 years of credited service if the employer entered into, extended, renewed, or amended an agreement prior to January 1, 2014, to elect to pay the additional benefit cost for all of its classroom teachers. One-year final compensation is a member's highest average annual compensation earnable for 12 consecutive months based on the creditable compensation that a member could earn in a school year while employed on a full-time basis. For most members with fewer than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months based on the creditable compensation that a member could earn in a school year while employed on a full-time basis.

CalSTRS 2% at 62

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% of final compensation multiplied by the number of years 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% at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months based on the creditable compensation that a member could earn in a school year while employed on a full-time basis.

Contributions

Required member, employer and state contribution rates are set by the California Legislature and the Governor and are detailed in the Teachers' Retirement Law. Current contribution rates were established by the CalSTRS Funding Plan, which was enacted with AB 1469 in June 2014. Current contribution rates have also been adjusted pursuant to SB 90 (June 2019) and AB 84 (June 2020). A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

Contributions (Concluded)

Members: The CalSTRS member contribution rates were as follows: Under CalSTRS 2% at 60, the member contribution rate was 10.25% of applicable member earnings for fiscal year 2020-21. Under CalSTRS 2% at 62, the member contribution rate was 10.205% of applicable member earnings for fiscal year 2020-21.

Employers: The employer contribution rate was 16.15% of applicable member earnings for fiscal year 2020-21. This rate reflects a 2.95% reduction of the employer contribution rate for fiscal year 2020-21 pursuant to SB 90 and AB 84, than is required by the CalSTRS Funding Plan. The District contributed \$453,134 to the plan for the fiscal year ended June 30, 2021.

State: The contribution is calculated based on creditable compensation from two fiscal years prior. The base rate is 2.017%. As a result of the CalSTRS Funding Plan, the state is required to make additional contributions to pay down the unfunded liabilities associated with the benefit structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions. The appropriation for these additional contributions is specified in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-46. Pursuant to AB 84, the state contribution rate will remain at 5.811% for fiscal year 2020-21. Including a 2.50% contribution for SBMA funding, the total state contribution to the defined benefit program was 10.328% for the fiscal year ended June 30, 2021. This rate does not include the impacts of supplemental state contributions pursuant to SB 90.

District's Proportionate Share of the Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District was as follows:

District's proportionate share of the net pension liability	\$ 4,743,325
State's proportionate share of the net pension liability associated with the District	2,445,185
Total net pension liability attributed to District	<u>\$ 7,188,510</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers and the State.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

District's Proportionate Share of the Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

The District's proportionate share of the net pension liability as of June 30, 2020 and June 30, 2019 was as follows:

Proportion - June 30, 2020	0.0049%
Proportion - June 30, 2019	0.0047%
Change - Increase (Decrease)	0.0002%

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$945,908, which includes \$276,730 of support provided by the State. At June 30, 2021, the District 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
District contributions subsequent to the measurement date	\$ 453,134	
Differences between expected and actual experience	8,139	\$ 130,552
Changes of assumptions	450,858	
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	288,109	201,484
Net differences between projected and actual earnings on plan investments	111,786	
Totals	\$ 1,312,026	\$ 332,036

The deferred outflows of resources related to District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. 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		
2022	\$	78,473
2023		172,928
2024		221,333
2025		69,113
2026		(33,729)
2027		18,738

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

District's Proportionate Share of the Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Concluded)

Other than differences between projected and actual earnings on plan investments, deferred outflows and inflows of resources are amortized using a straight-line method over a closed period equal to the average of the expected remaining service lives of all plan members who are provided with pensions through CalSTRS (active and inactive), which is 7 years as of the beginning of the measurement period. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability include:

Valuation Date	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return ¹	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB (Annually) Maintain 85% purchasing power level for DB

¹ Net of investment expenses, but gross of administrative expenses.

On January 31, 2020, the board adopted new actuarial assumptions for use in the funding actuarial valuation of the defined benefit plan. The new assumptions were reflected in the 2019 actuarial valuation. For full details on changes to the assumptions, see the CalSTRS 2020 Experience Analysis report available on the CalSTRS website.

The sections that follow provide additional discussion on key assumptions and methods for the valuation of the STRP.

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates as previously described. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expenses occur midyear.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

Discount Rate (Concluded)

Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

* 20-year average

Mortality

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases of life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

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

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

	Discount Rate 1% Decrease 6.10%	Discount Rate Current Rate 7.10%	Discount Rate 1% Increase 8.10%
District's proportionate share of the net pension liability	\$ 7,166,504	\$ 4,743,325	\$ 2,742,650

Pension Plan's Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020.

B. California Public Employees' Retirement System (CalPERS)

Plan Description, Benefits Provided, and Employees Covered

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by the CalPERS. All employees who work at least half time or are appointed to a job that will last at least six months and one day are eligible for CalPERS. Benefits vest after five years. Employees are eligible to retire at or after age 50 having attained five years of credited service and are entitled to an annual retirement benefit, payable monthly for life. Employees hired after January 1, 2013 with five years of credit service must be at least age 52 to retire.

The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Active plan members who entered into the plan prior to January 1, 2013 are required to contribute 7.0% of their salary, and new members entering into the plan on or after January 1, 2013 are required to contribute the higher of 50% of the total normal cost rate for their defined benefit plan or 7.0% of their salary. The District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 20.70% of annual payroll. The District's contribution to CalPERS for the fiscal year ended June 30, 2021 was \$246,877.

District's Proportionate Share of the Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2021, the District reported a liability of \$3,061,714 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2020 and June 30, 2019 was as follows:

Proportion - June 30, 2020	0.0100%
Proportion - June 30, 2019	0.0095%
Change - Increase (Decrease)	0.0005%

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$633,412. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

District's Proportionate Share of the Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Concluded)

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 246,877	
Differences between expected and actual experience	144,613	
Changes of assumptions	10,819	
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	27,021	\$ 28,014
Net differences between projected and actual earnings on plan investments	64,239	
Totals	\$ 493,569	\$ 28,014

The deferred outflows of resources related to District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. 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	
2022	\$ 65,802
2023	66,662
2024	56,880
2025	29,334

Differences between expected and actual experience, changes in assumptions, and changes in employer's proportion and differences in employer's contributions and employer's proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 4.1 years as of June 30, 2020. The net difference between projected and actual earnings on pension plan investments is amortized over a 5-year period on a straight-line basis.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuations were determined using the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Wage Growth	Varies
Investment Rate of Return	7.15%
Post Retirement Benefit Increase (1)	

(1) 2.00% until Purchasing Power Protection Allowance Floor
on Purchasing Power applies, 2.50% thereafter

Mortality rate table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study from 1997 to 2015. Further details of the experience study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONTINUED)

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

Discount Rate (Concluded)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10²</u>	<u>Real Return Years 11+³</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(1) In the CalPERS CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

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

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

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - RETIREMENT PLANS (CONCLUDED)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Concluded)

	Discount Rate 1% Decrease 6.15%	Discount Rate Current Rate 7.15%	Discount Rate 1% Increase 8.15%
District's proportionate share of the net pension liability	\$ 4,401,772	\$ 3,061,714	\$ 1,949,533

Pension Plan Fiduciary Net Position

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

C. Social Security

As established by Federal law, all public-sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use Social Security as its alternative plan. Contributions made by the District and participating employees vest immediately. Both the District and participating employees were required to contribute 6.2% of an employee's gross earnings, up to the annual limit.

NOTE 10 - LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2021, is shown below:

	Balances July 1, 2020	Additions	Deductions	Balances June 30, 2021	Due within One Year
Long-Term Debt:					
Capital Lease	\$ 548,912		\$ 207,847	\$ 341,065	\$ 50,823
Early Retirement Incentives	20,000			20,000	
Other Long-Term Liabilities:					
Compensated Absences	36,175	\$ 43,674	36,175	43,674	43,674
Total OPEB Liability	2,618,829	349,360	90,449	2,877,740	
Net Pension Liabilities	7,016,215	788,824		7,805,039	
Totals	\$ 10,240,131	\$ 1,181,858	\$ 334,471	\$ 11,087,518	\$ 94,497

All of the long-term liabilities presented above are primarily obligations of the General Fund.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 11 - FUND BALANCES

The fund balances as of June 30, 2021 are as follows:

	General Fund	County School Facilities Fund	Non-Major Governmental Funds	Totals
Nonspendable:				
Revolving Cash	\$ 2,000		\$ 395	\$ 2,395
Stores Inventory			1,400	1,400
Total Nonspendable	<u>2,000</u>		<u>1,795</u>	<u>3,795</u>
Restricted:				
Categorical Programs	390,607			390,607
Food Services Program			6,162	6,162
Capital Projects		\$ 148,631	1,021	149,652
Student Body			118,882	118,882
Debt Service			146	146
Total Restricted	<u>390,607</u>	<u>148,631</u>	<u>126,211</u>	<u>665,449</u>
Assigned:				
OPEB	523,496			523,496
Capital Projects			95	95
Total Assigned	<u>523,496</u>		<u>95</u>	<u>523,591</u>
Unassigned:				
Economic Uncertainties	628,710			628,710
Unassigned	<u>2,542,005</u>			<u>2,542,005</u>
Total Unassigned	<u>3,170,715</u>			<u>3,170,715</u>
Totals	<u>\$ 4,086,818</u>	<u>\$ 148,631</u>	<u>\$ 128,101</u>	<u>\$ 4,363,550</u>

NOTE 12 - ON-BEHALF PAYMENTS MADE BY THE STATE OF CALIFORNIA

The District was the recipient of on-behalf payments made by the State of California to the State Teachers' Retirement System (CalSTRS) for K-12 Education. These payments consist of state general fund contributions of \$276,730 to CalSTRS. These contributions are recorded in the General Fund as revenues and expenditures. The District is not legally responsible for these contributions.

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2020-21, the District participated in three joint powers authorities (JPAs) for purposes of pooling for risk. There were no significant reductions in coverage during the year. Settlements have not exceeded coverage in any of the past three years.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 14 - JOINT VENTURES

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

The JPAs arrange for and/or provide coverage or services for its members. The JPAs are governed by a board consisting of a representative from each member district. Each board controls the operations of their JPAs, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage or service requested and shares surpluses and deficits proportionately to their participation in the JPAs.

The JPAs are audited on an annual basis. Audited financial statements can be obtained by contacting each JPA's management.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards and Grants

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

B. Litigation

The District is subject to various legal proceedings and claims. In the opinion of management, the ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

NOTE 16 - RESTATEMENT OF NET POSITION / FUND BALANCE

During fiscal year 2020-21, the District implemented Governmental Accounting Standards Board Statement No. 84 (GASB 84), as discussed in Note 1B. As a result, the District's student body activities, reported as fiduciary activities in the prior year's audit report, have been reclassified as governmental activities. The beginning net position and fund balance of the District have been restated to reflect this reclassification.

The effect of the restatement on the current year financial statements are as follows:

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 16 - RESTATEMENT OF NET POSITION / FUND BALANCE (CONCLUDED)

	Statement of Activities
Net Position - July 1, 2020 (as originally stated)	\$ 229,633
Reclassification of Fund Balance	106,791
Net Position - July 1, 2020 (as restated)	\$ 336,424
	Student Activity Fund
Fund Balance - July 1, 2020 (as originally stated)	\$ 0
Reclassification of Fund Balance	106,791
Fund Balance - July 1, 2020 (as restated)	\$ 106,791

NOTE 17 - SUBSEQUENT EVENTS

The District's management has evaluated events or transactions that occurred for possible recognition or disclosure in the financial statements from the balance sheet date through January 31, 2022, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require disclosure in or adjustment to the current year financial statements.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues</u>				
LCFF Sources:				
State Apportionment / Transfers	\$ 3,237,705	\$ 3,784,503	\$ 3,507,995	\$ (276,508)
Local Sources	2,447,008	2,392,534	2,664,862	272,328
Total LCFF Sources	5,684,713	6,177,037	6,172,857	(4,180)
Federal Revenue	789,669	1,029,242	940,795	(88,447)
Other State Revenue	615,238	672,032	765,002	92,970
Other Local Revenue	295,987	326,616	488,253	161,637
Total Revenues	7,385,607	8,204,927	8,366,907	161,980
<u>Expenditures</u>				
Current:				
Certificated Salaries	3,040,525	3,217,235	2,994,316	222,919
Classified Salaries	1,335,913	1,212,402	1,116,807	95,595
Employee Benefits	1,793,998	1,798,794	1,762,492	36,302
Books and Supplies	328,239	568,073	368,059	200,014
Services and Other				
Operating Expenditures	719,678	813,557	681,275	132,282
Capital Outlay	10,000	80,150	73,355	6,795
Other Expenditures	201,175	202,163	218,984	(16,821)
Total Expenditures	7,429,528	7,892,374	7,215,288	677,086
Excess of Revenues Over (Under) Expenditures	(43,921)	312,553	1,151,619	839,066
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In			17,829	17,829
Operating Transfers Out	(115,000)	(115,000)	(347,786)	(232,786)
Total Other Financing Sources (Uses)	(115,000)	(115,000)	(329,957)	(214,957)
Net Change in Fund Balances	(158,921)	197,553	821,662	\$ 624,109
Fund Balances - July 1, 2020	3,265,156	3,265,156	3,265,156	
Fund Balances - June 30, 2021	\$ 3,106,235	\$ 3,462,709	\$ 4,086,818	

SEE NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BIGGS UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS *

JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 177,716	\$ 154,227	\$ 141,295	\$ 148,082
Interest on Total OPEB Liability	67,414	77,432	86,361	74,964
Differences Between Expected and Actual Experience		(318,986)		
Changes in Assumptions or Other Inputs	104,230	195,310	84,164	(82,061)
Benefit Payments (Includes Implicit Rate)	<u>(90,449)</u>	<u>(109,401)</u>	<u>(153,117)</u>	<u>(147,786)</u>
Net Change in Total OPEB Liability	258,911	(1,418)	158,703	(6,801)
Total OPEB Liability - Beginning	<u>2,618,829</u>	<u>2,620,247</u>	<u>2,461,544</u>	<u>2,468,345</u>
Total OPEB Liability - Ending	<u><u>\$ 2,877,740</u></u>	<u><u>\$ 2,618,829</u></u>	<u><u>\$ 2,620,247</u></u>	<u><u>\$ 2,461,544</u></u>
Covered-employee Payroll	\$ 4,252,704	\$ 3,907,493	\$ 4,166,051	\$ 3,644,096
District's Total OPEB Liability as Percentage of Covered-employee Payroll	67.67%	67.02%	62.90%	67.55%

* This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.

BIGGS UNIFIED SCHOOL DISTRICT

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

JUNE 30, 2021

<u>Year Ended June 30</u>	<u>District's Proportion of the NPL</u>	<u>District's Proportionate Share of the NPL</u>	<u>State's Proportionate Share of the NPL Associated to District</u>	<u>Total NPL Attributed to District</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the NPL as a % of Covered Payroll</u>	<u>Plan Fiduciary Net Position As a % of Total Pension Liability</u>
2021	0.0049%	\$ 4,743,325	\$ 2,445,185	\$ 7,188,510	\$ 2,653,918	178.73%	71.82%
2020	0.0047%	4,257,170	2,322,571	6,579,741	2,599,791	163.75%	72.56%
2019	0.0051%	4,657,441	2,666,603	7,324,044	2,806,535	165.95%	70.99%
2018	0.0048%	4,401,308	2,603,777	7,005,085	2,563,362	171.70%	69.46%
2017	0.0047%	3,826,274	2,178,230	6,004,504	2,426,002	157.72%	70.04%
2016	0.0047%	3,195,863	1,690,259	4,886,122	2,069,775	154.41%	74.02%
2015	0.0046%	2,660,107	1,606,287	4,266,394	2,027,515	131.20%	76.52%

* The amounts presented for each fiscal year were determined based on a measurement date that was one year prior to the year-end date. This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.

BIGGS UNIFIED SCHOOL DISTRICT

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

JUNE 30, 2021

<u>Year Ended June 30</u>	<u>District's Proportion of the NPL</u>	<u>District's Proportionate Share of the NPL</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the NPL as a % of Covered Payroll</u>	<u>Plan Fiduciary Net Position As a % of Total Pension Liability</u>
2021	0.0100%	\$ 3,061,714	\$ 1,405,233	217.88%	70.00%
2020	0.0095%	2,759,045	1,310,719	210.50%	70.05%
2019	0.0096%	2,563,697	1,267,909	202.20%	70.85%
2018	0.0099%	2,353,815	1,256,617	187.31%	71.87%
2017	0.0096%	1,892,939	1,144,290	165.42%	73.90%
2016	0.0100%	1,467,131	1,108,003	132.41%	79.43%
2015	0.0096%	1,090,732	1,008,591	108.14%	83.38%

* The amounts presented for each fiscal year were determined based on a measurement date that was one year prior to the year-end date. This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.

BIGGS UNIFIED SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - CALSTRS *

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Year Ended June 30</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions In Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency/ (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions As a % of Covered Payroll</u>
2021	\$ 453,134	\$ 453,134	\$ 0	\$ 2,805,783	16.15%
2020	453,820	453,820	0	2,653,918	17.10%
2019	423,246	423,246	0	2,599,791	16.28%
2018	404,983	404,983	0	2,806,535	14.43%
2017	322,471	322,471	0	2,563,362	12.58%
2016	260,310	260,310	0	2,426,002	10.73%
2015	183,796	183,796	0	2,069,775	8.88%

* This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.

BIGGS UNIFIED SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - CALPERS *

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Year Ended June 30</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions In Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency/ (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions As a % of Covered Payroll</u>
2021	\$ 246,877	\$ 246,877	\$ 0	\$ 1,192,643	20.700%
2020	277,126	277,126	0	1,405,233	19.721%
2019	236,742	236,742	0	1,310,719	18.062%
2018	196,919	196,919	0	1,267,909	15.531%
2017	174,519	174,519	0	1,256,617	13.888%
2016	135,564	135,564	0	1,144,290	11.847%
2015	130,423	130,423	0	1,108,003	11.771%

* This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES

A. Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the District is required to present a Schedule of Revenues, Expenditures, and Changes in Fund Balance budgetary comparison for the General Fund and each Major Special Revenue Fund that has an adopted budget. This schedule presents the original adopted budget, final adopted budget, and the actual revenues and expenditures of each of these funds by object. The basis of budgeting is the same as Generally Accepted Accounting Principles (GAAP).

Excess of expenditures over appropriations in the General Fund as of June 30, 2021 were as follows:

<u>General Fund</u>	<u>Excess Expenditures</u>
Other Expenditures	\$ 16,821

B. Schedule of Changes in Total OPEB Liability and Related Ratios

In accordance with Governmental Accounting Standards Board Statement No. 75 (GASB 75), the District is required to present a 10-year schedule including certain information for each OPEB plan. The information required to be presented includes certain components that make up the changes in the total OPEB liability, the total OPEB liability, the covered-employee payroll, and the total OPEB liability as a percentage of the District's covered-employee payroll.

C. Schedule of the Proportionate Share of the Net Pension Liability

In accordance with Governmental Accounting Standards Board Statement No. 68, the District is required to present separately for each cost-sharing pension plan through which pensions are provided a 10-year schedule presenting certain information. The information required to be presented includes the District's proportion and proportionate share of the collective net pension liability, the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability associated with the District, if applicable, the District's covered payroll, the District's proportionate share of the collective net pension liability as a percentage of the District's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

D. Schedule of Contributions

In accordance with Governmental Accounting Standards Board Statement No. 68, the District is required to present separately for each cost-sharing pension plan through which pensions are provided a 10-year schedule presenting certain information. The information required to be presented includes the statutorily or contracted required District contribution, the amount of contributions recognized by the pension plan in relation to the required District contribution, the difference between the required District contribution and the amount recognized by the pension plan, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation of the District as a percentage of the District's covered payroll.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Trust Assets

The District has no assets accumulated in a trust that meet the criteria of GASB 75 to pay related benefits.

B. Benefit Terms

There were no changes in benefit terms since the prior measurement date.

C. Changes in Assumptions or Other Inputs

The discount rate changed from 2.45% at June 30, 2020 to 1.92% at June 30, 2021.

NOTE 3 - SUMMARY OF CHANGES FOR CALSTRS AND CALPERS

A. Benefit Changes

There were no changes to benefit terms since the previous valuation for either the State Teachers' Retirement Plan (CalSTRS) or the Public Employer's Retirement Fund B (CalPERS).

B. Changes in Assumptions

On January 31, 2020, the CalSTRS board adopted new actuarial assumptions for use in the funding actuarial valuations of the defined benefit program. The new assumptions were reflected in the 2019 actuarial valuation. For full details on changes to the assumptions, see the CalSTRS 2020 Experience Analysis report available on the CalSTRS website.

There were no changes in assumptions since the previous valuation for CalPERS.

SUPPLEMENTARY INFORMATION SECTION

BIGGS UNIFIED SCHOOL DISTRICT
ORGANIZATION/BOARD OF TRUSTEES/ADMINISTRATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ORGANIZATION

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

BOARD OF TRUSTEES

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

ADMINISTRATION

Doug Kaelin
Superintendent

Lorelle Mudd
Chief Business Official

**BIGGS UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Cafeteria</u>	<u>Student Activity</u>	<u>Debt Service</u>	<u>Capital Facilities</u>	<u>Capital Projects - Special Reserve</u>	<u>Total Non-Major Governmental Funds</u>
<u>Assets</u>						
Deposits and Investments	\$ (34,632)	\$ 118,882	\$ 146	\$ 9,364	\$ 95	\$ 93,855
Receivables	52,733					52,733
Due from Other Funds	7,957					7,957
Stores Inventory	1,400					1,400
Total Assets	<u>\$ 27,458</u>	<u>\$ 118,882</u>	<u>\$ 146</u>	<u>\$ 9,364</u>	<u>\$ 95</u>	<u>\$ 155,945</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts Payable	\$ 949			\$ 8,343		\$ 9,292
Due to Other Funds	18,552					18,552
Total Liabilities	<u>19,501</u>			<u>8,343</u>		<u>27,844</u>
Fund Balances:						
Nonspendable	1,795					1,795
Restricted	6,162	\$ 118,882	\$ 146	1,021		126,211
Assigned					\$ 95	95
Total Fund Balances	<u>7,957</u>	<u>118,882</u>	<u>146</u>	<u>1,021</u>	<u>95</u>	<u>128,101</u>
Total Liabilities and Fund Balances	<u>\$ 27,458</u>	<u>\$ 118,882</u>	<u>\$ 146</u>	<u>\$ 9,364</u>	<u>\$ 95</u>	<u>\$ 155,945</u>

SEE NOTES TO SUPPLEMENTARY INFORMATION

BIGGS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Cafeteria</u>	<u>Student Activity</u>	<u>Debt Service</u>	<u>Capital Facilities</u>	<u>Capital Projects - Special Reserve</u>	<u>Total Non-Major Governmental Funds</u>
<u>Revenues</u>						
Federal Revenue	\$ 1,090					\$ 1,090
State Revenue	569					569
Local Revenue	260,260	\$ 101,241	\$ 2	\$ 25,015	\$ 72	386,590
Total Revenues	<u>261,919</u>	<u>101,241</u>	<u>2</u>	<u>25,015</u>	<u>72</u>	<u>388,249</u>
<u>Expenditures</u>						
Current:						
Food Services	371,036					371,036
Other General Administration	18,552					18,552
Plant Services				12,516		12,516
Facilities Acquisition and Construction				140,572	7,997	148,569
Ancillary Services		89,150				89,150
Debt Service:						
Principal Retirement					207,847	207,847
Interest and Issuance Costs					37,617	37,617
Total Expenditures	<u>389,588</u>	<u>89,150</u>	<u>0</u>	<u>153,088</u>	<u>253,461</u>	<u>885,287</u>
Excess of Revenues Over (Under) Expenditures	<u>(127,669)</u>	<u>12,091</u>	<u>2</u>	<u>(128,073)</u>	<u>(253,389)</u>	<u>(497,038)</u>
<u>Other Financing Sources (Uses)</u>						
Operating Transfers In	84,447			129,658	271,336	485,441
Operating Transfers Out					(17,829)	(17,829)
Total Other Financing Sources (Uses)	<u>84,447</u>	<u>0</u>	<u>0</u>	<u>129,658</u>	<u>253,507</u>	<u>467,612</u>
Net Change in Fund Balances	<u>(43,222)</u>	<u>12,091</u>	<u>2</u>	<u>1,585</u>	<u>118</u>	<u>(29,426)</u>
Fund Balances - July 1, 2020 (As Restated - Note 16)	<u>51,179</u>	<u>106,791</u>	<u>144</u>	<u>(564)</u>	<u>(23)</u>	<u>157,527</u>
Fund Balances - June 30, 2021	<u>\$ 7,957</u>	<u>\$ 118,882</u>	<u>\$ 146</u>	<u>\$ 1,021</u>	<u>\$ 95</u>	<u>\$ 128,101</u>

SEE NOTES TO SUPPLEMENTARY INFORMATION

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Grade Level</u>	<u>Minimum School Day</u>	<u>Instructional Days</u>			<u>Number of Instructional Days Required</u>	<u>Status</u>
		<u>Actual Days</u>	<u>J-13A Credited Days</u>	<u>Total Days</u>		
Kindergarten	180 minutes	180	0	180	180	In Compliance
Grade 1	230 minutes	180	0	180	180	In Compliance
Grade 2	230 minutes	180	0	180	180	In Compliance
Grade 3	230 minutes	180	0	180	180	In Compliance
Grade 4	240 minutes	180	0	180	180	In Compliance
Grade 5	240 minutes	180	0	180	180	In Compliance
Grade 6	240 minutes	180	0	180	180	In Compliance
Grade 7	240 minutes	180	0	180	180	In Compliance
Grade 8	240 minutes	180	0	180	180	In Compliance
Grade 9	240 minutes	180	0	180	180	In Compliance
Grade 10	240 minutes	180	0	180	180	In Compliance
Grade 11	240 minutes	180	0	180	180	In Compliance
Grade 12	240 minutes	180	0	180	180	In Compliance

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identification Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture:				
Passed Through Butte County Office of Education: Forest Reserve	10.665	10044		\$ 1,039
Passed Through California Department of Education (CDE): <i>Child Nutrition Cluster:</i> National School Lunch	10.555	13524		1,090
Total U.S. Department of Agriculture				<u>2,129</u>
U.S. Department of the Treasury:				
Passed Through California Department of Education (CDE): Coronavirus Relief Fund: Learning Loss Mitigation	21.019	25516		356,780
Total U.S. Department of the Treasury				<u>356,780</u>
U.S. Department of Education:				
Passed Through CDE:				
Title I Part A Basic Grant Low-Income & Neglected	84.010	14329		301,604
Title II Part A Supporting Effective Instruction	84.367	14341		26,312
Title IV, Part A Student Support & Academic Enrichment	84.424	15391		6,038
Elementary and Secondary School Emergency Relief Fund Programs:				
Elementary and Secondary School Emergency Relief Fund	84.425	15536		69,259
Governor's Emergency Education Relief Fund: Learning Loss	84.425C	15517		29,976
Passed Through Butte County SELPA: <i>Special Education Cluster:</i>				
IDEA Part B Basic Local Assistance	84.027	13379		89,092
IDEA Part B Preschool Grants	84.173	13430		5,006
Subtotal Special Education Cluster				<u>94,098</u>
Total U.S. Department of Education				<u>527,287</u>
Totals			<u>\$ 0</u>	<u>\$ 886,196</u>

BIGGS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue - Special Reserve Fund	Special Reserve Fund for Postemployment Benefits	County School Facilities Fund	Cafeteria Fund	Capital Facilities Fund	Foundation Trust Fund
June 30, 2021 Annual Financial and Budget Report Fund Balances	\$ 3,190,660	\$ 628,710	\$ 523,496	\$ 458,307	\$ 0	\$ 9,364	\$ 664,878
Reclassifications and Adjustments Increasing (Decreasing) Fund Balances:							
Overstatement (Understatement) of Cash in County Treasury	(6,623)						6,699
Overstatement of Cash in Banks	(76)						
Understatement of Due From Other Funds					7,957		
Understatement of Due to Other Funds	(7,957)						
Overstatement of LCFF Revenue	(95,467)						
Understatement of Local Revenue	41,941						
Understatement of Interest Income							103,679
Understatement of Contract Services Expenses							(9,315)
Understatement of Capital Outlay Expenses				(309,676)		(8,343)	
Understatement of Transfers In	17,829						
Understatement of Transfers Out	(205,695)						
Reclassifications of Fund Balances	<u>1,152,206</u>	<u>(628,710)</u>	<u>(523,496)</u>				
Net Reclassifications and Adjustments Increasing (Decreasing) Fund Balances	<u>896,158</u>	<u>(628,710)</u>	<u>(523,496)</u>	<u>(309,676)</u>	<u>7,957</u>	<u>(8,343)</u>	<u>101,063</u>
June 30, 2021 Audited Financial Statements Fund Balances	<u>\$ 4,086,818</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 148,631</u>	<u>\$ 7,957</u>	<u>\$ 1,021</u>	<u>\$ 765,941</u>

The reclassification of fund balances above was required as a result of the definition of special revenue funds prescribed by GASB 54.

Auditor's Comments

The audited financial statements of all other funds were in agreement with the Annual Financial and Budget Report for the fiscal year ended June 30, 2021.

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND			
	(Budget) 2021-22	2020-21	2019-20	2018-19
Revenues and Other Financial Sources	\$ 8,391,514	\$ 8,384,736	\$ 8,100,199	\$ 8,004,551
Expenditures	8,118,496	7,215,288	7,598,171	7,384,149
Other Uses and Transfers Out	127,529	347,786	276,083	173,114
Total Outgo	8,246,025	7,563,074	7,874,254	7,557,263
Change in Fund Balance	145,489	821,662	225,945	447,288
Ending Fund Balance	\$ 4,232,307	\$ 4,086,818	\$ 3,265,156	\$ 3,039,211
Available Reserves	\$ 3,308,546	\$ 3,170,715	\$ 2,549,618	\$ 1,500,259
Reserve for Economic Uncertainties *	\$ 628,710	\$ 628,710	\$ 622,150	\$ 667,375
Available Reserves as a Percentage of Total Outgo	40.1%	41.9%	32.4%	19.9%
Average Daily Attendance at P-2	563	N/A	565	578
Total Long-Term Liabilities	\$ 10,993,021	\$ 11,087,518	\$ 10,240,131	\$ 12,393,551

* Reported balances are a component of available reserves.

The fund balance of the General Fund increased \$1,047,607 (34.5%) over the past two years. The fiscal year 2021-22 budget projects an increase of \$145,489. For a district this size, the state recommends available reserves of at least 4% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District produced operating surpluses in each of the past three fiscal years.

The District was not required to report average daily attendance (ADA) in fiscal year 2020-21. The District projects 563 ADA in fiscal year 2021-22.

Total long-term liabilities decreased \$1,306,033 over the past two years.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES

A. Combining Statements

Combining statements are presented for purposes of additional analysis, and are not a required part of the District's basic financial statements. These statements present more detailed information about the financial position and financial activities of the District's individual funds.

B. Schedule of Instructional Time

This schedule presents information on the total number of instructional days offered that meet the minimum school day length requirements in accordance with Education Code Sections 43501 and 43502(c) and whether the District complied with the instructional days per school year standards set forth in Education Code Section 46208.

C. Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rates

The District has elected to not use the 10 percent de minimis cost rate as allowed under the Uniform Guidance.

D. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported in the Annual Financial and Budget Report to the audited financial statements.

BIGGS UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES (CONCLUDED)

E. Schedule of Financial Trends and Analysis

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

OTHER INDEPENDENT AUDITOR'S REPORTS SECTION

STEPHEN ROATCH ACCOUNTANCY CORPORATION

Certified Public Accountants

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

Board of Trustees
Biggs Unified School District
Biggs, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Biggs Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2022 that included an unmodified opinion on the governmental activities, each major fund and the aggregate remaining fund information and an adverse opinion on the discretely presented component unit. The report on the financial statements included an adverse opinion on the discretely presented component unit because the financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

Internal Control Over Financial Reporting (Concluded)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses, as noted in **Findings 2021-001, 2021-002, and 2021-003**.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies, as noted in **Findings 2021-004 and 2021-005**.

Compliance and Other Matters

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

District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Stephen Roatch Accountancy Corporation

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

January 31, 2022

STEPHEN ROATCH ACCOUNTANCY CORPORATION

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Biggs Unified School District
Biggs, California

Report on Compliance for Each Major Federal Program

We have audited the Biggs Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Biggs Unified School District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Biggs Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the Biggs Unified School District's compliance.

Basis for Qualified Opinion on Coronavirus Relief Fund Program

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding CFDA 21.019 Coronavirus Relief Fund Program, as noted in **Finding 2021-006**, for allowable costs. Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

Qualified Opinion on Coronavirus Relief Fund Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Biggs Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Coronavirus Relief Fund Program for the year ended June 30, 2021.

The District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Biggs Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Stephen Roatch Accountancy Corporation

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

January 31, 2022

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Biggs Unified School District
Biggs, California

Report on State Compliance

We have audited Biggs Unified School District's compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* that could have a direct and material effect on each of the District's state programs identified on the following page for the fiscal year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's state programs based on our audit of the types of compliance requirements referred to above. 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 *2020-21 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting (Audit Guide)*, prescribed in the *California Code of Regulations*, Title 5, section 19810 and following. Those standards and the Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the District's state programs occurred. An audit includes examining, on a test basis, evidence about Biggs Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations. Our audit does not provide a legal determination of Biggs Unified School District's compliance with those requirements.

In connection with the audit referred to above, we selected and tested transactions and records to determine Biggs Unified School District's compliance with state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies:	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools:	
Independent Study-Course Based	Not Applicable
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Charter School Facility Grant Program	Not Applicable

Opinion on State Compliance

In our opinion, Biggs Unified School District complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *2020-21 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* and which are described in the accompanying Schedule of Findings and Questioned Costs, as noted in **Findings 2021-007** and **2021-008**. Our opinion on state compliance on the programs previously identified is not modified with respect to this matter.

District's Responses to Findings

The District's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2020-21 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Stephen Roatch Accountancy Corporation

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

January 31, 2022

FINDINGS AND QUESTIONED COSTS SECTION

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified with Adverse Opinion on
Discretely Presented Component Unit

Internal control over financial reporting:

Material weaknesses identified?	<u> X </u>	Yes	<u> </u>	No
Significant deficiencies identified not considered to be material weaknesses?	<u> X </u>	Yes	<u> </u>	None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u>	Yes	<u> X </u>	None reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	<u> </u>	Yes	<u> X </u>	No
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Identification of major programs:

<u>CFDA Numbers</u>	<u>Federal Program</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

	<u> </u>	Yes	<u> X </u>	No
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State Awards

Any audit findings required to be reported in accordance with the *2020-21 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting*?

	<u> X </u>	Yes	<u> </u>	No
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Type of auditor's report issued on compliance for state programs: Unmodified

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

2021 - 001 / 30000

MATERIAL WEAKNESS

FINANCIAL REPORTING - UNAUDITED ACTUALS

<u>Criteria:</u>	Each year, districts are responsible for preparing complete and accurate financial information, which is reported to the California Department of Education in the form of the "Unaudited Actuals" Financial Report. In addition, each year the governing board certifies that the report was prepared in accordance with Education Code Section 41010, and approves the report as the official submission of financial information that will be used as the basis for the district's annual financial statements. Accordingly, districts should have an effective system of internal control over financial reporting that will ensure that the information contained in the report is free of material misstatement.
<u>Condition:</u>	The District's "Unaudited Actuals" included misstatements that we consider to be material to their annual financial statements. Accordingly, it appears that internal control over financial reporting was inadequate in the areas where audit adjustments were required.
<u>Questioned Costs:</u>	None.
<u>Context:</u>	The adjustments that were made to ensure that the financial statements were fairly stated are presented on page 72 of this report.
<u>Effect:</u>	When an effective system of internal control over financial reporting is not in place, there is a reasonable possibility that material misstatements of the District's financial statements will not be prevented, or detected and corrected on a timely basis.
<u>Cause:</u>	The District did not have effective procedures in place to ensure that the "Unaudited Actuals" were free of material misstatements.
<u>Recommendation:</u>	The District should develop a more comprehensive financial reporting checklist, to be used by staff during the year-end closing process, to prevent misstatements from occurring in the future.
<u>District Response:</u>	The district has developed a more comprehensive financial reporting checklist to be used by staff during the year-end closing process to prevent misstatements in the future.

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021 - 002 / 30000

MATERIAL WEAKNESS

AUDIT ADJUSTMENTS

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

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

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

Context: Adjusting journal entries for the 2019-20 fiscal year.

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

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

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

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

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021 - 003 / 30000

MATERIAL WEAKNESS

FOUNDATION FUND - CASH IN BANK / CERTIFICATE OF DEPOSITS (CD) / INVESTMENTS

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

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

Questioned Costs: None. These are administrative comments only.

Context: The condition existed throughout the 2020-21 fiscal year.

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

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

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

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

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021 - 004 / 30000

SIGNIFICANT DEFICIENCY

PAYROLL - TIMESHEETS

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

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

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

Context: The condition was noted in 1 of 4 employee timesheet payroll transactions tested. Additional unsigned timesheets were noted per scan of monthly timesheets.

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

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

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

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

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021 - 005 / 30000

SIGNIFICANT DEFICIENCY

STUDENT BODY

Criteria:

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

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

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

Conditions:

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

Questioned Cost:

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

Context:

These conditions were noted throughout fiscal year 2020-21.

Effect:

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

Cause:

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

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (CONCLUDED)

STUDENT BODY (CONCLUDED)

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

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

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021 - 006 / 50000

U.S. Department of the Treasury - Passed through California Department of Education

Coronavirus Relief Fund CFDA 21.019 2020-21

FEDERAL CERTIFICATIONS

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

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

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

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

Context: Semi-annual certifications were not prepared by any employee whose salary was charged to the Coronavirus Relief Fund program during fiscal year 2020-21.

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

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

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONCLUDED)

FEDERAL CERTIFICATIONS (CONCLUDED)

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

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

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2021 - 007 / 10000

CLASSROOM ATTENDANCE REPORTS

<u>Criteria:</u>	In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.
<u>Condition:</u>	Classroom attendance reports, which are used by teachers to document the attendance of students, were not signed by teachers and submitted to the attendance office, on a consistent basis.
<u>Questioned Costs:</u>	None. Attendance is recorded on-line in the classrooms by the teachers.
<u>Context:</u>	The conditions were noted throughout fiscal year 2020-21 at Richvale and Biggs elementary schools.
<u>Effect:</u>	There is no documented evidence that attendance was taken by teachers if signed weekly classroom attendance reports are not submitted to the school secretary.
<u>Cause:</u>	Teachers and the school secretary did not follow District established attendance procedures.
<u>Recommendation:</u>	The District should remind the school of the established policies and procedures that require the school secretary to track whether teachers submit signed weekly classroom attendance reports, perform follow-up procedures on delinquent teachers, and report those delinquent teachers to site administrators.
<u>District Response:</u>	The district will remind the school of the established policies and procedures that require the school secretary to track whether teachers submit signed weekly classroom attendance reports, perform follow up procedures on delinquent teachers, and report those delinquent teachers to site administrators.

BIGGS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONCLUDED)

2021 - 008 / 10000

ATTENDANCE ABSENCES

<u>Criteria:</u>	In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.
<u>Condition:</u>	Attendance recorded on the weekly classroom attendance reports did not agree to the attendance recorded in the computerized attendance system.
<u>Questioned Costs:</u>	None. The condition appears to be limited to one teacher for 6 days in one school month.
<u>Context:</u>	The condition was noted at Biggs Elementary School.
<u>Effect:</u>	The District did not comply with the requirements of Education Code Section 46000.
<u>Cause:</u>	Site personnel did not follow District procedures to ensure that attendance recorded in the computerized system agrees to signed weekly classroom attendance reports.
<u>Recommendation:</u>	The District should emphasize the importance of reporting accurate attendance information to school personnel and continue to provide in-service training on proper attendance procedures.
<u>District Response:</u>	The school site will be reminded of the importance of reporting accurate attendance information to school personnel and continue to provide in-service training on proper attendance procedures.

BIGGS UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Fully Implemented</u>
<u>FINANCIAL STATEMENTS</u>		
2020 - 001 / 30000		
<u>FINANCIAL REPORTING</u>		
The SACS financial reports approved by the Governing Board and subsequently submitted to the Butte County Office of Education should agree to the balances per the general ledger. No entries should be made to the District's general ledger after the SACS financial reports are approved by the Governing Board.	Implemented	
2020 - 002 / 30000		
<u>CASH IN COUNTY</u>		
The SACS financial reports approved by the Governing Board and subsequently submitted to the Butte County Office of Education should agree to the balances per the general ledger. No entries should be made to the District's general ledger after the SACS financial reports are approved by the Governing Board. The Butte County Office of Education should be informed of any changes to the cash balances so they can prepare updated reconciliations.	Implemented	
2020 - 003 / 30000		
<u>PAYROLL CLEARING ACCOUNTS</u>		
The District should establish appropriate procedures to ensure that payroll related clearing accounts are reconciled on a monthly basis and that the reconciliations are retained for audit purposes. Errors detected during the reconciliation process, should be investigated and resolved in a timely manner to ensure that the related liability and expenditure balances are properly reported.	Implemented	

BIGGS UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Fully Implemented</u>
<u>FINANCIAL STATEMENTS (CONTINUED)</u>		
2020 - 004 / 30000		
<u>FINANCIAL REPORTING - UNAUDITED ACTUALS</u>		
The District should develop a more comprehensive financial reporting checklist, to be used by staff during the year-end closing process, to prevent misstatements from occurring in the future.	Not Implemented	Comment Repeated (See 2021 - 001)
2020 - 005 / 30000		
<u>CAFETERIA REVOLVING FUND</u>		
The District should establish procedures that require the check register balance of the revolving account to be reconciled to the bank statement balance on a monthly basis.	Implemented	
2020 - 006 / 30000		
<u>CASH DISBURSEMENTS</u>		
All payments should be supported by original invoices or receipts. Payment should not be processed or issued without proper supporting documentation.	Implemented	
2020 - 007 / 30000		
<u>CASH RECEIPTS</u>		
Copies of remittances, checks, and school fee certification forms should be retained as support for all deposit items.	Implemented	

BIGGS UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Fully Implemented</u>
<u>FINANCIAL STATEMENTS</u> <u>(CONCLUDED)</u>		
2020 - 008 / 10000		
<u>STUDENT BODY - CASH DISBURSEMENTS</u>		
The District should establish appropriate procedures to ensure that student body funds are only used to pay for allowable goods or services that promote the general welfare, morale, and educational experience of the student body, in accordance with the guidelines contained within the Associated Student Body Accounting Manual, Fraud Prevention Guide.	Partially Implemented	Comment Repeated (See 2021 - 005)
<u>STATE AWARDS</u>		
2020 - 009 / 10000		
<u>ATTENDANCE</u>		
The District should establish attendance accounting procedures to ensure that attendance codes are reviewed to ensure apportionment is credited in accordance with state regulations. In addition, the District should revise the P-2 and Annual attendance reports to reflect the audited numbers.	Implemented	
2020 - 010 / 40000		
<u>UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS</u>		
The District should establish procedures to ensure that counts reported on the CALPADS "1.18 - FRPM/English Learner/Foster Youth - Student List" report are supported by appropriate documentation. In addition, the District should post the audit adjustments into the apportionment software as instructed in the audit report.	Implemented	

BIGGS UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Fully Implemented</u>
<u>STATE AWARDS (CONCLUDED)</u>		
2020 - 011 / 40000		
<u>COMPREHENSIVE SCHOOL SAFETY PLAN</u>		
The District should establish procedures to ensure that its comprehensive school safety plan is reviewed and updated by March 1 in accordance with Education Code Section 32286.	Implemented	
2020 - 012 / 40000		
<u>CALIFORNIA CLEAN ENERGY JOBS ACT</u>		
The District should contact the California Department of Education to determine if any unspent Proposition 39 program funds need to be returned.	Implemented	

Biggs Unified School District

300 B STREET, BIGGS, CALIFORNIA 95917
(530)868-1281

Doug Kaelin
Superintendent

January 31, 2022

Federal Audit Clearinghouse

RE: 2020-2021 Audit Findings Resolution

Dear Federal Audit Clearinghouse,

Below is the district response to audit finding 2021-06/50000 Coronavirus Relief Fund

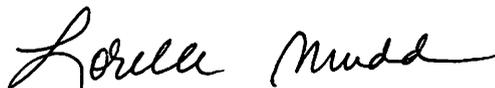
Contact responsible for corrective action: Lorelle Mudd

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

Anticipated completion date: March 31, 2022

Please let us know if there is further information you would like regarding our efforts to address these findings.

Sincerely,



Lorelle Mudd
Chief Business Official