

**McKinleyville Community Services District**

**Management Report**

**June 30, 2024**



**C.J. Brown & Company CPAs**  
An Accountancy Corporation

**McKinleyville Community Services District**

**Management Report**

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# C.J. Brown & Company CPAs

## An Accountancy Corporation

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Board of Directors  
McKinleyville Community Services District  
McKinleyville, California

### **Dear Members of the Board:**

In planning and performing our audit of the basic financial statements of the McKinleyville Community Services District (District) as of and for the year ended June 30, 2024, 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, we considered 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control over financial reporting.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

### **Current Year Comment and Recommendation**

#### ***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all.

**Current Year Comment and Recommendation, continued**

***Management's Response***

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance as of June 30, 2024.

**Prior Year Comments and Recommendations**

***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all.

***Management's Response***

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance as of June 30, 2023.

\* \* \* \* \*

The purpose of this communication, which is an integral part of our audit, is to describe, for management and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
March 18, 2025

**APPENDIX**

**McKinleyville Community Services District**

**Audit/Finance Committee Letter**

**June 30, 2024**



# C.J. Brown & Company CPAs

## An Accountancy Corporation

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Board of Directors  
McKinleyville Community Services District  
McKinleyville, California

We have audited the financial statements of the McKinleyville Community Services District (District) as of and for the year ended June 30, 2024, and have issued our report thereon dated March 18, 2025. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 30, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses, if any, and material noncompliance, and other matters noted during our audit in a separate letter to you dated March 18, 2025.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

### **Required Risk Assessment Procedures per Auditing Standards:**

As auditors of the District, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

### **Qualitative Aspects of the Entity’s Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

- Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management’s estimate of the net other post-employment benefit (OPEB) liability, OPEB expense, and deferred OPEB outflows/inflows which are based on an actuarial valuation that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary in calculating these amounts for the District to determine that they are reasonable in relation to the financial statements taken as a whole.
- Management’s estimate of the defined benefit pension plan’s net pension liability, pension expense, and deferred pension outflows/inflows which are based on an actuarial valuation which was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate these amounts for the District to determine that they are reasonable in relation to the financial statements taken as a whole.

## **Qualitative Aspects of the Entity's Significant Accounting Practices, continued**

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

- The disclosure of fair value of cash and investments in Note 2 to the basic financial statements which represents amounts susceptible to market fluctuations.
- The disclosure of capital assets, net in Note 4 to the basic financial statements which is based on historical information which could differ from actual useful lives of each capitalized item.
- The disclosure of the District's net OPEB liability in Note 7 to the basic financial statements which is based on actuarial assumptions which could differ from actual costs.
- The disclosure of the District's defined benefit pension plan in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

### **Identified or Suspected Fraud**

We have not identified or have not obtained information that indicates that fraud may have occurred.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. All misstatements, including material misstatements (if any), that we identified as a result of our audit procedures are included on the Schedule of Adjusting Journal Entries on pages 5 through 9. The journal entries were brought to the attention of, and corrected by, management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated March 18, 2025.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

We appreciate the cooperation extended to us by Patrick Kaspari, General Manager, and Samantha Howard, Finance Director, in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
March 18, 2025

**McKinleyville Community Services District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
CPE - To record IRS refund pertaining to MCSD Microgrid Project Notice of Completion dated 6/7/2024.			
551-10101-057	Sewer Inflation Reduction Receivable - IRS	1,776,720.00	
551-53000-000	Sewer Inflation Reduction Act Revenue		1,776,720.00
<b>Total</b>		<b><u>1,776,720.00</u></b>	<b><u>1,776,720.00</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
AJE - To record County interest receivable per review of County G/L reports at June 30, 2024. Interest was accrued based on the year end County Cash Balance \$1,647,103.83 x Rate of Return of 3.19% per County Treasurers Report at June 30, 2024.			
551-10301-000	ACCRUED INTEREST RECEIVABLE	10,782.89	
551-50001-000	INT. REVENUE		10,782.89
<b>Total</b>		<b><u>10,782.89</u></b>	<b><u>10,782.89</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
GASB 68 Entry #1 - To reclassify prior year year contribution to net pension liability at June 30, 2024.			
501-23210-000	Pension Liability	97,052.00	
551-23210-000	Pension Liability	117,059.00	
951-23210-000	Pension Liability	135,339.00	
501-15500-000	Pension Deferred Outflows		97,052.00
551-15500-000	Pension Deferred Outflows		117,059.00
951-15500-000	Pension Deferred Outflows		135,339.00
<b>Total</b>		<b><u>349,450.00</u></b>	<b><u>349,450.00</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
GASB 68 Entry #2 - To reclassify current year year contribution from expense to deferred outflows at June 30, 2024.			
501-15500-000	Pension Deferred Outflows	105,622.00	
551-15500-000	Pension Deferred Outflows	131,972.00	
951-15500-000	Pension Deferred Outflows	134,149.00	
501-61050-000	WATER PensionExp Act		105,622.00
551-61050-000	SEWER PensionExp Act		131,972.00
951-32101-000	FUND BALANCE - RESTRICTED		134,149.00
<b>Total</b>		<b><u>371,743.00</u></b>	<b><u>371,743.00</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
GASB 68 Entry #3 - To adjust net pension liability, deferred outflows, and deferred inflows at June 30, 2024.			
501-15500-000	Pension Deferred Outflows	2,156.00	
501-23500-000	Pension Deferred Inflows	28,847.00	
501-61050-000	WATER PensionExp Act	150,963.00	
551-15500-000	Pension Deferred Outflows	12,309.00	
551-23500-000	Pension Deferred Inflows	33,667.00	
551-61050-000	SEWER PensionExp Act	210,085.00	
951-23500-000	Pension Deferred Inflows	43,463.00	
951-32101-000	FUND BALANCE - RESTRICTED	130,087.00	
501-23210-000	Pension Liability		181,966.00
551-23210-000	Pension Liability		256,061.00
951-15500-000	Pension Deferred Outflows		24,892.00
951-23210-000	Pension Liability		148,658.00
001-10001-000	CHANGE FUND		
<b>Total</b>		<b><u>611,577.00</u></b>	<b><u>611,577.00</u></b>

McKinleyville Community Services District  
 Schedule of Audit Adjusting Journal Entries  
 June 30, 2024

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 6</b>			
AJE- To record contributed construction of the Washington Terrace Subdivision System conveyed to the district in April 2024.			
501-12210-000	TRANS. & DISTRIBUTION LINES	100,073.53	
551-12210-000	TRANS. & DISTRIBUTION LINES	103,509.47	
901-12401-000	STREET LIGHTS	13,500.00	
501-51011-000	CONTRIB.CONSTR.		100,073.53
551-51011-000	CONTRIB.CONSTR.		103,509.47
901-51011-000	CONTRIB.CONSTR.		13,500.00
<b>Total</b>		<b>217,083.00</b>	<b>217,083.00</b>

<b>Adjusting Journal Entries JE # 7</b>			
AJE - To remove District adjustment to OPEB liability account made prior to the audit at June 30, 2024. These accounts are adjusted based on the actuarial valuation report plus any CERBT contributions multiplied by the allocation.			
501-23200-000	OPEB LIABILITY - RETIREE MED	21,931.38	
551-23200-000	OPEB LIABILITY - RETIREE MED	16,948.90	
951-23200-000	OPEB LIABILITY - RETIREE MED	24,674.72	
501-61060-000	WATER OPEBexActuarial		21,931.38
551-61060-000	SEWER OPEBexActuarial		16,948.90
951-32101-000	FUND BALANCE - RESTRICTED		24,674.72
<b>Total</b>		<b>63,555.00</b>	<b>63,555.00</b>

<b>Adjusting Journal Entries JE # 8</b>			
GASB 75 Entry #1 - To adjust net OPEB liability, deferred outflows, deferred inflows at June 30, 2024.			
501-23200-000	OPEB LIABILITY - RETIREE MED	189,824.00	
501-23510-000	OPEB Deferred Inflows	254,377.00	
501-61060-000	WATER OPEBexActuarial	37,557.00	
551-23200-000	OPEB LIABILITY - RETIREE MED	185,841.00	
551-23510-000	OPEB Deferred Inflows	253,527.00	
551-61060-000	SEWER OPEBexActuarial	136,015.00	
951-23200-000	OPEB LIABILITY - RETIREE MED	388,579.00	
951-23510-000	OPEB Deferred Inflows	507,826.00	
501-15550-000	OPEB Deferred Outflows		481,758.00
551-15550-000	OPEB Deferred Outflows		575,383.00
951-15550-000	OPEB Deferred Outflows		688,165.00
951-32101-000	FUND BALANCE - RESTRICTED		208,240.00
<b>Total</b>		<b>1,953,546.00</b>	<b>1,953,546.00</b>

<b>Adjusting Journal Entries JE # 9</b>			
AJE - To adjust beginning equity differences noted in Fund 001 and Fund 004 at June 30, 2024.			
001-33001-000	PRIOR PERIOD ADJUSTMENT	870.49	
004-62295-000	MEASURE B ASSMT OTHER	5,203.99	
001-52000-000	OTHER INCOME		870.49
004-33001-000	PRIOR PERIOD ADJUSTMENT		5,203.99
<b>Total</b>		<b>6,074.48</b>	<b>6,074.48</b>

McKinleyville Community Services District  
 Schedule of Audit Adjusting Journal Entries  
 June 30, 2024

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 10</b>			
AJE - To clear erroneous balances in funds 951 and 999 at June 30, 2024.			
951-10099-000	FUND CASH BALANCE	0.02	
999-10011-000	CASH IN BANK - CHECKING	0.02	
999-32001-000	FUND BALANCE - UNRES. UNDESIG.	210.00	
999-62195-000	CWS BAD CK EXP	605.00	
951-32101-000	FUND BALANCE - RESTRICTED		0.02
999-10011-000	CASH IN BANK - CHECKING		650.00
999-10099-000	FUND CASH BALANCE		0.02
999-10101-000	ACCOUNTS RECEIVABLE/UTILITY		95.00
999-62196-000	WEB BAD CK INC		70.00
<b>Total</b>		<b>815.04</b>	<b>815.04</b>
<b>Adjusting Journal Entries JE # 11</b>			
CPE - To record McKinleyville Community Forest 14001-465 (Fund 901) at June 30, 2024.			
901-14001-465	McKinleyville Community Forest	16,036.30	
901-30010-000	INVESTMENT IN FIXED ASSETS		16,036.30
<b>Total</b>		<b>16,036.30</b>	<b>16,036.30</b>
<b>Adjusting Journal Entries JE # 12</b>			
CPE - To record McKinleyville Community Forest land contribution acquired January 2024.			
901-12101-000	LAND	3,877,928.00	
901-30010-000	INVESTMENT IN FIXED ASSETS		3,877,928.00
<b>Total</b>		<b>3,877,928.00</b>	<b>3,877,928.00</b>
<b>Adjusting Journal Entries JE # 13</b>			
CPE - To record deferred interest on Microgrid Loan at June 30, 2024.			
551-64001-000	INT. EXPENSE	44,254.95	
551-22050-000	SRF Microgrid Loan		44,254.95
<b>Total</b>		<b>44,254.95</b>	<b>44,254.95</b>
<b>Adjusting Journal Entries JE # 14</b>			
CPE - To record Microgrid Loan accrued interest on at June 30, 2024.			
551-64001-000	INT. EXPENSE	14,939.10	
551-21005-000	ACCRUED INTEREST		14,939.10
<b>Total</b>		<b>14,939.10</b>	<b>14,939.10</b>
<b>Adjusting Journal Entries JE # 15</b>			
AJE - To adjust CPE #12 for contributions from Green Diamond Resources Company and The Trust for Public Land which should be part of the land contribution recorded in AJE#12.			
001-64000-000	EXPEND-C. ASSET	857,072.00	
001-64000-000	EXPEND-C. ASSET	59,500.00	
901-12101-000	LAND	857,072.00	
901-12101-000	LAND	59,500.00	
001-51011-000	GENERAL (PARKS) CONTRIB.CONSTR.		857,073.00
001-51011-000	GENERAL (PARKS) CONTRIB.CONSTR.		59,499.00
901-30010-000	INVESTMENT IN FIXED ASSETS		857,072.00
901-30010-000	INVESTMENT IN FIXED ASSETS		59,500.00
<b>Total</b>		<b>1,833,144.00</b>	<b>1,833,144.00</b>
<b>Adjusting Journal Entries JE # 16</b>			
AJE - To record McKinleyville Community Forest land contribution acquired January 2024 for General Fund.			
001-64000-000	EXPEND-C. ASSET	3,877,928.00	
001-51011-000	GENERAL (PARKS) CONTRIB.CONSTR.		3,877,928.00
<b>Total</b>		<b>3,877,928.00</b>	<b>3,877,928.00</b>

McKinleyville Community Services District  
 Schedule of Audit Adjusting Journal Entries  
 June 30, 2024

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 17</b>			
PPA - To prior period adjust FY 2023 unbilled receivable which was calculated using the wrong UB register to base the calculation. Please also see AJE #18 for the reversal.			
501-10104-000	UNPROCESSED UTILITY BILLS	309,621.33	
501-32001-000	FUND BALANCE - UNRES. UNDESIG.	237,275.74	
501-10104-000	UNPROCESSED UTILITY BILLS		237,275.74
501-32001-000	FUND BALANCE - UNRES. UNDESIG.		309,621.33
<b>Total</b>		<b>546,897.07</b>	<b>546,897.07</b>
<b>Adjusting Journal Entries JE # 18</b>			
AJE - To reverse prior year unbilled receivable accrual difference recorded in PPA #17 from accounts receivable to revenue at June 30, 2024.			
501-10104-000	UNPROCESSED UTILITY BILLS	237,275.74	
501-40001-000	MTR. WATER SALE	309,621.33	
501-10104-000	UNPROCESSED UTILITY BILLS		309,621.33
501-40001-000	MTR. WATER SALE		237,275.74
<b>Total</b>		<b>546,897.07</b>	<b>546,897.07</b>
<b>Adjusting Journal Entries JE # 19</b>			
AJE - To reduce grants receivable for Microgrid grant for expenses double booked as noted during SEFA testing for June 30, 2024.			
551-55001-000	ALL OTHER FEDERAL GRANTS	49,910.00	
551-10107-57	SOLAR PROJECT RECEIVABLE		49,910.00
<b>Total</b>		<b>49,910.00</b>	<b>49,910.00</b>
<b>Adjusting Journal Entries JE # 20</b>			
PPA - To prior period adjust grant receivables accrual difference due to reconciliation performed during 2023 single audit (revenue and expense cut off - 2022 SEFA Reconciliation) at June 30, 2024.			
501-32001-000	FUND BALANCE - UNRES. UNDESIG.	26,013.65	
551-10107-000	GRANTS RECEIVABLE	728,599.53	
501-10107-000	GRANTS RECEIVABLE		26,013.65
551-32001-000	FUND BALANCE - UNRES. UNDESIG.		728,599.53
<b>Total</b>		<b>754,613.18</b>	<b>754,613.18</b>
<b>Adjusting Journal Entries JE # 21</b>			
PPA - To prior period adjust / reverse accrual difference correction recorded in PPA#20 for FY2022 in FY2023 at June 30, 2024.			
501-10107-000	GRANTS RECEIVABLE	26,013.65	
551-32001-000	FUND BALANCE - UNRES. UNDESIG.	728,599.53	
501-32001-000	FUND BALANCE - UNRES. UNDESIG.		26,013.65
551-10107-000	GRANTS RECEIVABLE		728,599.53
<b>Total</b>		<b>754,613.18</b>	<b>754,613.18</b>
<b>Adjusting Journal Entries JE # 22</b>			
PPA - To prior period adjust grant receivables accrual difference due to reconciliation performed during 2023 single audit (revenue and expense cut off - 2023 SEFA Reconciliation) at June 30, 2024.			
501-32001-000	FUND BALANCE - UNRES. UNDESIG.	27,370.58	
551-10107-000	GRANTS RECEIVABLE	491,591.27	
501-10107-000	GRANTS RECEIVABLE		27,370.58
551-32001-000	FUND BALANCE - UNRES. UNDESIG.		491,591.27
<b>Total</b>		<b>518,961.85</b>	<b>518,961.85</b>

**McKinleyville Community Services District  
 Schedule of Audit Adjusting Journal Entries  
 June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 23</b>			
AJE - To prior period adjust / reverse accrual difference correction recorded in PPA#20 for FY2022 in FY2023 at June 30, 2024.			
501-10107-000	GRANTS RECEIVABLE	27,370.58	
551-55001-000	ALL OTHER FEDERAL GRANTS	491,591.27	
501-55000-000	WATER FEMA GRANTS		27,370.58
551-10107-000	GRANTS RECEIVABLE		491,591.27
<b>Total</b>		<b><u>518,961.85</u></b>	<b><u>518,961.85</u></b>
<b>Total Adjusting Journal Entries</b>		<b><u>18,716,430.96</u></b>	<b><u>18,716,430.96</u></b>
<b>Proposed Journal Entries</b>			
<b>Proposed Journal Entries JE # 100</b>			
PAJE - To record LAIF market value adjustment at June 30, 2024..			
551-50001-000	INT. REVENUE	541.56	
551-10030-071	Market Value LAIF		541.56
<b>Total</b>		<b><u>541.56</u></b>	<b><u>541.56</u></b>
<b>Proposed Journal Entries JE # 101</b>			
PAJE - To record CA Class market value adjustment at June 30, 2024.			
551-50001-000	INT. REVENUE	3,495.59	
551-10030-071	Market Value LAIF		3,495.59
<b>Total</b>		<b><u>3,495.59</u></b>	<b><u>3,495.59</u></b>
<b>Total Proposed Journal Entries</b>		<b><u>4,037.15</u></b>	<b><u>4,037.15</u></b>
<b>Total All Journal Entries</b>		<b><u>18,720,468.11</u></b>	<b><u>18,720,468.11</u></b>

**Legend:**

AJE	Audit Adjusting Journal Entry
PPA	Prior Period Audit / Restatement Adjusting Journal Entry
GASB 68	GASB 68 Adjusting Journal Entry (Pension)
GASB 75	GASB 75 Adjusting Journal Entry (OPEB)
CPE	Client Prepared Adjusting Journal Entry
PAJE	Proposed Adjusting Journal Entry - Not Posted