

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
COUNTY OF EL DORADO
PLACERVILLE, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

JUNE 30, 2022

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Gold Oak Union Elementary School District
Placerville, California

Report on the Audit of the Financial Statements

Opinions

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

In my 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 Gold Oak Union Elementary School District, as of June 30, 2022, 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.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Gold Oak Union Elementary School District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Emphasis of Matter

Change in Accounting Principles

As described in Note 13 to the financial statements, the Gold Oak Union Elementary School District adopted updated accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. My opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gold Oak Union Elementary School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gold Oak Union Elementary School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, budgetary comparison information on pages 58 and 59, and accounting by employer for pensions and postemployment benefits on pages 60 through 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gold Oak Union Elementary School District's basic financial statements. The other supplementary information listed in the table of contents, as required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations* Section 19810 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, other supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 2, 2022 on my consideration of the Gold Oak Union Elementary School District's internal control over financial reporting and on my 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 my 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 Gold Oak Union Elementary 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 Gold Oak Union Elementary School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Michelle M. Hanson". The signature is written in a cursive style with a large, stylized "M" and "H".

MICHELLE M. HANSON
Certified Public Accountant

December 2, 2022

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The discussion and analysis of Gold Oak Union Elementary School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on page 1, notes to the basic financial statements and the District's financial statements, as listed in the table of contents.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- General Fund revenues exceeded expenditures and other financing uses by \$414 thousand, ending the year with available reserves of \$996 thousand.
- The District implemented GASB Statement No. 87, Leases as required in 2021-2022. The effect of the change in these standards was an increase of \$6 thousand to capital assets and long-term debt on the Statement of Net Position and is described in more detail in Note 9.
- For 2021-2022 the State of California returned to its previous attendance policy, crediting school districts with the greater of their attendance in 2021-2022 (current year) or 2020-2021 (prior year). Assembly Bill 181 signed by the governor on June 30, 2022, added an adjustment to 2021-2022 ADA if the district's attendance yield in the 2019-2020 fiscal year is greater than the attendance yield in the 2021-2022 fiscal year. The District's P2 ADA decreased by 73 from 2019-2020 to 2021-2022.
- The District's portion of unfunded STRS and PERS pension liability, based on the most recent actuarial valuations, decreased \$2.4 million. The most significant contributing factor to this decrease was the difference between projected and actual earnings on plan investments in 2020-2021, but this will be amortized over the next five years as a reduction to deferred inflow of resources.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can understand the Gold Oak Union Elementary School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

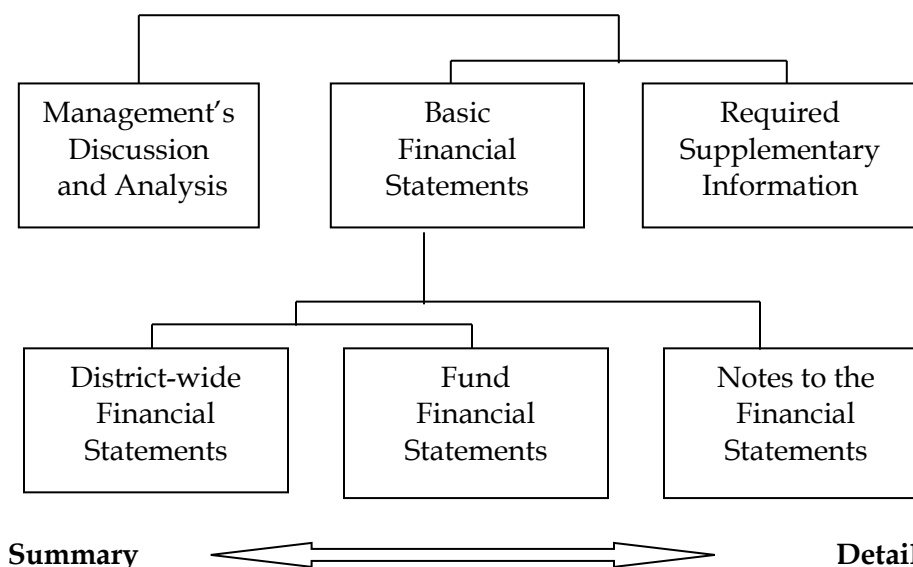
GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Components of the Financial Section



The first two statements are *district-wide financial statements*, the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's more significant funds with all other non-major funds presented in total in one column. A comparison of the District's General Fund and Cafeteria Fund budgets are included.

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2021-2022?"

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

Reporting the School District as a Whole (Concluded)

Statement of Net Position and the Statement of Activities (Concluded)

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many other non-financial factors, such as the quality of education provided and the safety of the schools to assess the overall health of the District.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

- ◆ **Governmental Funds**

All of the District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, the Cafeteria Fund, and the Capital Facilities Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which 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 that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The District's net position was a deficit \$1.2 million at June 30, 2022. Of this amount a deficit \$3.6 million was unrestricted. Net investments in capital assets, account for \$1.5 million of the total net position. A comparative analysis of government-wide data is presented in Table 1.

Comparative Statement of Net Position
Table 1

	Governmental Activities	
	2022	(Restated) 2021
ASSETS		
Cash	\$ 2,161,368	\$ 944,542
Receivables	293,437	1,061,324
Stores inventory	4,460	2,573
Prepaid expenditures	4,055	
Capital assets	3,475,841	3,716,256
Total assets	5,939,161	5,724,695
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on other postemployment benefits	65,908	17,065
Deferred outflows on pensions	1,202,008	1,383,455
Total deferred outflows of resources	1,267,916	1,400,520
LIABILITIES		
Accounts payable and other current liabilities	107,741	111,036
Unearned revenue	88,505	136,159
Unamortized bond premiums	157,200	171,491
Long-term liabilities	5,906,734	8,345,820
Total liabilities	6,260,180	8,764,506
DEFERRED INFLOWS OF RESOURCES		
Deferred outflows on other postemployment benefits	30,729	36,875
Deferred inflows on pensions	2,066,477	276,308
Total deferred inflows of resources	2,097,206	313,183
NET POSITION		
Net investment in capital assets	1,476,747	1,546,283
Restricted	1,004,726	733,802
Unrestricted (deficit)	(3,631,782)	(4,232,559)
Total net position (deficit)	\$ (1,150,309)	\$ (1,952,474)

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONTINUED)

The District's net position increased \$802 thousand this fiscal year (See Table 2). The District's expenses for instruction, instruction related services and pupil services represented 71% of total expenses. The purely administrative activities of the District accounted for just 9% of total costs. The remaining 20% was spent in the areas of plant services, depreciation, interest on long-term debt and other outgo. (See Figure 2).

**Comparative Statement of Change in Net Position
Table 2**

	Governmental Activities	
	2022	2021
REVENUES		
Program revenues	\$ 1,342,955	\$ 1,344,082
General revenues		
Taxes levied for general purposes	2,039,406	1,956,446
Taxes levied for debt service	263,098	239,914
Federal and State aid not restricted to specific purposes	2,460,728	2,317,271
Interest and investment earnings	5,360	3,621
Interagency revenues	70,999	48,836
Miscellaneous		178,878
Total revenues	<u>6,182,546</u>	<u>6,089,048</u>
EXPENSES		
Instruction	2,699,704	2,894,594
Instruction related services	436,031	506,014
Pupil support services	648,722	595,226
General administration	481,146	610,155
Plant services	616,491	573,765
Other	498,287	452,118
Total expenses	<u>5,380,381</u>	<u>5,631,872</u>
Increase in net position	<u>\$ 802,165</u>	<u>\$ 457,176</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

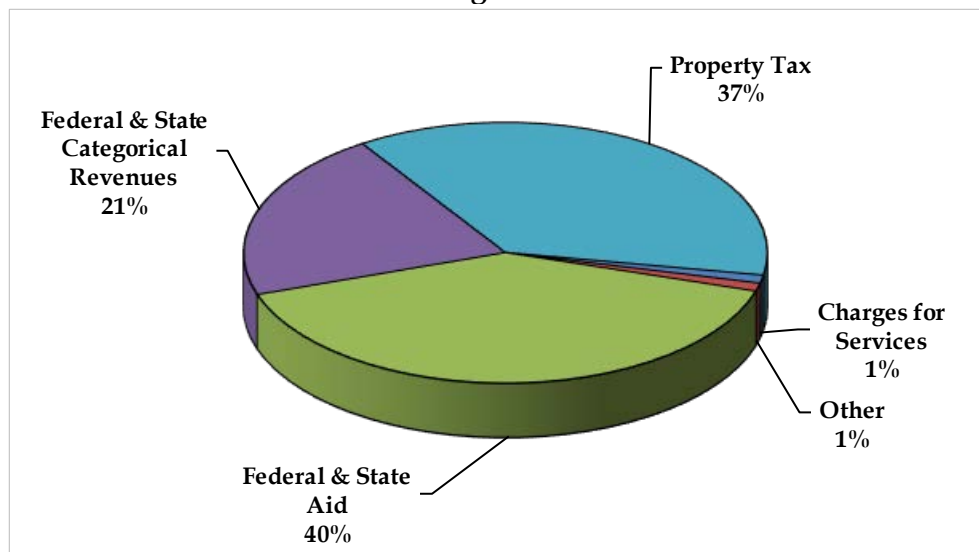
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONCLUDED)

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$5.4 million. The amount that local taxpayers financed for these activities through property taxes was \$2.3 million. Federal and State aid not restricted to specific purposes totaled \$2.5 million. State and Federal Categorical revenue totaled over \$1.3 million, 21% of the revenue of the entire District (See Figure 1).

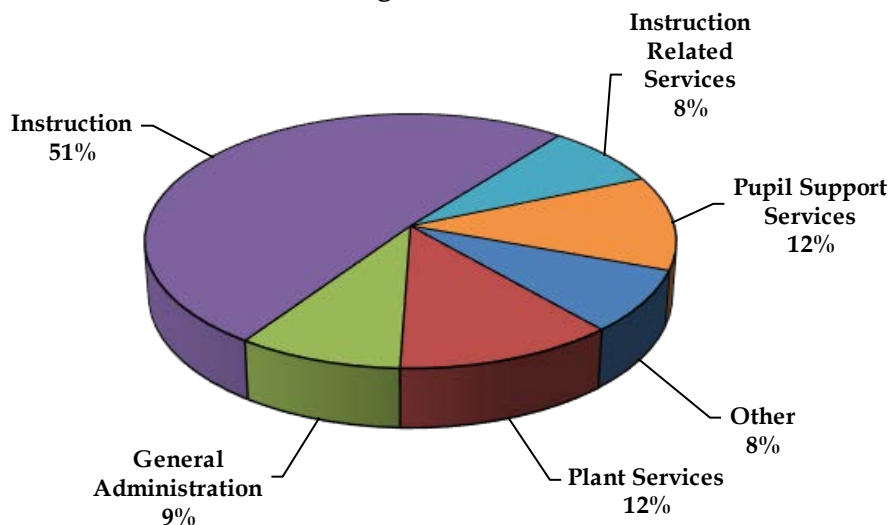
Sources of Revenue for the 2021-2022 Fiscal Year

Figure 1



Expenses for the Fiscal Year 2021-2022

Figure 2



GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The District's individual fund statements provide information on inflows and outflows and balances of spendable resources. The District's Governmental Funds reported a combined fund balance of \$2.3 million, an increase of \$505 thousand from the previous fiscal year. The General Fund increased by \$414 thousand.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget as necessary. The significant budget adjustments fell into the following categories:

- ◆ Budget revisions to the adopted budget required after approval of the State budget.
- ◆ Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- ◆ Adjustments required to reflect the mid-year State cuts in revenues.
- ◆ Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net increase to the ending balance of \$414 thousand.

The District ended the year with \$1.7 million in the General Fund ending balance, of which \$996 thousand is considered the reserve for economic uncertainties. The State recommends a minimum ending available reserve of 4% of total expenditures and other outgo. The District's available reserve for 2021-2022 was 18.0%.

CAPITAL ASSET AND DEBT ADMINISTRATION

The GASB Standard adopted during 2021-2022 has improved accounting and financial reporting by establishing a model for reporting operating leases as assets and liabilities under the principle that these arrangements are financings of the right to use an underlying (intangible) asset. The following Tables 3 and 4 reflect these changes which are also described further in Note 9 to the financial statements.

Capital Assets

By the end of the 2021-2022 fiscal year, the District had invested \$11.1 million in a broad range of capital assets, including school buildings, athletic facilities, administrative buildings, site improvements, vehicles, and equipment. The capital assets net of depreciation was \$3.5 million at June 30, 2022, which is a decrease of \$240 thousand from the previous year.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Concluded)

**Comparative Schedule of Capital Assets
(Net of depreciation)
June 30, 2022 and 2021
Table 3**

	2022	(Restated) 2021	Difference Increase (Decrease)
Land	\$ 227,850	\$ 227,850	\$ 0
Site Improvements	1,118,718	1,251,269	(132,551)
Buildings	2,060,605	2,147,818	(87,213)
Machinery and Equipment	68,174	82,900	(14,726)
Intangible, Right-To-Use Assets	494	6,419	(5,925)
Totals	<u>\$ 3,475,841</u>	<u>\$ 3,716,256</u>	<u>\$ (240,415)</u>

The District replaced a large HVAC unit for the gym at Pleasant Valley Middle School and installed a smaller wall unit in the server room also at Pleasant Valley Middle School. The District recognized depreciation expense of \$303 thousand in 2021-2022.

Long-Term Debt

At June 30, 2022, the District had \$5.9 million in long-term debt outstanding.

**Comparative Schedule of Outstanding Debt
June 30, 2022 and 2021
Table 4**

	2022	(Restated) 2021
General Obligation Bonds	\$ 1,998,593	\$ 2,067,551
Accreted Interest	719,009	743,105
Lease Liabilities	501	6,419
Other Post-employment Benefits	314,344	285,528
Net Pension Liability	2,866,350	5,238,158
Compensated Absences	7,937	5,059
Totals	<u>\$ 5,906,734</u>	<u>\$ 8,345,820</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (CONCLUDED)

Long-Term Debt (Concluded)

The general obligation bonds will be paid from the Bond Interest and Redemption Fund. All other liabilities are expected to be paid from the General Fund.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The large funding priorities in the Governor's 2022-2023 state budget include 6.56% LCFF COLA; additional 6.70% LCFF Investment; additional funding for expanded learning time for K-6 unduplicated students; Learning Recovery Emergency Block Grant; Arts, Music, and Instructional Materials Block grant; multiyear ramp up of universal transitional kindergarten; and the implementation of a universal meal program.

The 2022-2023 enacted budget includes policy changes that are intended to soften the impact of declining enrollment and attendance within each district. For the 2022-2023, year LEA's can mitigate the decline in attendance rates in the prior year by adjusting the attendance yield. School districts can also use an average of the prior three year's ADA if this is greater than the current or prior year ADA alone. For the 2022-2023 school year, we expect the three-year average ADA option to be the most advantageous. This will base our funding on 433 ADA, which is greater than the 2021-2022 ADA (410 with ADA cliff relief) and the expected 2022-2023 ADA (412 at first interim), but still lower than the 2019-2020 ADA (445) which had been the base for our funding for the 2019-2020 and 2020-2021 fiscal years.

When a district's enrollment starts to decline, it leads to lower revenues from sources such as LCFF that are based on enrollment and attendance. In addition, revenues fall more quickly than expenditures and long-term structural solutions are necessary to keep us from deficit spending. It is important for management to continue to closely monitor enrollment and attendance projections and adjust staffing and other expenditures accordingly. Once one-time revenues and savings are factored out, like many school districts, we continue to spend more than we receive. Transparent and robust conversations with the school district community regarding these economic impacts are critical in the development of contingency plans that address deficit spending.

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 about this report or need additional financial information, please contact, Shannon Daniel, Chief Business Official; Gold Oak Union Elementary School District; 3171 Pleasant Valley Road, Placerville, California, 95667.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash (Note 2)	\$ 2,161,368
Accounts Receivable (Note 3)	293,437
Stores Inventory (Note 1H)	4,460
Prepaid Expenses (Note 1H)	4,055
Capital Assets (Note 5)	
Nondepreciable Capital Assets	227,850
Depreciable Capital Assets, Net	3,247,497
Intangible Right to Use Leased Capital Assets, Net	494
Total Assets	<u>5,939,161</u>
DEFERRED OUTFLOWS OF RESOURCES (NOTE 1H)	
Deferred Outflows on Other Postemployment Benefits (Note 10)	65,908
Deferred Outflows on Pensions (Note 11)	1,202,008
Total Deferred Outflows of Resources	<u>1,267,916</u>
LIABILITIES	
Accounts Payable and Other Current Liabilities	107,741
Unearned Revenue (Note 1H)	88,505
Unamortized Bond Premiums (Note 6)	157,200
Long-term Liabilities (Note 7)	
Due Within One Year	213,438
Due After One Year	5,693,296
Total Liabilities	<u>6,260,180</u>
DEFERRED INFLOWS OF RESOURCES (NOTE 1H)	
Deferred Inflows on Other Postemployment Benefits (Note 10)	30,729
Deferred Inflows on Pensions (Note 11)	2,066,477
Total Deferred Inflows of Resources	<u>2,097,206</u>
NET POSITION	
Net Investment in Capital Assets	1,476,747
Restricted For:	
Capital Projects	266,243
Debt Service	239,792
Education Programs	485,059
Other Purposes (Expendable)	12,007
Other Purposes (Nonexpendable)	1,625
Unrestricted (Deficit)	<u>(3,631,782)</u>
Total Net Position (Deficit)	<u>\$ (1,150,309)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
<u>Governmental Activities</u>	<u>Expenses</u>			<u>Governmental Activities</u>
Instruction	\$ 2,699,704	\$ 396	\$ 623,254	\$ (2,076,054)
Instruction-Related Services:				
Supervision of Instruction	13,162		126,081	112,919
Instructional Library, Media and Technology	31,728		1,267	(30,461)
School Site Administration	391,141		33,099	(358,042)
Pupil Services:				
Home-To-School Transportation	177,943		5,038	(172,905)
Food Services	244,085	11,349	264,998	32,262
All Other Pupil Services	226,694		123,144	(103,550)
General Administration:				
Data Processing	4,915			(4,915)
All Other General Administration	476,231	611	51,741	(423,879)
Plant Services	616,491		27,329	(589,162)
Ancillary Services	13,420		2,201	(11,219)
Community Services	885	189	13	(683)
Interest on Long-Term Debt	143,971			(143,971)
Other Outgo	82,172	53,743	18,502	(9,927)
Depreciation (unallocated)*	257,839			(257,839)
Total Governmental Activities	<u>\$ 5,380,381</u>	<u>\$ 66,288</u>	<u>\$ 1,276,667</u>	<u>(4,037,426)</u>
General Revenues:				
Property Taxes Levied For:				
General Purposes				2,039,406
Debt Service				263,098
Federal and State Aid Not Restricted to Specific Purposes				2,460,728
Interest and Investment Earnings				5,360
Interagency Revenues				70,999
Total General Revenues				<u>4,839,591</u>
Change in Net Position				802,165
Net Position Beginning (Deficit)				<u>(1,952,474)</u>
Net Position Ending (Deficit)				<u>\$ (1,150,309)</u>

* This amount excludes depreciation that is included in the direct expenses of various programs.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Cafeteria Fund	Capital Facilities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash (Note 2)	\$ 1,622,958	\$ 1,000	\$ 266,243	\$ 277,514	\$ 2,167,715
Accounts Receivable (Note 3)	225,819	67,618			293,437
Due From Other Funds (Note 4)	65,072			9,282	74,354
Stores Inventory (Note 1H)		4,460			4,460
Prepaid Expenditures (Note 1H)	4,055				4,055
Total Assets	<u>\$ 1,917,904</u>	<u>\$ 73,078</u>	<u>\$ 266,243</u>	<u>\$ 286,796</u>	<u>\$ 2,544,021</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit Cash (Note 2)		\$ 6,347			\$ 6,347
Accounts Payable	\$ 84,035	1,143			85,178
Unearned Revenue (Note 1H)	84,167	4,338			88,505
Due to Other Funds (Note 4)	9,282	55,790		\$ 9,282	74,354
Total Liabilities	<u>177,484</u>	<u>67,618</u>		<u>9,282</u>	<u>254,384</u>
Fund Balances (Note 1H):					
Nonspendable	5,680	5,460			11,140
Restricted	485,059		\$ 266,243	246,339	997,641
Committed				31,175	31,175
Assigned	253,826				253,826
Unassigned	995,855				995,855
Total Fund Balances	<u>1,740,420</u>	<u>5,460</u>	<u>266,243</u>	<u>277,514</u>	<u>2,289,637</u>
Total Liabilities and Fund Balances	<u>\$ 1,917,904</u>	<u>\$ 73,078</u>	<u>\$ 266,243</u>	<u>\$ 286,796</u>	<u>\$ 2,544,021</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balance - governmental funds \$ 2,289,637

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

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

Capital assets, at historical cost	\$	11,110,106	
Accumulated depreciation		(7,634,759)	
Right to use leased assets		6,419	
Accumulated amortization		(5,925)	
Net			3,475,841

Unamortized bond premium: In governmental funds, if debt is issued at a premium, the premium is recognized as an Other Financing Source in the period it is incurred. In the government-wide financial statements, the premium is amortized as a reduction in annual interest expense over the life of the debt. Unamortized bond premium at the end of the period was: (157,200)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unamatured interest owing at the end of the period was: (22,563)

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

General obligation bonds	\$	1,998,593	
Accreted interest		719,009	
Lease Liabilities		501	
Other post-employment benefits		314,344	
Net pension liability		2,866,350	
Compensated absences		7,937	
Total			(5,906,734)

Deferred outflows and inflows of resources relating to pensions and other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported.

Deferred outflows of resources relating to OPEB	\$	65,908	
Deferred outflows of resources relating to pensions		1,202,008	
Deferred inflows of resources relating to OPEB		(30,729)	
Deferred inflows of resources relating to pensions		(2,066,477)	
Net			(829,290)

Total net position (deficit) - governmental activities \$ (1,150,309)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Cafeteria Fund	Capital Facilities Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local Control Funding					
Formula Sources					
State Apportionments	\$ 2,469,233			\$ 30,000	\$ 2,499,233
Local Sources	<u>1,907,252</u>				<u>1,907,252</u>
Total Local Control Funding					
Formula Sources	4,376,485			30,000	4,406,485
Federal Revenue	355,787	\$ 226,515			582,302
Other State Revenue	897,305	13,716			911,021
Other Local Revenue	<u>308,773</u>	<u>11,454</u>	<u>\$ 55,684</u>	<u>266,069</u>	<u>641,980</u>
Total Revenues	<u>5,938,350</u>	<u>251,685</u>	<u>55,684</u>	<u>296,069</u>	<u>6,541,788</u>
EXPENDITURES					
Certificated Salaries	2,122,904				2,122,904
Classified Salaries	992,098	91,660			1,083,758
Employee Benefits	1,491,009	39,691			1,530,700
Books and Supplies	157,900	110,322			268,222
Services and Other					
Operating Expenditures	621,827	5,855	1,640	8,590	637,912
Capital Outlay	53,056				53,056
Debt Service:					
Principal Retirement	5,918			68,958	74,876
Interest and Fiscal Charges	111			182,622	182,733
Other Outgo	<u>76,472</u>	<u>5,700</u>			<u>82,172</u>
Total Expenditures	<u>5,521,295</u>	<u>253,228</u>	<u>1,640</u>	<u>260,170</u>	<u>6,036,333</u>
Excess of Revenues Over (Under) Expenditures	<u>417,055</u>	<u>(1,543)</u>	<u>54,044</u>	<u>35,899</u>	<u>505,455</u>
Other Financing Sources (Uses):					
Operating Transfers In (Note 4)		3,430			3,430
Operating Transfers Out (Note 4)	<u>(3,430)</u>				<u>(3,430)</u>
Total Other Financing Sources (Uses)	<u>(3,430)</u>	<u>3,430</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	413,625	1,887	54,044	35,899	505,455
Fund Balances - July 01, 2021	<u>1,326,795</u>	<u>3,573</u>	<u>212,199</u>	<u>241,615</u>	<u>1,784,182</u>
Fund Balances - June 30, 2022	<u>\$ 1,740,420</u>	<u>\$ 5,460</u>	<u>\$ 266,243</u>	<u>\$ 277,514</u>	<u>\$ 2,289,637</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds	\$	505,455
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. Depreciation expense for the period was:

Expenditures for capital outlay	\$	62,338	
Depreciation expense		(296,828)	
Amortization expense		(5,925)	
Net		(240,415)	(240,415)

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

400,192

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

200,918

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

(101,571)

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

(2,878)

Postemployment benefits other than pensions (OPEB): In governmental funds, OPEB expenses are recognized when employer 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 contributions was:

26,173

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Amortization of debt issue premium: In governmental funds, if debt is issued at a premium, the premium is recognized as an Other Financing Source in the period it is incurred. In the government-wide statements, the premium is amortized as interest over the life of the debt.

Amortization of premium for the period is:

14,291

Total change in net position - governmental activities

\$ 802,165

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountant (AICPA).

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For Gold Oak Union Elementary School District, this includes general operations, food service, and student related activities of the District. The District has considered all potential component units in determining how to define the reporting entity, using criteria set forth in generally accepted accounting principles. The District determined that there are no potential component units that meet the criteria for inclusion within the reporting entity.

B. 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 nonfiduciary activities of the District.

The government-wide statements are prepared using the economic resources measurement focus, which 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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Concluded)

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.

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 and the modified accrual basis of accounting. With this measurement focus, only current asset 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.

C. 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.

Revenues - exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Concluded)

Revenues - exchange and non-exchange transactions (Concluded):

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.

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 unearned revenue.

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Expenditures incurred in the unrestricted resources shall be reduced first from the committed resources, then from assigned resources and lastly, the unassigned resources.

D. 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, 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. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The District reports the following major funds:

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Concluded)

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Cafeteria Fund is used to account separately for restricted federal, state, and local resources to operate the food service program.

Capital Facilities Fund is used to account for resources received from developer impact fees assessed under the provisions of the California Environmental Quality Act (CEQA). Expenditures are restricted to the purposes specified in Government Code Sections 65970-65981.

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles 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.

These budgets are revised by the District's Board of Trustees and District Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund as required supplementary information in the financial statements.

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.

F. Encumbrances

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

G. Estimates

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

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Deposits and Investments

Cash balances held in commercial bank accounts are insured to \$250,000 by the Federal Deposit Insurance Corporation.

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

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

Investments Valuation - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. However, the District's financial statements do not reflect the fair value of investments as the differences between total investment cost and fair value has been determined to be immaterial.

Deposits and Investment Risk Disclosures-In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
- Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

2. Stores Inventory and Prepaid Expenditures

Inventories are recorded using the consumption method, in that inventory acquisitions are initially recorded in inventory (asset) accounts and are charged as expenditures when used. Reported inventories are equally offset by nonspendable fund balance, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets. The District's stores inventory reported in the Cafeteria Fund is valued First-in-First-out (FIFO).

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures benefited.

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. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over an estimated useful life of 5-50 years depending on the asset class.

4. Right to Use Leased Assets

Right to use leased assets have been recorded as a result of implementing GASB Statement No. 87. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus, any ancillary charges necessary to place the lease into service. The lease liabilities are measured at the present value of payments expected to be made during the lease term (less any lease incentives.)

The District will recognize amortization expense related to the lease asset, representing the decrease in the useful life of the right to use the underlying asset over the lease term. Consistent with the foundation principle that a lease is a financing, the District will recognize interest expense related to the amortization of the discount on the lease liability.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes 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 statement of net position includes 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 then.

6. 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.

7. Other Postemployment Benefits (OPEB)

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

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

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

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

7. Other Postemployment Benefits (OPEB) (Concluded)

The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

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 positions of the California State Teachers Retirement Plan (STRP) and the CalPERS Schools Pool Cost-Sharing Multiple Employer Plan (PERF B) and additions to/deductions from STRP and PERF B fiduciary net positions have been determined on the same basis as they are reported separately by CalSTRS and CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

9. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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.

At retirement, each classified member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

10. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

11. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position".

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

12. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

13. Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned, based primarily on the extent to which the District is bound to honor constraints on how specific amounts are to be spent:

Nonspendable Fund Balance - Includes the portions of fund balance that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained by the District.

Restricted Fund Balance - Includes amounts subject to externally imposed and legally enforceable constraints.

Committed Fund Balance - Includes amounts subject to District constraints self-imposed by formal action of the District Governing Board.

Assigned Fund Balance - Includes amounts the District intends to use for a specific purpose. Assignments may be established by the District Governing Board, or the Superintendent of the District with the recommendation of the Chief Business Official and confirmed by the Governing Board.

Unassigned Fund Balance - Includes the residual balance that has not been assigned to other funds and is not restricted, committed, or assigned to specific purposes.

Fund Balances

The District's fund balances at June 30, 2022 consisted of the following:

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

13. Fund Equity (Continued)

Fund Balances (Concluded)

	General Fund	Cafeteria Fund	Capital Facilities Fund	Other Governmental Funds	Total
Nonspendable:					
Revolving Fund	\$ 1,625	\$ 1,000			\$ 2,625
Stores Inventory		4,460			4,460
Prepaid Expenditures	4,055				4,055
Total Nonspendable Fund Balance	<u>5,680</u>	<u>5,460</u>			<u>11,140</u>
Restricted For:					
Legally Restricted Categorical Funding	485,059				485,059
Debt Service				\$ 239,792	239,792
Purposes Specified in Government Code Sections 65970-65981			\$ 266,243		266,243
Student Activities				6,547	6,547
Total Restricted Fund Balance	<u>485,059</u>	<u>0</u>	<u>266,243</u>	<u>246,339</u>	<u>997,641</u>
Committed For:					
Future Maintenance Projects	0	0	0	31,175	31,175
Assigned For:					
Compensated Absences	7,937				7,937
Transportation	33,280				33,280
Site Carryover	5,834				5,834
Program Carryover	35,172				35,172
Technology Reserve	58,015				58,015
Playground Structure	13,588				13,588
Instructional Materials Reserve	100,000				100,000
Total Assigned Fund Balance	<u>253,826</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>253,826</u>
Unassigned:					
Reserve for Economic Uncertainties	995,855	0	0	0	995,855
Total Fund Balances	<u>\$ 1,740,420</u>	<u>\$ 5,460</u>	<u>\$ 266,243</u>	<u>\$ 277,514</u>	<u>\$ 2,289,637</u>

Fund Balance Policy

The District believes that sound financial management principles require sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain unrestricted fund balance in its General Fund sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

13. Fund Equity (Concluded)

Fund Balance Policy (Concluded)

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District has adopted a policy to achieve and maintain a minimum assigned and unassigned fund balance in the General Fund of 17% of total General Fund expenditures, other uses and transfers out at the close of each fiscal year to maintain fiscal solvency and stability and to protect the District against unforeseen circumstances.

Additional detailed information, along with the complete *Fund Balance Policy* can be obtained from the District.

14. Local Control Funding Formula/Property Tax

The District's local control funding formula revenue is received from a combination of local property taxes, state apportionments, and other local sources.

The county is responsible for assessing, collecting, and apportioning property taxes. 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 alternate 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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Concluded)

14. Local Control Funding Formula/Property Tax (Concluded)

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 control funding formula sources by the District.

The California Department of Education reduces the District's entitlement by the District local property tax revenue. The balance is paid from the state General Fund and is known as the State Apportionment.

The District's Local Control Funding Formula Revenue is the amount of general-purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the second period ADA to derive the District's total entitlement.

I. Impact of Recently Issued Accounting Pronouncements

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

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* in March, 2020. This standard's primary objectives are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and to provide guidance for accounting and financial reporting for availability payment arrangements (APAs). This statement is effective beginning in 2022-2023. The District does not expect this Statement to have an impact on its financial statements.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

I. Impact of Recently Issued Accounting Pronouncements (Concluded)

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May, 2020. This standard's primary objectives are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides a capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This statement is effective beginning in 2022-2023, with early implementation encouraged. The District expects this statement to have a similar effect on its financial statements as GASB Statement No. 87 has had in 2021-2022.

NOTE 2 - CASH

A. Summary of Cash

The District had the following cash at June 30, 2022:

	Fair Value	Carrying Amount	Credit Quality Rating
Cash in Commercial Banks	\$ 6,048	\$ 6,048	Not Rated
Cash in Revolving Fund	2,625	2,625	Not Rated
Cash in County Treasury (net of \$6,347 deficit cash)	2,083,821	2,152,695	Not Rated
Total Cash	<u>\$ 2,092,494</u>	<u>\$ 2,161,368</u>	

B. Policies and Practices

The District is authorized by State statutes and in accordance with the District's Investment Policy (Policy) to invest in the following:

- Securities issued or guaranteed by the Federal Government or its agencies
- State Local Agency Investment Fund (LAIF)
- Insured and/or collateralized certificates of deposit

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH (CONTINUED)

B. Policies and Practices (Concluded)

The Policy, in addition to State statutes, establishes that funds on deposit in banks must be federally insured or collateralized and investments shall (1) have maximum maturity not to exceed five years, (2) be ladderized and based on cash flow forecasts; and (3) be subject to limitations to a certain percent of the portfolio for each of the authorized investments. The District's investments comply with the established policy.

Cash in Banks and in Revolving Fund

Cash balances held in commercial bank accounts are insured to \$250,000 by the Federal Deposit Insurance Corporation. These amounts are held within various financial institutions. As of June 30, 2022, the carrying amount of the District's accounts was \$8,673 all of which was insured.

Cash in County Treasury

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash with the County Treasury as an involuntary participant of a common investment pool, which totaled \$823,362,829. The fair market value of this pool as of that date, as provided by the pool sponsor, was \$797,019,923. Interest is deposited into participating funds. The balance available for withdrawal is based on the accounting records maintained by the county treasurer, which is recorded on the amortized cost basis.

The District ended the year with a negative cash balance in the Cafeteria Fund of \$6,347. Under policies set by the El Dorado County Treasurer's Office, the District is allowed to carry a negative cash balance in the fund as long as the combined District cash is positive. The District is charged interest on the negative balance by the El Dorado County Treasurer.

C. Risk Disclosures

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures.

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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH (CONCLUDED)

C. Risk Disclosures (Concluded)

The District manages its exposure to interest rate risk by investing in the County Pool and having the pool purchase a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2022 the District had the following investment maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less than 1</u>	<u>1 to 4</u>	<u>More than 4</u>
County Treasury	<u>\$ 2,083,821</u>	<u>\$ 682,035</u>	<u>\$ 1,205,582</u>	<u>\$ 196,204</u>

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

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Foreign Currency Risk - This is the risk that exchange rate will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 - ACCOUNTS RECEIVABLE

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

	<u>General Fund</u>	<u>Cafeteria Fund</u>	<u>Total</u>
Federal Government			
Categorical Aid Programs	\$ 180,262	\$ 63,460	\$ 243,722
State Government			
Categorical Aid Programs	31,668	3,954	35,622
Lottery	8,559		8,559
Total State Government	40,227	3,954	44,181
Local Government	5,330		5,330
Miscellaneous		204	204
Total Accounts Receivable	<u>\$ 225,819</u>	<u>\$ 67,618</u>	<u>\$ 293,437</u>

NOTE 4 - INTERFUND TRANSACTIONS

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/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transactions among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Receivables/Payables (Due From/Due To)

Individual fund interfund receivable and payable balances at June 30, 2022 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General Fund	\$ 65,072	\$ 9,282
Cafeteria Fund		55,790
Non-Major Governmental Funds:		
Deferred Maintenance Fund	9,282	9,282
Total	<u>\$ 74,354</u>	<u>\$ 74,354</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 - INTERFUND TRANSACTIONS (CONCLUDED)

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 the 2021-2022 fiscal year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund		\$ 3,430
Cafeteria Fund	\$ 3,430	
Total	<u>\$ 3,430</u>	<u>\$ 3,430</u>

Transfer \$3,430 from the General Fund to the Cafeteria Fund to supplement program operations and provide positive cash flow.

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2022, is shown below:

	(Restated) Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 227,850	\$ 0	\$ 0	\$ 227,850
Capital assets being depreciated:				
Buildings	6,705,585			6,705,585
Improvements of sites	3,075,294	62,338		3,137,632
Equipment	1,039,039			1,039,039
Total capital assets, being depreciated	<u>10,819,918</u>	<u>62,338</u>	<u>0</u>	<u>10,882,256</u>
Less accumulated depreciation for:				
Buildings	4,557,767	149,551		4,707,318
Improvements of sites	1,824,025	132,551		1,956,576
Equipment	956,139	14,726		970,865
Total accumulated depreciation	<u>7,337,931</u>	<u>296,828</u>	<u>0</u>	<u>7,634,759</u>
Total capital assets, being depreciated, net	<u>3,481,987</u>	<u>(234,490)</u>	<u>0</u>	<u>3,247,497</u>
Intangible right to use leased capital assets: (Note 9)				
Leased equipment	6,419	0	0	6,419
Less accumulated amortization for:				
Leased equipment	0	5,925	0	5,925
Total intangible right to use leased assets, net	<u>6,419</u>	<u>(5,925)</u>	<u>0</u>	<u>494</u>
Governmental activities capital assets, net	<u>\$ 3,716,256</u>	<u>\$ (240,415)</u>	<u>\$ 0</u>	<u>\$ 3,475,841</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION (CONCLUDED)

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:

Instruction	\$ 29,498
Instructional Library, Media and Technology	777
School Site Administration	1,066
Home-To-School Transportation	903
Food Services	633
Centralized Data Processing	7,417
Plant Services	2,410
All Other General Administration	2,210
Unallocated	<u>257,839</u>
 Total	 <u>\$ 302,753</u>

NOTE 6 - UNAMORTIZED BOND PREMIUMS

The District sold its 2020 Refunding Bonds at a premium of \$200,073. The premium is being amortized using the straight-line method over the life of the bond issue as a reduction in annual interest expense.

The annual amortization of the bond premiums is as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2023	\$ 14,291
2024	14,291
2025	14,291
2026	14,291
2027	14,291
2028-2032	71,455
2033	<u>14,290</u>
 Total	 <u>\$ 157,200</u>

NOTE 7 - LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 2022, is shown on next page:

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (CONCLUDED)

	(Restated) Balance	Additions	Deductions	Balance June 30, 2022	Due Within One Year
General Obligation Bonds	\$ 2,067,551		\$ 68,958	\$ 1,998,593	\$ 66,773
Accreted Interest	743,105	\$ 101,946	126,042	719,009	138,227
Lease Liabilities	6,419		5,918	501	501
Other Postemployment Benefits	285,528	28,816		314,344	
Net Pension Liability	5,238,158		2,371,808	2,866,350	
Compensated Absences	5,059	2,878		7,937	7,937
Totals	<u>\$ 8,345,820</u>	<u>\$ 133,640</u>	<u>\$ 2,572,726</u>	<u>\$ 5,906,734</u>	<u>\$ 213,438</u>

The general obligation bonds will be paid from the Bond Interest and Redemption Fund with local revenues as they reach maturity. All other liabilities will primarily be paid from the General Fund.

NOTE 8 - GENERAL OBLIGATION BONDS

On March 5, 2009, the District issued General Obligation Bonds, Election of 2008, Series 2009A in the aggregate principal amount of \$2,977,344. The bonds bear interest rates from 3.00% to 6.65% and are scheduled to mature through August 1, 2033. The bonds were comprised of Current Interest Bonds in the aggregate principal amount of \$2,705,000 and Capital Appreciation Bonds in the principal amount of \$272,344. Prior to the applicable maturity date, each Capital Appreciation Bond will accrete interest on the principal component. Accreted interest accrued is included as long-term debt in the basic financial statements of the District. The Current Interest Bonds were entirely refunded by the 2020 General Obligation Refunding Bond.

On January 14, 2020 the District issued 2020 General Obligation Refunding Bonds to advance refund the Current Interest Bonds of the General Obligation Bonds, Election of 2008, Series 2009A and to pay costs of issuance of the refunding bonds. The 2020 General Obligation Refunding Bonds were comprised of Current Interest Bonds for the aggregate principal amount of \$1,910,000. The bonds bear an interest rate of 3% and are scheduled to mature through August 1, 2033. As a result of the advance refunding the District reduced its total debt service requirements by \$703,499 which resulted in an economic gain (difference between the present value of debt service payments on the old debt and new debt) of \$602,589.

As described above, the District has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. Government Securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the advance refunding met the requirements of an in-substance debt defeasance and therefore the deferred debt was removed as a liability from the District's government-wide financial statements.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8 – GENERAL OBLIGATION BONDS (CONCLUDED)

The outstanding general obligation bonded debt of June 30, 2022 is:

Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 01, 2021	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2022
2009	3.00-6.65	2033	\$ 2,977,344	\$ 232,551		\$ 38,958	\$ 193,593
2020	3.00	2033	\$ 1,910,000	1,835,000		30,000	1,805,000
				<u>\$ 2,067,551</u>	<u>\$ 0</u>	<u>\$ 68,958</u>	<u>\$ 1,998,593</u>

Accreted Interest

Series	Interest Rate	Maturity Date	Outstanding July 01, 2021	Accretion Current Year	Payments Current Year	Outstanding June 30, 2022
2009	5.65-6.65	2027	<u>\$ 743,105</u>	<u>\$ 101,946</u>	<u>\$ 126,042</u>	<u>\$ 719,009</u>

The annual requirements to amortize the General Obligation Bonds payable, outstanding as of June 30, 2022 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 66,773	\$ 191,927	\$ 258,700
2024	64,599	203,201	267,800
2025	63,288	218,612	281,900
2026	66,107	229,818	295,925
2027	64,664	245,211	309,875
2028-2032	1,063,162	395,663	1,458,825
2033	<u>610,000</u>	<u>18,600</u>	<u>628,600</u>
Totals	<u>\$ 1,998,593</u>	<u>\$ 1,503,032</u>	<u>\$ 3,501,625</u>

NOTE 9 – LEASES

The District has entered into a non-noncancellable agreement to lease office equipment. The lease agreement qualifies as other than short-term leases and are therefore considered right to use leased assets under GASB Statement No. 87.

The agreement was executed July 2017 to lease five copy machines and requires 60 monthly payments of \$502.45. The agreement is measured at a discount rate of 3.50%, which is based on the District's estimated incremental borrowing rate. The District paid \$7,594 for variable payments including per copy charges for use of the equipment and sales tax not included in the measurement of the lease liability.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 9 - LEASES (CONCLUDED)

A. Intangible Right to Use Capital Assets

As a result of the lease, the District has recorded a right to use leased asset with a net book value of \$494 on June 30, 2022.

The right to use leased asset activity for the year ended June 30, 2022 was as follows:

	(Restated) Beginning Balance	Increases	Decreases	Ending Balance
Right to use leased capital assets:				
Leased equipment	\$ 6,419			\$ 6,419
Less accumulated amortization for:				
Leased equipment	0	\$ 5,925		5,925
Right to use leased capital assets, net	<u>\$ 6,419</u>	<u>\$ (5,925)</u>	<u>\$ 0</u>	<u>\$ 494</u>

B. Lease Liability

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2023	<u>\$ 501</u>	<u>\$ 1</u>	<u>\$ 502</u>

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

Following is the description of the Gold Oak Union Elementary School District's defined benefit OPEB plan and the Gold Oak Union Elementary School District Retiree Benefit Plan (GORBP).

The GORBP is a single employer defined benefit plan administered by the Gold Oak Union Elementary School District through California's Valued Trust (CVT), a jointly managed trust, on a pooled, self-insured basis.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description (Concluded)

Employees and retirees may choose from a number of CVT Anthem Blue Cross medical/Rx PPO combinations, as well as several Kaiser North HMO options, Delta Dental, and VSP Vision.

B. Benefit Terms

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

	<u>Certificated</u>	<u>Classified</u>	<u>Management/ Confidential</u>
Benefits Provided	Medical, dental, vision	Medical, dental, vision	Medical, dental, vision
Duration of Benefits	5 years but not beyond age 65	12 years but not beyond age 65	12 years but not beyond age 65
Required Service	8 years	10 years	8 years
Minimum Age	Retirement	55	55
Dependent Coverage	Yes	Yes	Yes
District Contribution %	50% of premium but not in excess of 50% of cap	50% of premium but not in excess of 50% of cap	50% of premium but not in excess of 50% of cap
District Cap	Active cap (\$6,900/year)	Active cap 12 years but not beyond age 65 (\$6,168/year)	Active cap (\$6,168/year)

There are two certificated retirees who retired under an early retirement incentive program and are receiving District contributions of \$1,500 per month until age 65.

C. Contributions

The contribution requirements of GORBP members and the Gold Oak Union Elementary School District are established and may be amended by the Gold Oak Union Elementary School District and the Gold Oak Teachers' Association and the local California Service Employees Association. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

D. Employees Covered

At June 30, 2022, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Receiving Benefits	8
Participating Active Employees	<u>36</u>
Total Number of Participants	<u>44</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Total OPEB Liability

The Gold Oak Union Elementary School District's total OPEB liability of \$314,344 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Inflation	2.50%
Salary Increases	2.75%
Discount Rate	3.54%
Healthcare Cost Trend Rate	4.00%
Retirees' Share of Benefit	50% of premiums
Related Costs	but not in excess of 50% of cap (see previous page)
Participant Type:	Mortality Rate Tables:
Certificated Management	2020 CalSTRS Mortality
Certificated	2020 CalSTRS Mortality
Classified Management	2017 CalPERS Mortality for Misc./Schools Employees
Classified	2017 CalPERS Mortality for Misc./Schools Employees
Employee Type:	Turnover Rate Tables:
Certificated	2020 CalSTRS Termination Rates
Classified	2017 CalPERS Termination Rates for School Employees
Participation Rate:	100%

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

During the measurement period ending June 30, 2022 the discount rate was changed from 2.16% to 3.54%. The rates of retirement, termination and mortality have been updated to align with those currently being used by the statewide pension systems. The Medical trend in future years has been updated to 4% for all years from 6% tiered down by 0.5% per year to 4.5% in all future years.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021 (Measurement Date)	\$ 285,528
Changes Recognized for the Measurement Period:	
Service cost	48,826
Interest on the total OPEB liability	5,810
Difference between expected and actual experience	36,570
Changes of assumptions	19,490
Benefit payments, including implicit subsidy	(81,880)
Net Change During July 01, 2021 to June 30, 2022	28,816
Balance at June 30, 2022 (Measurement Date)	\$ 314,344

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

The following presents the total OPEB liability of the Gold Oak Union Elementary School District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 335,144	\$ 314,344	\$ 294,971

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

The following presents the total OPEB liability of the Gold Oak Union Elementary School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (5.0% grading down to 3.5%) or one percentage point higher (7.0% grading down to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (3.0%)	Healthcare Cost Trend Rate (4.0%)	1% Increase (5.0%)
Total OPEB Liability	\$ 283,839	\$ 314,344	\$ 351,037

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONCLUDED)J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the Gold Oak Union Elementary School District recognized OPEB expense of \$26,173. At June 30, 2022, the Gold Oak Union Elementary School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Outflows and Inflows of Resources:		
Changes in assumptions	\$ 32,196	\$ 3,876
Net difference between projected and actual experience	33,712	26,853
Totals	<u>\$ 65,908</u>	<u>\$ 30,729</u>

The gains and losses are amortized over the expected average remaining service life, 8 years, which was determined as of June 30, 2022 measurement date, for the employees covered by the OPEB plan benefit terms as of the valuation date. The amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as decreases in OPEB expense as follows:

Measurement Period Ended June 30	Outflows	Inflows
2023	\$ 7,217	\$ 6,146
2024	7,217	6,146
2025	7,217	6,146
2026	7,217	6,146
2027	7,213	6,145
Thereafter	29,827	
Total	<u>\$ 65,908</u>	<u>\$ 30,729</u>

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under cost-sharing multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). For the fiscal year ended June 30, 2022, the District reported its proportionate share of the net pension liabilities, deferred outflows of resources, deferred inflows of resources and pension expense for each of the plans as follows:

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows Related to Pensions</u>	<u>Deferred Inflows Related to Pensions</u>	<u>Pension Expense</u>
CalSTRS	\$ 1,568,672	\$ 815,639	\$ 1,554,223	\$ 7,398
CalPERS	1,297,678	386,369	512,254	170,448
Totals	<u>\$ 2,866,350</u>	<u>\$ 1,202,008</u>	<u>\$ 2,066,477</u>	<u>\$ 177,846</u>

A. California State Teachers' Retirement System (CalSTRS)

Plan Description. The District contributes to the State Teachers' Retirement Plan (STRP), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by California State Teachers' Retirement System (CalSTRS). The State of California is a Nonemployer Contributing Entity to the STRP. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. Although CalSTRS is the administrator of the STRP, the State of California is the sponsor of the STRP and obligor of the trust. In addition, the State of California is both an employer and nonemployer contributing entity to the STRP.

CalSTRS issues a publicly available financial report that can be obtained at <http://www.calstrs.com/comprehensive-annual-financial-report>.

Benefit. The STRP provides defined benefit program benefits under two formulas: 2% at 60 for members hired on or before December 31, 2012 and 2% at 62 for members hired after that date. Both formulas define hire as the date at which the member was hired to perform service that could be creditable to CalSTRS. The benefit under each formula is calculated as 2% per year of creditable service. The 2% at 60 formula uses final compensation to calculate the benefit. The 2% at 62 formula uses an average of the highest compensation for three consecutive years to calculate the benefit.

Contributions. Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method. Active plan members under the 2% at 60 formula are required to contribute 10.25% of their salary and active plan members under the 2% at 62 formula are required to contribute 10.205% for the year ended June 30, 2022. The District and the State of California are required to contribute actuarially determined rates. The actuarial methods and assumptions used for determining the rates are those adopted by the CalSTRS Teachers' Retirement Board. Supplemental payments to CalSTRS were provided by the State of California Budget Acts of 2019 and 2020 and reduced the statutorily required employer contribution rates to 16.15% of annual payroll in 2020-2021 and 16.92% of annual payroll in 2021-2022.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Contributions (Concluded). The required State contribution rates for fiscal years 2021-2022 and 2020-2021 were 10.828% and 10.328%, respectively. The District's contributions to CalSTRS for the fiscal years ending June 30, 2022 and 2021 were \$343,099 and \$300,588, respectively, and equal 100% of the required contributions for each year.

Contribution by District	\$ 343,099
Contribution by State	221,667
Total Contribution in 2021-2022	<u>\$ 564,766</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the District reported a liability of \$1,568,672 for its proportionate share of the net pension liability for the STRP. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's and the State of California's (non-employer contributing entity) long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State of California, actuarially determined. At June 30, 2021, the District's proportion of contributions was 0.00345%, a decrease of 0.00009% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$7,398 which included the State's required on-behalf contribution of \$137,576. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Outflows and Inflows of Resources:		
Difference between expected and actual experience	\$ 3,929	\$ 166,940
Changes in assumptions	222,264	
Net difference between projected and actual earnings on pension plan investments		1,240,860
Changes in proportion and differences between District contributions and proportionate share of contributions	246,347	146,423
District contributions subsequent to measurement date of June 30, 2021	<u>343,099</u>	
Totals	<u>\$ 815,639</u>	<u>\$ 1,554,223</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded). The \$343,099 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions and deferred inflows of resources related to pension will be recognized as increases or decreases respectively in pension expense as follows:

	Outflows	Inflows
June 30, 2023	\$ 164,584	\$ 406,824
June 30, 2024	164,686	358,303
June 30, 2025	64,207	339,421
June 30, 2026	39,533	385,612
June 30, 2027	39,530	34,325
June 30, 2028		29,738
Total	<u>\$ 472,540</u>	<u>\$ 1,554,223</u>

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is seven years as of June 30, 2020. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period.

Actuarial Assumptions. The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Experience Study	July 1, 2015, through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-Retirement Benefit Increases	2.00% simple for DB

Mortality assumptions are based on mortality rates from the most recent CalSTRS experience study adopted by the CalSTRS Board in January, 2020. The projection scale was set to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019), published by the Society of Actuaries.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Actuarial Assumptions (Concluded). The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultant as inputs to the process. For each future valuation, CalSTRS' consulting actuary (Milliman) will review the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	42%	4.8%
Real Estate	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	(0.4)%

* 20-year geometric average

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 the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming the contributions, benefit payments, and administrative expense occurred midyear. 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 payment to determine the total pension liability.

Presented below is the District's proportionate share of the net pension liability of employers and the state using the current discount rate of 7.10%, as well as what the net pension liability would be if it were calculated using a discount rate that is one to three percent lower or one to three percent higher than the current rate:

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Discount Rate (Concluded).

Discount Rate	Net Pension Liability of Employers
3% Decrease (4.10%)	\$ 7,583,868
2% Decrease (5.10%)	\$ 5,168,641
1% Decrease (6.10%)	\$ 3,193,255
Current Discount Rate (7.10%)	\$ 1,568,672
1% Increase (8.10%)	\$ 220,299
2% Increase (9.10%)	\$ (908,463)
3% Increase (10.10%)	\$ (1,857,533)

B. California Public Employees Retirement System (CalPERS)

Plan Description. The District contributes to the School Employer Pool, known as Fund B, (PERF B), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan of school employers consisting of non-teaching and non-certified employees administered by the California Public Employees' Retirement System (CalPERS). The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State of California statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a publicly available comprehensive annual financial report that can be obtained at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2021.pdf>.

Contributions. The benefits for the defined benefit pension plan are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the employee's date of hire. Total plan contributions are calculated through the 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 the employees. The required employer contribution rates on applicable annual payroll for the fiscal years ending June 30, 2022 and 2021 were 22.91% and 20.70%, respectively. The District's employer contributions to CalPERS for the fiscal years ending June 30, 2022 and 2021 were \$231,939 and \$190,081, respectively and equal 100% of the required contributions for each year. The employer contribution rates for 2020-2021 and 2021-2022 were reduced by 1.98% and 2.16% from the 22.68% and 25.07% previously adopted due to amendments to Government Code Section 2085.2(a).

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Benefits. The PERF B provides defined benefit program benefits based on members' years of service, age, final compensation and benefit formula. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the District reported a liability of \$1,297,678 for its proportionate share of the net pension liability for the PERF B. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the state, actuarially determined. At June 30, 2021, the District's proportion of contributions was 0.00638%, an increase of 0.00047% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$170,448. 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
Deferred Outflows and Inflows of Resources:		
Difference between expected and actual experience	\$ 38,739	\$ 3,059
Net difference between projected and actual earnings on pension plan investments		498,010
Changes in proportion and differences between District contributions and proportionate share of contributions	112,691	11,185
District contributions subsequent to measurement date of June 30, 2021	234,939	
Totals	<u>\$ 386,369</u>	<u>\$ 512,254</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded). The \$234,939 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PERF B pensions will be recognized as increases or decreases respectively in pension expense as follows:

	<u>Outflows</u>	<u>Inflows</u>
June 30, 2023	\$ 70,161	\$ 137,105
June 30, 2024	49,844	115,877
June 30, 2025	31,425	120,765
June 30, 2026		138,507
Total	<u>\$ 151,430</u>	<u>\$ 512,254</u>

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is four years as of the June 30, 2021 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period.

Actuarial Assumptions. For the year ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Experience Study	July 1, 1997, through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-Retirement Benefit Increases	Contract COLA up to 2.00% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

The PERF B uses a mortality table based on CalPERS specific data. The table includes fifteen years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Discount Rate. The discount rate used to measure the total pension liability was 7.15%. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the School's Pool.

The following presents the net pension liability of the Plan as of June 30, 2021, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

Discount Rate	Plan's Net Pension Liability
1% Decrease (6.15%)	\$ 2,188,067
Current Discount Rate (7.15%)	\$ 1,297,678
1% Increase (8.15%)	\$ 558,464

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

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

Asset Class ¹	Real Return Allocation	Real Return Years 1-10 ^{2,4}	Years 11+ ^{3,4}
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0%	(.92)%

¹ In the CalPERS' ACFR, 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

⁴ Figures are based on previous ALM of 2017

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONCLUDED)

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

Pension Plan Fiduciary Net Position. The plan fiduciary net position disclosed in this report may differ from the plan assets reported in the School's Pool funding actuarial valuation reported due to several reasons. First, for the accounting valuation, items such as deficiency reserves, fiduciary self-insurance and OPEB expense are included in fiduciary net position. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early closing and final reconciled reserves.

C. Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRP or PERF B) must be covered by social security or an alternative plan. The District has elected to use Social Security.

NOTE 12 - STUDENT ACTIVITY FUND

The Student Body Funds often engage in activities, which involve cash transactions. These transactions are not subject to adequate internal accounting control prior to deposits being recorded in the bank accounts. It has been determined on a cost benefit basis that providing increased internal control in this area does not justify the additional costs that would be necessary to control receipts prior to the point of deposit.

NOTE 13 - RESTATEMENT OF BEGINNING BALANCES ON THE STATEMENT OF NET POSITION

The amounts previously reported at June 30, 2021 as shown below have been restated due to the implementation of GASB Statement No. 87, *Leases*.

	Government-Wide Financial Statements
Net Position, June 30, 2021 as originally Reported	\$ (1,952,474)
Right to Use Leased Asset	6,419
Lease Liability	(6,419)
Net Adjustments	0
Net Assets, June 30, 2021 as restated	\$ (1,952,474)

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 – RESTATEMENT OF BEGINNING BALANCES ON THE STATEMENT OF NET POSITION (CONCLUDED)

The GASB Statement No. 87, *Leases* restatement resulted in an identical increase in District assets and District liabilities. Effectively, the Net Position reported as of June 30, 2021 is unchanged.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. 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.

C. Joint Ventures

The District participates in one joint venture under a joint powers agreement (JPA) with Schools Insurance Authority (SIA) for workers' compensation, property and liability and coverage. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The JPA arranges for and/or provides coverage for its members. The JPA is governed by a board consisting of a representative from each member district. The board controls the operations of the JPA, 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 requested and shares surpluses and deficits proportionately to their participation in the JPA.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 15 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2022, the District contracted with Schools Insurance Authority (SIA) for property and liability insurance coverage and also for theft insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant change in coverage from the prior year.

B. Workers' Compensation

For fiscal year 2021-2022, District participated in the Schools Insurance Authority (SIA), insurance purchasing pool. The intent of the SIA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SIA. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the SIA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the SIA. Participation in the SIA is limited to districts that can meet the SIA selection criteria.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 2, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts (GAAP Basis)	Final Budget - Positive (Negative)
REVENUES				
Local Control Funding Formula				
Sources:				
State Apportionments	\$ 2,533,138	\$ 2,469,233	\$ 2,469,233	
Local Sources	1,793,616	1,907,252	1,907,252	
Total Local Control Funding Formula Sources	4,326,754	4,376,485	4,376,485	\$ 0
Federal Revenue	523,219	355,787	355,787	
Other State Revenue	461,245	897,305	897,305	
Other Local Revenue	193,736	308,773	308,773	
Total Revenues	5,504,954	5,938,350	5,938,350	0
EXPENDITURES				
Certificated Salaries	2,145,566	2,122,904	2,122,904	
Classified Salaries	1,049,205	992,098	992,098	
Employee Benefits	1,592,538	1,491,009	1,491,009	
Books and Supplies	255,291	157,900	157,900	
Services and Other				
Operating Expenditures	518,938	621,827	621,827	
Capital Outlay	66,932	53,056	53,056	
Debt Service:				
Principal Retirement		5,918	5,918	
Interest and Fiscal Charges		111	111	
Other Outgo	35,050	76,472	76,472	
Total Expenditures	5,663,520	5,521,295	5,521,295	0
Excess of Revenues Over (Under) Expenditures	(158,566)	417,055	417,055	0
Other Financing Sources (Uses):				
Operating Transfers Out	(91,681)	(3,430)	(3,430)	0
Excess of Revenues Over (Under) Expenditures and Other Uses	(250,247)	413,625	413,625	0
Fund Balances - July 01, 2021	1,247,566	1,326,795	1,326,795	0
Fund Balances - June 30, 2022	\$ 997,319	\$ 1,740,420	\$ 1,740,420	\$ 0

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL
CAFETERIA FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (GAAP Basis)	Final Budget - Positive (Negative)
<u>Revenues</u>				
Federal Revenue	\$ 121,095	\$ 226,515	\$ 226,515	
Other State Revenue	8,000	13,716	13,716	
Other Local Revenue	6,756	11,454	11,454	
Total Revenues	135,851	251,685	251,685	\$ 0
<u>Expenditures</u>				
Classified Salaries	87,564	91,660	91,660	
Employee Benefits	46,789	39,691	39,691	
Books and Supplies	69,500	110,322	110,322	
Services and Other				
Operating Expenditures	14,679	5,855	5,855	
Other Outgo	9,000	5,700	5,700	
Total Expenditures	227,532	253,228	253,228	0
Excess of Revenues Over (Under) Expenditures	(91,681)	(1,543)	(1,543)	0
Other Financing Sources: Operating Transfers In	91,681	3,430	3,430	
Excess of Revenues and Other Sources Over Expenditures	0	1,887	1,887	0
Fund Balances - July 1, 2021	0	3,573	3,573	0
Fund Balances - June 30, 2022	\$ 0	\$ 5,460	\$ 5,460	\$ 0

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Year Ended June 30	Changes Recognized for the Measurement Period								Balance at June 30 (Measurement Date)	Covered- Employee Payroll	Total OPEB Liability as a Percentage of Covered- Employee Payroll
	Total OPEB Liability	Service Cost	Interest on the Total OPEB Liability	Adjustment to Beginning Balance	Difference Between Expected and Actual Experience	Changes of Assumptions	Benefit Payments	Net Change in Total OPEB Liability			
2022	\$ 285,528	\$ 48,826	\$ 5,810	\$ 0	\$ 36,570	\$ 19,490	\$ (81,880)	\$ 28,816	\$ 314,344	\$ 3,008,218	10.45%
2021	\$ 360,704	\$ 14,941	\$ 7,189	\$ 0	\$ 0	\$ 410	\$ (97,716)	\$ (75,176)	\$ 285,528	\$ 2,700,151	10.57%
2020	\$ 507,748	\$ 13,801	\$ 10,722	\$ (30,051)	\$ (10,559)	\$ 22,276	\$ (153,233)	\$ (147,044)	\$ 360,704	\$ 2,732,274	13.20%
2019	\$ 608,756	\$ 49,627	\$ 20,938	\$ 0	\$ 0	\$ (6,432)	\$ (165,141)	\$ (101,008)	\$ 507,748	\$ 2,559,687	19.84%
2018	\$ 665,046	\$ 48,299	\$ 21,885	\$ 0	\$ 0	\$ 0	\$ (126,474)	\$ (56,290)	\$ 608,756	\$ 2,330,006	26.13%

Historical information is required only for measurement periods for which GASB Statement 75 is applicable. Future years' information will be displayed up to ten years as information becomes available. Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

California State Teachers' Retirement System (CalSTRS)

Year Ended June 30	District's Proportion of the NPL	District's Proportionate Share of the NPL	State's Proportionate Share of the NPL Associated with District	Total NPL Attributed to District	District's Covered- Employee Payroll	District's Proportionate Share of the NPL as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2022	0.0035%	\$ 1,568,672	\$ 784,832	\$ 2,353,504	\$ 1,861,226	84%	87%
2021	0.0035%	\$ 3,423,234	\$ 1,764,663	\$ 5,187,897	\$ 1,920,620	178%	72%
2020	0.0032%	\$ 2,914,528	\$ 1,590,082	\$ 4,504,610	\$ 1,752,267	166%	73%
2019	0.0033%	\$ 3,057,320	\$ 1,750,467	\$ 4,807,787	\$ 1,756,556	174%	71%
2018	0.0031%	\$ 2,872,707	\$ 1,699,484	\$ 4,572,191	\$ 1,685,135	170%	70%
2017	0.0034%	\$ 2,714,365	\$ 1,545,467	\$ 4,259,832	\$ 1,677,931	162%	70%
2016	0.0036%	\$ 2,451,327	\$ 1,254,185	\$ 3,705,512	\$ 1,705,923	144%	74%
2015	0.0040%	\$ 2,337,480	\$ 1,431,433	\$ 3,768,913	\$ 1,749,006	134%	77%

Public Employee Retirement System (CalPERS)

Year Ended June 30	District's Proportion of the NPL	District's Proportionate Share of the NPL	District's Covered- Employee Payroll	District's Proportionate Share of the NPL as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2022	0.0064%	\$ 1,297,678	\$ 918,266	141%	81%
2021	0.0059%	\$ 1,814,924	\$ 851,503	213%	70%
2020	0.0059%	\$ 1,708,019	\$ 812,824	210%	70%
2019	0.0059%	\$ 1,579,122	\$ 783,845	201%	71%
2018	0.0052%	\$ 1,241,853	\$ 663,386	187%	72%
2017	0.0043%	\$ 846,690	\$ 514,299	165%	74%
2016	0.0048%	\$ 708,648	\$ 532,283	133%	79%
2015	0.0047%	\$ 533,565	\$ 489,044	109%	83%

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PENSION CONTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

California State Teachers' Retirement System (CalSTRS)

Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution*	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a percentage of Covered-Employee Payroll
2022	\$ 343,099	\$ (343,099)	\$ 0	\$ 2,027,772	16.92%
2021	\$ 300,588	\$ (300,588)	\$ 0	\$ 1,861,226	16.15%
2020	\$ 328,426	\$ (328,426)	\$ 0	\$ 1,920,620	17.10%
2019	\$ 285,269	\$ (285,269)	\$ 0	\$ 1,752,267	16.28%
2018	\$ 253,471	\$ (253,471)	\$ 0	\$ 1,756,556	14.43%
2017	\$ 211,990	\$ (211,990)	\$ 0	\$ 1,685,135	12.58%
2016	\$ 180,042	\$ (180,042)	\$ 0	\$ 1,677,931	10.73%
2015	\$ 151,486	\$ (151,486)	\$ 0	\$ 1,705,923	8.88%

* Amounts do not include on-behalf contributions

Public Employee Retirement System (CalPERS)

Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution*	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a percentage of Covered-Employee Payroll
2022	\$ 234,939	\$ (234,939)	\$ 0	\$ 1,025,487	22.91%
2021	\$ 190,081	\$ (190,081)	\$ 0	\$ 918,266	20.70%
2020	\$ 167,925	\$ (167,925)	\$ 0	\$ 851,503	19.72%
2019	\$ 146,796	\$ (146,796)	\$ 0	\$ 812,734	18.06%
2018	\$ 121,739	\$ (121,739)	\$ 0	\$ 783,845	15.53%
2017	\$ 92,131	\$ (92,131)	\$ 0	\$ 663,386	13.89%
2016	\$ 60,929	\$ (60,929)	\$ 0	\$ 514,299	11.85%
2015	\$ 62,655	\$ (62,655)	\$ 0	\$ 532,283	11.77%

* Amounts do not include on-behalf contributions

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - PURPOSE OF SCHEDULES

A. Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund and the Cafeteria Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

There were no excess of expenditures over appropriations in individual governmental funds at June 30, 2022.

B. Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule will present the sources of changes in the net OPEB liability and the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll.

This will be a 10-year schedule. Years will be added in future fiscal years until 10 years of information is available.

C. Schedules of the District's Proportionate Share of the Net Pension Liability

These schedules present information on the District's portion of the Net Pension Liability of CalSTRS and the Net Pension Liability of CalPERS in compliance with GASB Statement No. 68. The amounts presented for each fiscal year were determined as of the measurement date that occurred one year prior.

These will be 10-year schedules. Years will be added to these schedules in future fiscal years until 10 years of information is available.

D. Schedules of the District's Pension Contributions

These schedules provide information about the District's required and actual contributions to CalSTRS and CalPERS during the year.

These will be 10-year schedules. Years will be added to these schedules in future fiscal years until 10 years of information is available.

SUPPLEMENTARY INFORMATION SECTION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

PLACERVILLE, CALIFORNIA

JUNE 30, 2022

ORGANIZATION

The Gold Oak Union Elementary School District was established in November 12, 1954. The District is located in Placerville, California. There was no change in District boundaries during the year. The District operates two schools, grades kindergarten through five and grades six through eight.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Robin Renee Ferguson	President	December, 2022
Jerald Soracco	Clerk	December, 2022
Sheri Cook	Member	December, 2022
Casey Murdock	Member	December, 2024
Aaron Pratt	Member	December, 2024

ADMINISTRATION

Meg Enns
Superintendent/Principal

Shannon Daniel
Chief Business Official

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Second Period Report <u>BAEFEC32</u>	Annual Report <u>66458730</u>
Regular ADA		
Transitional Kindergarten through Third	157	161
Fourth through Sixth	124	126
Seventh and Eighth	91	91
Special Education - Nonpublic, Nonsectarian Schools		
Transitional Kindergarten through Third	<u> </u>	<u>1</u>
ADA Totals	<u>372</u>	<u>379</u>

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Grade Level	Minutes Requirement	2021-2022	2021-2022	2021-2022 Adjusted Minutes	2021-2022 Actual Days Offered	2021-2022	2021-2022	Status
		Actual Minutes Offered	Minutes Credited Per Pending J-13 Waiver			Credited Per Pending J-13 Waiver	Adjusted Days	
Kindergarten	36,000	39,825	3,195	43,020	167	13	180	In Compliance
Grade 1	50,400	48,850	3,900	52,750	167	13	180	In Compliance
Grade 2	50,400	48,850	3,900	52,750	167	13	180	In Compliance
Grade 3	50,400	48,850	3,900	52,750	167	13	180	In Compliance
Grade 4	54,000	50,080	4,010	54,090	167	13	180	In Compliance
Grade 5	54,000	50,080	4,010	54,090	167	13	180	In Compliance
Grade 6	54,000	52,833	4,197	57,030	167	13	180	In Compliance
Grade 7	54,000	52,833	4,197	57,030	167	13	180	In Compliance
Grade 8	54,000	52,833	4,197	57,030	167	13	180	In Compliance

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

There are no charter schools sponsored by the Gold Oak Union Elementary School District.

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>
June 30, 2022, Annual Unaudited Actual Financial Report Fund Balance	\$ 1,797,614
Adjustments and Reclassifications Increasing (Decreasing) the Fund Balance:	
Overstated State Revenue	<u>(57,194)</u>
June 30, 2022, Audited Financial Statement Fund Balance	<u>\$ 1,740,420</u>

Auditor's Comments

The audited financial statements of all other funds were in agreement with the Unaudited Actual Financial Report for the year ended June 30, 2022.

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget 2022-2023	2021-2022	2020-2021	2019-2020
<u>General Fund</u>				
Revenues and Other Financial Sources	\$ 5,945,569	\$ 5,938,350	\$ 5,591,428	\$ 5,050,279
Expenditures	6,191,947	5,521,295	4,929,909	4,952,093
Other Uses and Transfers Out	75,000	3,430	48,197	37,699
Total Outgo	6,266,947	5,524,725	4,978,106	4,989,792
Change in Fund Balance (Deficit)	(321,378)	413,625	613,322	60,487
Ending Fund Balance	\$ 1,314,009	\$ 1,740,420	\$ 1,326,795	\$ 713,473
Available Reserves	\$ 862,079	\$ 995,855	\$ 902,881	\$ 443,817
Reserve for Economic Uncertainties	\$ 862,079	\$ 995,855	\$ 902,881	\$ 451,672
Unassigned Fund Balance (Deficit)	\$ 0	\$ 0	\$ 0	\$ (7,855)
Available Reserves as a Percentage of Total Outgo	13.8%	18.0%	18.1%	8.9%
Total Long-Term Debt	\$ 5,701,233	\$ 5,906,734	\$ 8,345,820	\$ 7,917,386
Average Daily Attendance (ADA) at P-2	385	372	445	445

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.

The General Fund balance has increased by \$1,087,434 over the past three years. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties in the General Fund. For a District this size, the State recommends available reserves of at least 4 percent of total general fund expenditures, transfers out and other uses (total outgo).

Long-term debt has decreased \$2,010,652 over the last two years. The net pension liability decreased by \$2,371,808 in 2021-2022 because of the difference between projected and actual earnings on plan investments in 2020-2021.

ADA has decreased by 73 over the past two years. An increase of 13 has been budgeted for the fiscal year ending June 30, 2023. Due to the Covid-19 pandemic ADA was not reported in 2020-2021. Funding was based on ADA as reported in 2019-2020. The ADA listed for 2021-2022 represents the amount reported by the District and not necessarily what the District's funding was based on.

The amounts presented as Budget 2022-2023 are provided for additional analysis and have not been audited.

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Student Activity Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Total Other Governmental Funds
ASSETS				
Cash	\$ 6,547	\$ 31,175	\$ 239,792	\$ 277,514
Due From Other Funds		9,282		9,282
Total Assets	<u>\$ 6,547</u>	<u>\$ 40,457</u>	<u>\$ 239,792</u>	<u>\$ 286,796</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to Other Funds		<u>\$ 9,282</u>		<u>\$ 9,282</u>
Fund Balances:				
Restricted	\$ 6,547		\$ 239,792	246,339
Committed		31,175		31,175
Total Fund Balances	<u>6,547</u>	<u>31,175</u>	<u>239,792</u>	<u>277,514</u>
Total Liabilities and Fund Balances	<u>\$ 6,547</u>	<u>\$ 40,457</u>	<u>\$ 239,792</u>	<u>\$ 286,796</u>

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Student Activity Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Total Other Governmental Funds
REVENUES				
State Apportionments		\$ 30,000		\$ 30,000
Other Local Revenue	\$ 2,431	26	\$ 263,612	266,069
Total Revenues	2,431	30,026	263,612	296,069
EXPENDITURES				
Services and Other				
Operating Expenditures	4,723	3,867		8,590
Debt Service:				
Principal Retirement			68,958	68,958
Interest and Fiscal Charges			182,622	182,622
Total Expenditures	4,723	3,867	251,580	260,170
Excess of Revenues Over (Under) Expenditures	(2,292)	26,159	12,032	35,899
Fund Balances - July 01, 2021	8,839	5,016	227,760	241,615
Fund Balances - June 30, 2022	\$ 6,547	\$ 31,175	\$ 239,792	\$ 277,514

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES

A. Local Education Agency Organization Structure

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

B. Schedule of Average Daily Attendance

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

C. Schedule of Instructional Time

This schedule presents information on the amount of instructional time and number of days offered by the District and whether the District complied with the provisions of *Education Code* Sections 46207-46208. The District filed a Form J-13 requesting thirteen emergency closure days for both of its schools. This action allows the school closure days to be used to meet the instructional time requirements noted above. The approval has not yet been received from the California Department of Education but is not expected to be denied.

D. Schedule of Charter Schools

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

E. Reconciliation of Unaudited Actuals Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the Unaudited Actuals Financial Report to the audited financial statements.

F. Schedule of Financial Trends and Analysis

This schedule is presented to improve the evaluation and reporting of the going concern status of the District.

G. Combining Statements – Non-Major Governmental Funds

The combining statements are included to provide information regarding the individual funds that have been included in the Other Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. These statements have been presented for purposes of additional analysis and are not a required part of the District's basic financial statements.

OTHER INDEPENDENT AUDITOR'S REPORTS SECTION



Certified Public Accountant

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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
Gold Oak Union Elementary School District
Placerville, California

I 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 Gold Oak Union Elementary School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Gold Oak Union Elementary School District's basic financial statements, and have issued my report thereon dated December 2, 2022.

Report on Internal Control over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gold Oak Union Elementary School District's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of my 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.

A handwritten signature in black ink, appearing to read "Michelle M. Hanson". The signature is stylized with a large, looped initial "M" and "H".

MICHELLE M. HANSON
Certified Public Accountant

December 2, 2022



Certified Public Accountant

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Lincoln, CA 95648

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✉ : michelle@mhansoncpa.com

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Gold Oak Union Elementary School District
Placerville, California

Report on State Compliance

Opinion

I have audited Gold Oak Union Elementary School District's compliance with the requirements specified in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, Section 19810, applicable to the Gold Oak Union Elementary School District's compliance requirements for the fiscal year ended June 30, 2022, as identified in the Procedures Performed section of my report.

In my opinion, Gold Oak Union Elementary School District complied, in all material respects, with the laws and regulations of the state programs (compliance requirements) noted in the Procedures Performed section of my report for the year ended June 30, 2022.

Basis for Opinion

I conducted my 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 compliance requirements identified as subject to audit in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, Section 19810 as regulations. My responsibilities under those standards and guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Gold Oak Union Elementary School District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the compliance with the compliance requirements referred to above. My audit does not provide a legal determination of Gold Oak Union Elementary School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Gold Oak Union Elementary School District.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Gold Oak Union Elementary School District's compliance based on my audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Gold Oak Union Elementary School District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Gold Oak Union Elementary School District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the Gold Oak Union Elementary School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, I express no such opinion.

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

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the *2021-2022 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. My opinion on the compliance requirements is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Gold Oak Union Elementary School District's response to the noncompliance finding identified in my compliance audit described in the accompanying schedule of findings and questioned costs. Gold Oak Union Elementary School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Procedures Performed

In connection with the audit referred to above, I selected and tested transactions and records to determine the Gold Oak Union Elementary School District's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	No (See Next Page)
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort (MOE)	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Office of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	No (See Next Page)
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
In-Person Instruction Grant	Yes

<u>Description</u>	<u>Procedures Performed</u>
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Non-Classroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Non-Classroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based Instruction	Not Applicable
Charter School Facility Grant Program	Not Applicable

Procedures were not performed for Classroom Teacher Salaries because the Gold Oak Union Elementary School District was confirmed to be exempt under the provisions of *California Education Code* Section 41374.

Procedures were not performed for Immunizations because the Gold Oak Union Elementary School District did not report combined conditional admission and overdue rates greater than ten percent in either Kindergarten or Seventh Grade.

Procedures were not performed on the items marked “Not Applicable” because the Gold Oak Union Elementary School District does not operate those programs.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing on the requirements of the *2021-2022 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Michelle M. Hanson". The signature is stylized with a large, looped initial "M" and "H".

MICHELLE M. HANSON
Certified Public Accountant

December 2, 2022

AUDIT FINDINGS AND QUESTIONED COSTS SECTION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified that are not considered to be material weakness?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Noncompliance material to financial statements noted?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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State Awards

Internal control over state programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified that are not considered to be material weakness?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported

Type of auditor's report issued on compliance for state programs: Unmodified

Section II - Financial Statements Findings

No matters are reported.

Section III - State Award Findings and Questioned Costs

2022 - 001 - TRANSPORTATION MAINTENANCE OF EFFORT - 40000

Criteria: *California Education Code (EC) Section 42238.03(a)(6)(B)* provides of the funds a school district receives for home-to-school transportation programs in the local control funding formula (LCFF), the district shall expend no less for those programs than the amount of funds the school district expended (or received, if less) for home-to-school transportation in the 2012-2013 fiscal year.

Statement of Condition: The District was not able to meet the transportation maintenance of effort requirements, spending less in 2021-2022 (\$189,252) than was received (\$219,464), or expended (\$217,344) for home-to-school transportation in the 2012-2013 fiscal year.

Cause: The District's budgeted expenditures for bus maintenance and the installation of a charging station for the new E-bus were delayed and are now scheduled/budgeted in 2022-2023.

Effect: The District did not meet the maintenance of effort requirements for home-to-school transportation by \$28,092 and is not in compliance with *EC 42238.03(a)(6)(B)*.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section III - State Award Findings and Questioned Costs (Concluded)

2022 - 001 - TRANSPORTATION MAINTENANCE OF EFFORT - 40000 (CONCLUDED)

Questioned Costs: This is a finding of noncompliance with no associated questioned costs.

Recommendation: The District should continue to provide transportation services to its students, recording all related and appropriate costs for providing these services.

View of Responsible District Official/Corrective Action: The District intended and budgeted to meet the transportation maintenance of effort requirements in 2021-2022. The purchase of the electric bus and installation of the charging infrastructure were delayed and finalized in 2022-2023. There were also bus maintenance and camera installations that were postponed and are now included in the 2022-2023 budget.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

2021-001: The District was not in compliance with *California Education Code* Section 43501 for one school day for grades TK through eight. A school day that does not meet the minimum number of instructional minutes was not counted as a day of instruction making the total instructional days offered by the District, 179, one short of the instructional days required by *California Education Code* Section 46208(c). District Management should consider requesting a summary review or formal appeal with the Executive Officer of the Education Audit Appeals Panel. These efforts may result in the finding being resolved and/or dismissed without incurring the financial penalty.

Current Status:

Accepted but was associated with *California Education Code* Section 43501 which was only in effect for the 2021-2022 fiscal year. The District requested a summary review with the California Education Audit Appeals Panel and was approved on the basis of substantial compliance, and the penalty waived.