

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

ANNUAL FINANCIAL REPORT

JUNE 30, 2021

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

JUNE 30, 2021

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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 Financial Statements

I have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise Gold Oak Union Elementary School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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 Gold Oak Union Elementary School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11, budgetary comparison information on page 54, and accounting by employer for postemployment benefits and pensions on pages 55 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gold Oak Union Elementary School District's basic financial statements. The introductory, financial, and statistical information listed as supplementary information in the table of contents is presented for purposes of additional analysis as required by the 2020-2021 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the California Education Audit Appeals Panel and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The introductory, financial, and statistical information listed as supplementary information, including the schedule of expenditures of federal awards, in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the introductory, financial, and statistical information, including the schedule of expenditures of federal awards, listed as supplementary information 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 7, 2021, on my consideration of Gold Oak Union Elementary School District's internal control over financial reporting and 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 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.



MICHELLE M. HANSON
Certified Public Accountant

December 7, 2021

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021. 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

- The District began the 2020-2021 school year in a distance learning model based on the concern around availability of testing and timely results in El Dorado County. On October 5, 2020, the District transitioned to its hybrid learning model where cohorts of students attended in person two days per week, either on Mondays and Thursdays or Tuesdays and Fridays with Wednesday being a distance learning day for all students. After a brief return to full distance learning in January, 2021, the District resumed hybrid learning until all students returned to full in-person learning on April 12, 2021 through the end of the year.
- During 2020-2021 a variety of one-time provisions were enacted to assist school districts in navigating the COVID-19 pandemic, such as Average Daily Attendance (ADA) funding basis hold harmless, state subsidy help with CalSTRS and CalPERS rates, and an infusion of one-time federal and state funding.
- In complying with GASB Statement No. 34, fixed assets are valued at historical cost. The total of the District's fixed assets, land, site, buildings, and equipment, valued on an acquisition cost basis was \$11.0 million. After depreciation, the June 30, 2021 book value for fixed assets totaled \$3.7 million.
- In complying with GASB Statement No. 68, the District recognized its portion of the unfunded STRS and PERS pension liabilities for the first time in 2014-2015. The District's portion of the unfunded STRS and PERS pension liability, based on the most recent actuarial valuations, increased \$616 thousand in 2020-2021 and is reported in the Statement of Net Position.

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.

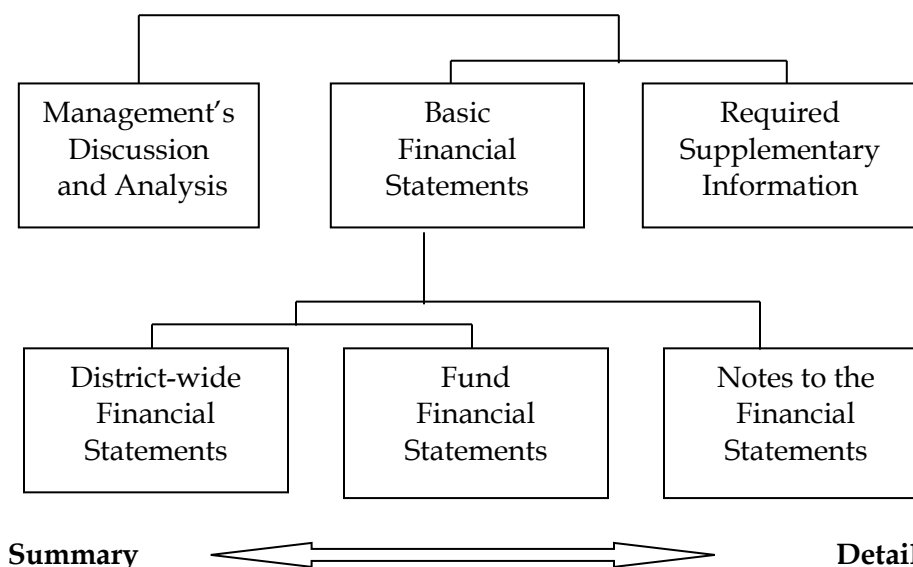
GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 budget is 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 2020-2021?"

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Most of the District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, the Bond Interest and Redemption 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, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The District's net position was a deficit \$2.0 million at June 30, 2021. Of this amount a deficit \$4.2 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	
	2021	2020
ASSETS		
Cash	\$ 944,542	\$ 984,967
Receivables	1,061,324	444,717
Stores inventory	2,573	2,831
Capital assets	3,709,837	3,681,858
Total assets	5,718,276	5,114,373
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on other postemployment benefits	17,065	19,491
Deferred outflows on pensions	1,383,455	1,267,259
Total deferred outflows of resources	1,400,520	1,286,750
LIABILITIES		
Accounts payable and other current liabilities	111,036	103,707
Unearned revenue	136,159	27,738
Unamortized bond premiums	171,491	185,782
Long-term liabilities	8,339,401	7,917,386
Total liabilities	8,758,087	8,234,613
DEFERRED INFLOWS OF RESOURCES		
Deferred outflows on other postemployment benefits	36,875	43,021
Deferred inflows on pensions	276,308	533,139
Total deferred inflows of resources	313,183	576,160
NET POSITION		
Net investment in capital assets	1,546,283	1,499,514
Restricted	733,802	668,689
Unrestricted (deficit)	(4,232,559)	(4,577,853)
Total net position (deficit)	\$ (1,952,474)	\$ (2,409,650)

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONTINUED)

The District's net position increased \$457 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 11% of total costs. The remaining 18% 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	
	2021	2020
REVENUES		
Program revenues	\$ 1,344,082	\$ 583,863
General revenues		
Taxes levied for general purposes	1,956,446	1,942,274
Taxes levied for debt service	239,914	260,267
Federal and State aid not restricted to specific purposes	2,317,271	2,438,402
Interest and investment earnings	3,621	9,877
Interagency revenues	48,836	54,507
Miscellaneous	178,878	282,800
Total revenues	<u>6,089,048</u>	<u>5,571,990</u>
EXPENSES		
Instruction	2,894,594	2,806,300
Instruction related services	506,014	509,365
Pupil support services	595,226	676,527
General administration	610,155	578,653
Plant services	573,765	566,681
Other	452,118	620,995
Total expenses	<u>5,631,872</u>	<u>5,758,521</u>
Increase (decrease) in net position	<u>\$ 457,176</u>	<u>\$ (186,531)</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

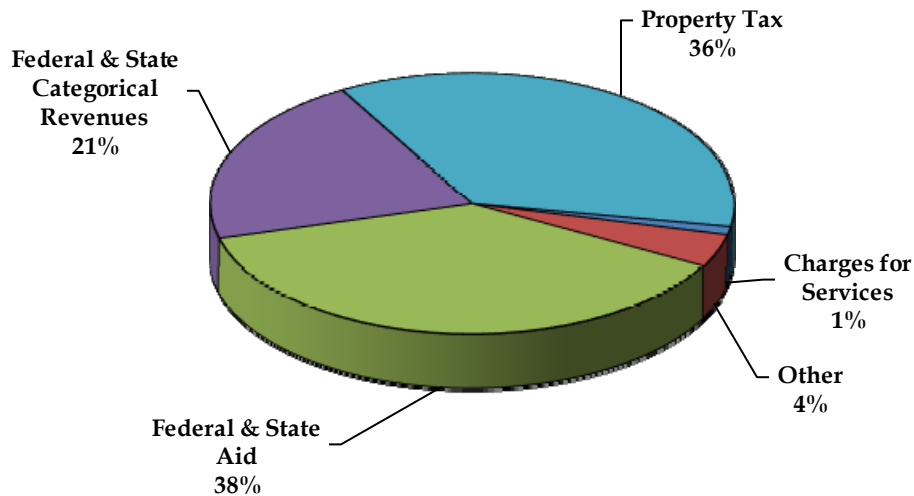
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 \$5.6 million. The amount that local taxpayers financed for these activities through property taxes was \$2.2 million. Federal and State aid not restricted to specific purposes totaled \$2.3 million. State and Federal Categorical revenue totaled over \$1.3 million, 21% of the revenue of the entire District (See Figure 1).

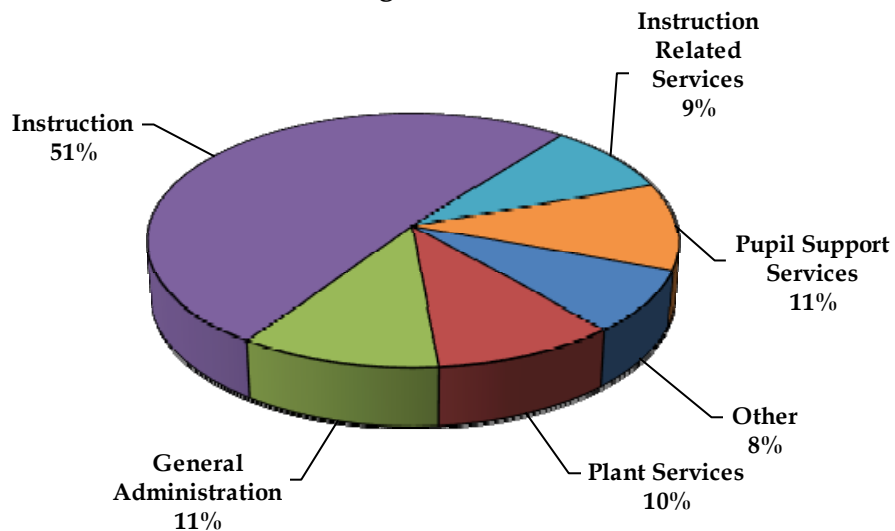
Sources of Revenue for the 2020-2021 Fiscal Year

Figure 1



Expenses for the Fiscal Year 2020-2021

Figure 2



GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 \$1.8 million, an increase of \$459 thousand from the previous fiscal year. The General Fund increased by \$613 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 \$675 thousand.

The District ended the year with \$1.3 million in the General Fund ending balance, of which \$903 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 2020-2021 was 18.1%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2020-2021 fiscal year, the District had invested \$11.0 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 \$3.7 million at June 30, 2021, which is an increase of \$28 thousand from the previous year.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (CONCLUDED)

Capital Assets (Concluded)

**Comparative Schedule of Capital Assets
(Net of depreciation)
June 30, 2021 and 2020
Table 3**

	2021	2020	Difference Increase (Decrease)
Land	\$ 227,850	\$ 227,850	\$ 0
Site Improvements	1,251,269	1,383,819	(132,550)
Buildings	2,147,818	1,870,443	277,375
Machinery and Equipment	82,900	101,255	(18,355)
Work in Process		98,491	(98,491)
Totals	<u>\$ 3,709,837</u>	<u>\$ 3,681,858</u>	<u>\$ 27,979</u>

The District completed two emergency repair projects during 2020-2021. The D-Building on the Gold Oak Elementary campus experienced ground water intrusion and a portable, including two student restrooms on the Pleasant Valley campus was found to have extensive damage to the substructure. Additionally, several HVAC units were replaced and the District recognized depreciation expense of \$293 thousand in 2020-2021.

Long-Term Debt

At June 30, 2021, the District had \$8.3 million in long-term debt outstanding.

**Comparative Schedule of Outstanding Debt
June 30, 2021 and 2020
Table 4**

	2021	2020
General Obligation Bonds	\$ 2,067,551	\$ 2,182,344
Accreted Interest	743,105	744,570
Other Post-employment Benefits	285,528	360,704
Compensated Absences	5,059	7,221
Net Pension Liability	<u>5,238,158</u>	<u>4,622,547</u>
Totals	<u>\$ 8,339,401</u>	<u>\$ 7,917,386</u>

The general obligation bonds will be paid from the Bond Interest and Redemption Fund. The employee benefit related liabilities are expected to be paid primarily from the General Fund.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FACTORS BEARING ON THE DISTRICT'S FUTURE

The 2020-2021 audit was performed during the continued COVID-19 global pandemic with many looming mandates and legislation changes to mitigate the effects. The District will continue to assess the impact of the pandemic on the student population, but have seen an increase need for behavioral and mental health services, connectivity to internet and devices, learning loss mitigation and independent study services. In addition to student needs, the District recognizes the wide-spread shortage of available staff and substitutes. One-time funds in response to the pandemic have required the creation of specific spending plans with input from community members and stakeholders and periodic expenditure reporting. Plans include but are not limited to the LCAP Supplemental, the Expanded Learning Opportunities Grant Plan, ESSER III Expenditure Plan, as well as maintaining and updating the COVID-19 Safety Plan.

Although there are budgeted COLAs for the LCFF and Special Education funding, one-time funding, and the cross fiscal year deferrals have been fully eliminated, the District will need to continue to monitor cash monthly as one-time funds are exhausted and may result in the need for borrowing, either internally or externally. Realistic cash, revenue and expenditure projections are essential along with enrollment projections and analysis of staffing ratios. Local resources should be reserved to address the potential impacts of possible deterioration of future revenue streams. Prudent reserves afford the District and the Governing Board time to thoughtfully identify and implement budget adjustments over time.

While the full multiyear impact to state and federal funding for K-12 school districts remains uncertain, districts throughout California are reasonably planning for the end of the LCFF ADA hold-harmless provision in conjunction with a sharp decline in student enrollment, attendance which will result in a severe decline in funding in the coming years. Assuming these funding reductions occur as anticipated, the District will need to proactively identify significant additional expenditure reductions beyond those included in its 2021-2022 original and revised budgets to maintain its fiscal solvency and local control.

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, 2021

	Governmental Activities
ASSETS	
Cash (Note 2)	\$ 944,542
Accounts Receivable (Note 3)	1,061,324
Stores Inventory (Note 1H)	2,573
Capital Assets, Net of Depreciation (Note 5)	3,709,837
Total Assets	5,718,276
DEFERRED OUTFLOWS OF RESOURCES (NOTE 1H)	
Deferred Outflows on Other Postemployment Benefits (Note 9)	17,065
Deferred Outflows on Pensions (Note 10)	1,383,455
Total Deferred Outflows of Resources	1,400,520
LIABILITIES	
Accounts Payable and Other Current Liabilities	111,036
Unearned Revenue (Note 1H)	136,159
Unamortized Bond Premiums (Note 6)	171,491
Long-term Liabilities (Note 7)	
Due Within One Year	200,059
Due After One Year	8,139,342
Total Liabilities	8,758,087
DEFERRED INFLOWS OF RESOURCES (NOTE 1H)	
Deferred Inflows on Other Postemployment Benefits (Note 9)	36,875
Deferred Inflows on Pensions (Note 10)	276,308
Total Deferred Inflows of Resources	313,183
NET POSITION	
Net Investment in Capital Assets	1,546,283
Restricted For:	
Capital Projects	212,199
Debt Service	227,760
Education Programs	281,431
Other Purposes (Expendable)	12,412
Unrestricted (Deficit)	(4,232,559)
Total Net Position (Deficit)	\$ (1,952,474)

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, 2021

		Program Revenues		Net (Expense)
				Revenue and
				Changes in Net
				Position
<u>Governmental Activities</u>	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Governmental</u>
		<u>Services</u>	<u>Grants and</u>	<u>Activities</u>
			<u>Contributions</u>	
Instruction	\$ 2,894,594	\$ 23,122	\$ 865,131	\$ (2,006,341)
Instruction-Related Services:				
Supervision of Instruction	24,655		23,441	(1,214)
Instructional Library, Media				
and Technology	27,696		775	(26,921)
School Site Administration	453,663		20,178	(433,485)
Pupil Services:				
Home-To-School Transportation	200,600		616	(199,984)
Food Services	221,092	4,167	159,740	(57,185)
All Other Pupil Services	173,534		77,921	(95,613)
General Administration:				
Data Processing	30,321			(30,321)
All Other General Administration	579,834	795	32,514	(546,525)
Plant Services	573,765		60,323	(513,442)
Ancillary Services	1,024		1,078	54
Community Services				
Interest on Long-Term Debt	151,748			(151,748)
Other Outgo	41,505	64,684	9,597	32,776
Depreciation (unallocated)*	257,841			(257,841)
Total Governmental Activities	\$ 5,631,872	\$ 92,768	\$ 1,251,314	(4,287,790)
General Revenues:				
Property Taxes Levied For:				
General Purposes				1,956,446
Debt Service				239,914
Federal and State Aid Not Restricted to Specific Purposes				2,317,271
Interest and Investment Earnings				3,621
Interagency Revenues				48,836
Miscellaneous				178,878
Total General Revenues				4,744,966
Change in Net Position				457,176
Net Position Beginning (Deficit)				(2,409,650)
Net Position Ending (Deficit)				\$ (1,952,474)

* 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, 2021

	General Fund	Bond Interest and Redemption Fund	Capital Facilities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash (Note 2)	\$ 516,089	\$ 227,760	\$ 212,199	\$ 14,855	\$ 970,903
Accounts Receivable (Note 3)	1,032,180			29,144	1,061,324
Due From Other Funds (Note 4)				2,256	2,256
Stores Inventory (Note 1H)				2,573	2,573
Total Assets	<u>\$ 1,548,269</u>	<u>\$ 227,760</u>	<u>\$ 212,199</u>	<u>\$ 48,828</u>	<u>\$ 2,037,056</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit Cash (Note 2)				\$ 26,361	\$ 26,361
Accounts Payable	\$ 87,838			260	88,098
Unearned Revenue (Note 1H)	131,380			4,779	136,159
Due to Other Funds (Note 4)	<u>2,256</u>				<u>2,256</u>
Total Liabilities	<u>221,474</u>			<u>31,400</u>	<u>252,874</u>
Fund Balances (Note 1H):					
Nonspendable	1,625			3,573	5,198
Restricted	281,431	\$ 227,760	\$ 212,199	8,839	730,229
Committed				5,016	5,016
Assigned	140,858				140,858
Unassigned	<u>902,881</u>				<u>902,881</u>
Total Fund Balances	<u>1,326,795</u>	<u>227,760</u>	<u>212,199</u>	<u>17,428</u>	<u>1,784,182</u>
Total Liabilities and Fund Balances	<u>\$ 1,548,269</u>	<u>\$ 227,760</u>	<u>\$ 212,199</u>	<u>\$ 48,828</u>	<u>\$ 2,037,056</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, 2021

Total fund balance - governmental funds	\$	1,784,182
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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	\$	11,047,768	
Accumulated depreciation		(7,337,931)	
Net			3,709,837

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:

(171,491)

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:

(22,938)

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	\$	2,067,551	
Accreted interest		743,105	
Other post-employment benefits		285,528	
Net pension liability		5,238,158	
Compensated absences		5,059	
Total			(8,339,401)

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	\$	17,065	
Deferred outflows of resources relating to pensions		1,383,455	
Deferred inflows of resources relating to OPEB		(36,875)	
Deferred inflows of resources relating to pensions		(276,308)	
Net			1,087,337

Total net position (deficit) - governmental activities	\$	(1,952,474)
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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, 2021

	General Fund	Bond Interest and Redemption Fund	Capital Facilities Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local Control Funding					
Formula Sources					
State Apportionments	\$ 2,326,003			\$ 30,000	\$ 2,356,003
Local Sources	<u>1,816,604</u>				<u>1,816,604</u>
Total Local Control Funding					
Formula Sources	4,142,607			30,000	4,172,607
Federal Revenue	655,494			145,802	801,296
Other State Revenue	544,877			10,900	555,777
Other Local Revenue	<u>248,450</u>	\$ 240,350	\$ 87,823	<u>115,924</u>	<u>692,547</u>
Total Revenues	<u>5,591,428</u>	<u>240,350</u>	<u>87,823</u>	<u>302,626</u>	<u>6,222,227</u>
EXPENDITURES					
Certificated Salaries	1,942,565				1,942,565
Classified Salaries	890,666			79,412	970,078
Employee Benefits	1,352,615			33,968	1,386,583
Books and Supplies	276,540			74,209	350,749
Services and Other					
Operating Expenditures	418,280		2,602	18,524	439,406
Capital Outlay	17,008		98,943	232,918	348,869
Debt Service:					
Principal Retirement		114,793			114,793
Interest and Fiscal Charges		168,840			168,840
Other Outgo	<u>32,235</u>			<u>9,270</u>	<u>41,505</u>
Total Expenditures	<u>4,929,909</u>	<u>283,633</u>	<u>101,545</u>	<u>448,301</u>	<u>5,763,388</u>
Excess of Revenues Over					
(Under) Expenditures	<u>661,519</u>	<u>(43,283)</u>	<u>(13,722)</u>	<u>(145,675)</u>	<u>458,839</u>
Other Financing Sources (Uses):					
Operating Transfers In (Note 4)				48,197	48,197
Operating Transfers Out (Note 4)	<u>(48,197)</u>				<u>(48,197)</u>
Total Other Financing Sources (Uses)	<u>(48,197)</u>	<u>0</u>	<u>0</u>	<u>48,197</u>	<u>0</u>
Excess of Revenues and Other					
Financing Sources Over (Under)					
Expenditures and Other Uses	613,322	(43,283)	(13,722)	(97,478)	458,839
Fund Balances - July 01, 2020	<u>713,473</u>	<u>271,043</u>	<u>225,921</u>	<u>114,906</u>	<u>1,325,343</u>
Fund Balances - June 30, 2021	<u>\$ 1,326,795</u>	<u>\$ 227,760</u>	<u>\$ 212,199</u>	<u>\$ 17,428</u>	<u>\$ 1,784,182</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, 2021

Net change in fund balances - total governmental funds	\$ 458,839
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	\$ 348,869
Depreciation expense	<u>(292,720)</u>
Net	56,149
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:	
	(242,584)
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:	
	225,000
Gain or loss from disposal of capital assets: In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting loss is:	
	(28,170)
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:	
	(107,407)
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:	
	2,162
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:	
	78,896
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:	
	<u>14,291</u>
Total change in net position - governmental activities	<u>\$ 457,176</u>

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, 2021

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, 2021

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, 2021

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, 2021

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.

Bond Interest and Redemption Fund is used to account for the accumulation of recourses for, and the repayment of, District bonds, interest, and related costs.

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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Estimates

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

H. Assets, Liabilities 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.

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).

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

2. Stores Inventory and Prepaid Expenditures (Concluded)

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 when purchased.

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. 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(s) and, as such, 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(s) and, as such, will not be recognized as an inflow of resources (revenue) until that time.

5. Unearned Revenue

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

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

6. 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 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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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.

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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

7. Other Postemployment Benefits (OPEB) (Concluded)

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

Valuation Date	July 1, 2019
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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

8. 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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

9. 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.

10. 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".

11. 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.

12. 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 not appropriate for expenditures.

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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

12. Fund Equity (Continued)

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, 2021 consisted of the following:

	General Fund	Bond Interest and Redemption Fund	Capital Facilities Fund	Other Governmental Funds	Total
Nonspendable:					
Revolving Fund	\$ 1,625			\$ 1,000	\$ 2,625
Stores Inventory				2,573	2,573
Total Nonspendable Fund Balance	1,625			3,573	5,198
Restricted For:					
Legally Restricted Categorical Funding	281,431				281,431
Debt Service		\$ 227,760			227,760
Purposes Specified in Government Code Sections 65970-65981			\$ 212,199		212,199
Student Activities				8,839	8,839
Total Restricted Fund Balance	281,431	227,760	212,199	8,839	730,229
Committed For:					
Future Maintenance Projects				5,016	5,016
Total Committed Fund Balance	0	0	0	5,016	5,016
Assigned For:					
Compensated Absences	7,221				7,221
Retirement Incentives	23,664				23,664
Site Carryover	6,392				6,392
Program Carryover	15,932				15,932
Technology Reserve	25,000				25,000
Playground Structure	12,649				12,649
Instructional Materials Reserve	50,000				50,000
Total Assigned Fund Balance	140,858	0	0	0	140,858
Unassigned:					
Reserve for Economic Uncertainties	902,881				902,881
Total Unassigned Fund Balance	902,881	0	0	0	902,881
Total Fund Balances	\$ 1,326,795	\$ 227,760	\$ 212,199	\$ 17,428	\$ 1,784,182

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

12. Fund Equity (Concluded)

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.

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.

13. 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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Concluded)

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

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.

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. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May, 2020. The primary objective is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by delaying the effective dates of certain pronouncements, including each of those listed below, by one year. Earlier application of the provisions addressed in this Statement is encouraged and permitted to the extent specified in each pronouncement as originally issued. The effect of this Statement and the action taken by the District as applicable has been described below.

The GASB issued Statement No. 87, *Leases* in June, 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement was originally effective beginning in 2020-2021 but has been postponed by one year. The District will implement this Statement in 2021-2022 and has not yet determined the impact on the financial statements.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Impact of Recently Issued Accounting Pronouncements (Continued)

The GASB issued Statement No. 91, *Conduit Debt Obligations* in May, 2019. This Statement was originally effective for reporting periods beginning after December 15, 2020, but has been postponed by one year and will be implemented as delayed. The District does not expect this Statement to have an impact on the District's financial statements.

The GASB issued Statement No. 92, *Omnibus 2020* in January, 2020. This Statement's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified upon implementation and application of certain GASB Statements. A portion of this Statement was effective upon issuance with the balance originally effective beginning in 2020-2021 but has been postponed by one year. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this Statement that are not yet effective.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)* in March, 2020. This Statement's primary objective is to address accounting and financial reporting implications that result from the replacement of an IBOR, specifically the London Interbank Offered Rate (LIBOR) which is expected to cease to exist in its current form at the end of 2021. This Statement is expected to enhance comparability in the application of accounting and financial reporting requirements and improve the consistency of authoritative literature. The removal of LIBOR as an appropriate benchmark interest rate was originally effective beginning in 2021-2022 but has been postponed by one year. All other requirements of this Statement were originally effective beginning in 2020-2021 but have also been postponed by one year. 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 Statement'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.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May, 2020. This Statement's primary objectives are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

I. Impact of Recently Issued Accounting Pronouncements (Concluded)

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. The District has not yet determined the impact on the financial statements.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* in June, 2020. This Statement's primary objectives are the (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in its fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. A portion of this Statement is effective upon issuance with the remaining requirements effective beginning in 2021-2022. The District has not yet determined the impact on the financial statements.

NOTE 2 - CASH

A. Summary of Cash

The District had the following cash at June 30, 2021:

	Fair Value	Carrying Amount	Credit Quality Rating
Cash in Commercial Banks	\$ 8,342	\$ 8,342	Not Rated
Cash in Revolving Fund	2,625	2,625	Not Rated
Cash in County Treasury (net of \$26,361 deficit cash)	931,383	933,575	Not Rated
Total Cash	<u>\$ 942,350</u>	<u>\$ 944,542</u>	

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 – CASH (CONTINUED)

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

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 laddered 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, 2021, the carrying amount of the District's accounts was \$10,967 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 \$652,129,826. The fair market value of this pool as of that date, as provided by the pool sponsor, was \$650,598,582. 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 \$26,361. 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, 2021

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, 2021 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	\$ 931,383	\$ 341,166	\$ 449,020	\$ 141,197

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, 2021

NOTE 3 - ACCOUNTS RECEIVABLE

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

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Federal Government			
Categorical Aid Programs	\$ 277,895	\$ 26,831	\$ 304,726
State Government			
Local Control Funding Formula	633,431		633,431
Categorical Aid Programs	17,038	2,029	19,067
Lottery	30,783		30,783
Total State Government	681,252	2,029	683,281
Local Government	66,481		66,481
Miscellaneous	6,552	284	6,836
Total Accounts Receivable	<u>\$ 1,032,180</u>	<u>\$ 29,144</u>	<u>\$ 1,061,324</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, 2021 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General Fund		\$ 2,256
Non-Major Governmental Funds:		
Cafeteria Fund	\$ 2,256	
Total	<u>\$ 2,256</u>	<u>\$ 2,256</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 2020-2021 fiscal year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund		\$ 48,197
Non-Major Governmental Funds:		
Cafeteria Fund	\$ 48,197	
Total	<u>\$ 48,197</u>	<u>\$ 48,197</u>

Transfer \$48,197 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, 2021, is shown below:

	<u>Balance July 01, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>
Capital assets, not being depreciated:				
Land	\$ 227,850			\$ 227,850
Work in progress	98,491		\$ 98,491	0
Total capital assets, not being depreciated	<u>326,341</u>	<u>\$ 0</u>	<u>98,491</u>	<u>227,850</u>
Capital assets being depreciated:				
Buildings	6,318,161	447,360	59,936	6,705,585
Improvements of sites	3,075,294			3,075,294
Equipment	1,039,039			1,039,039
Total capital assets, being depreciated	<u>10,432,494</u>	<u>447,360</u>	<u>59,936</u>	<u>10,819,918</u>
Less accumulated depreciation for:				
Buildings	4,447,718	141,815	31,766	4,557,767
Improvements of sites	1,691,475	132,550		1,824,025
Equipment	937,784	18,355		956,139
Total accumulated depreciation	<u>7,076,977</u>	<u>292,720</u>	<u>31,766</u>	<u>7,337,931</u>
Total capital assets, being depreciated, net	<u>3,355,517</u>	<u>154,640</u>	<u>28,170</u>	<u>3,481,987</u>
Governmental activities capital assets, net	<u>\$ 3,681,858</u>	<u>\$ 154,640</u>	<u>\$ 126,661</u>	<u>\$ 3,709,837</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION (CONCLUDED)

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:

Instruction	\$ 18,871
Instructional Library, Media and Technology	777
Home-To-School Transportation	901
Food Services	2,012
Centralized Data Processing	9,299
Plant Services	2,410
All Other General Administration	609
Unallocated	257,841
	<hr/>
Total	\$ 292,720
	<hr/>

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>
2022	\$ 14,291
2023	14,291
2024	14,291
2025	14,291
2026	14,291
2027-2031	71,455
2032-2033	28,581
	<hr/>
Total	\$ 171,491
	<hr/>

NOTE 7 - LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 2021, is shown on next page:

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM DEBT (CONCLUDED)

	Balance July 01, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
General Obligation Bonds	\$ 2,182,344		\$ 114,793	\$ 2,067,551	\$ 68,958
Accreted Interest	744,570	\$ 108,742	110,207	743,105	126,042
Other Postemployment Benefits	360,704		75,176	285,528	
Compensated Absences	7,221		2,162	5,059	5,059
Net Pension Liability	4,622,547	615,611		5,238,158	
Totals	<u>\$ 7,917,386</u>	<u>\$ 724,353</u>	<u>\$ 302,338</u>	<u>\$ 8,339,401</u>	<u>\$ 200,059</u>

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

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, 2021

NOTE 8 – GENERAL OBLIGATION BONDS (CONCLUDED)

The outstanding general obligation bonded debt of June 30, 2021 is:

Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 01, 2020	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2021
2009	3.00-6.00	2033	\$ 2,977,344	\$ 272,344		\$ 39,793	\$ 232,551
2020	3.00	2033	\$ 1,910,000	1,910,000		75,000	1,835,000
				<u>\$ 2,182,344</u>	<u>\$ 0</u>	<u>\$ 114,793</u>	<u>\$ 2,067,551</u>

Accreted Interest

Series	Interest Rate	Maturity Date	Outstanding July 01, 2020	Accretion Current Year	Payments Current Year	Outstanding June 30, 2021
2009	5.65-6.65	2027	<u>\$ 744,570</u>	<u>\$ 108,742</u>	<u>\$ 110,207</u>	<u>\$ 743,105</u>

The annual requirements to amortize the General Obligation Bonds payable, outstanding as of June 30, 2021 are as follows:

Year Ended June 30	Principal	Interest	Total
2022	\$ 68,958	\$ 180,642	\$ 249,600
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
2027-2031	857,826	618,524	1,476,350
2032-2033	<u>880,000</u>	<u>40,950</u>	<u>920,950</u>
Totals	<u>\$ 2,067,551</u>	<u>\$ 1,683,674</u>	<u>\$ 3,751,225</u>

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Gold Oak Union Elementary School District's defined benefit OPEB plan, Gold Oak Union Elementary School District Retiree Benefit Plan (GORBP) is described below. 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, 2021

NOTE 9 – 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 six 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 July 01, 2019, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Receiving Benefits	10
Participating Active Employees	<u>50</u>
Total Number of Participants	<u>60</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Total OPEB Liability

The Gold Oak Union Elementary School District's total OPEB liability of \$285,528 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 01, 2019.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 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	July 01, 2019
Measurement Date	June 30, 2021
Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.16%
Healthcare Cost Trend Rate*	6.00%
Retirees' Share of Benefit	50% of premiums
Related Costs	but not in excess of 50% of cap (see previous page)
Mortality Rates:	RP-2014 Employee and Healthy Annuitant Mortality Tables for Males or Females, as appropriate, projected using a generational projection based on 100% of scale MP-2016 for years 2014 through 2029, 50% of MP-2016 for years 2030 through 2049 and 20% of MP-2016 for 2050 and thereafter.
Turnover Rates:	Crocker-Sarason Table T-5 less mortality, increased by 40% at all ages.
Participation Rate:	100%

*The Healthcare cost trend rate is 6.00 for 2019-20, decreasing to 4.5% for 2022-23 and after.

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

During the measurement period ending June 30, 2021 the discount rate was changed from 2.20% to 2.16%.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 360,704
Changes Recognized for the Measurement Period:	
Service cost	14,941
Interest on the total OPEB liability	7,189
Changes of assumptions	410
Benefit payments, including implicit subsidy	(97,716)
Net Change During July 01, 2020 to June 30, 2021	(75,176)
Balance at June 30, 2021 (Measurement Date)	\$ 285,528

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 (1.16%) or one percentage point higher (3.16%) than the current discount rate:

	1 % Decrease (1.16%)	Discount Rate (2.16%)	1 % Increase (3.16%)
Total OPEB Liability	\$ 296,049	\$ 285,528	\$ 275,585

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 (5.0% decreasing to 3.5%)	Healthcare Cost Trend Rate (6.0% decreasing to 4.5%)	1 % Increase (7.0% decreasing to 5.0%)
Total OPEB Liability	\$ 283,044	\$ 285,528	\$ 288,654

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 – 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, 2021, the Gold Oak Union Elementary School District recognized OPEB expense of \$18,820. At June 30, 2021, 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	\$ 17,065	\$ 4,651
Net difference between projected and actual experience		32,224
Totals	<u>\$ 17,065</u>	<u>\$ 36,875</u>

The gains and losses are amortized over the expected average remaining service life, 8 years, which was determined as of June 30, 2021 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
2022	\$ 2,836	\$ 6,146
2023	2,836	6,146
2024	2,836	6,146
2025	2,836	6,146
2026	2,836	6,146
Thereafter	2,885	6,145
Total	<u>\$ 17,065</u>	<u>\$ 36,875</u>

NOTE 10 - 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, 2021, the Gold Oak Union Elementary School 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, 2021

NOTE 10 - 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	\$ 3,423,234	\$ 1,027,245	\$ 246,968	\$ 392,144
CalPERS	1,814,924	356,210	29,340	341,109
Totals	<u>\$ 5,238,158</u>	<u>\$ 1,383,455</u>	<u>\$ 276,308</u>	<u>\$ 733,253</u>

A. California State Teachers' Retirement System (CalSTRS)

Plan Description. The Gold Oak Union Elementary School 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, 2021. The Gold Oak Union Elementary School 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 17.10% of annual payroll in 2019-2020 and 16.15% in 2020-2021.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Contributions (Concluded). The required State contribution rate for fiscal years 2019-2020 and 2020-2021 was 10.328%. The Gold Oak Union Elementary School District's contributions to CalSTRS for the fiscal years ending June 30, 2021 and 2020 were \$300,588 and \$328,426, respectively, and equal 100% of the required contributions for each year.

Contribution by District	\$ 300,588
Contribution by State	188,353
Total Contribution in 2020-2021	<u>\$ 488,941</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the District reported a liability of \$3,423,234 for its proportionate share of the net pension liability for the STRP. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019. 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, 2020, the District's proportion of contributions was 0.00353%, an increase of 0.00031% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the District recognized pension expense of \$392,144 which included the State's required on-behalf contribution of \$55,175. At June 30, 2021, 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	\$ 6,041	\$ 96,541
Changes in assumptions	333,814	
Net difference between projected and actual earnings on pension plan investments	81,316	
Changes in proportion and differences between District contributions and proportionate share of contributions	305,486	150,427
District contributions subsequent to measurement date of June 30, 2020	<u>300,588</u>	
Totals	<u>\$ 1,027,245</u>	<u>\$ 246,968</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - 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 \$300,588 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, 2022. 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, 2022	\$ 117,529	\$ 72,627
June 30, 2023	194,889	65,842
June 30, 2024	222,583	52,297
June 30, 2025	112,339	25,990
June 30, 2026	39,659	25,444
June 30, 2027	39,658	4,768
Total	<u>\$ 726,657</u>	<u>\$ 246,968</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, 2019. 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, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Experience Study	July 1, 2010, 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 percent 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, 2021

NOTE 10 - 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 (Pension Consulting Alliance – PCA) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	42%	4.8%
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, 2021

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Discount Rate (Concluded).

<u>Discount Rate</u>	<u>Net Pension Liability of Employers</u>
3% Decrease (4.10%)	\$ 9,940,480
2% Decrease (5.10%)	\$ 7,310,204
1% Decrease (6.10%)	\$ 5,172,030
Current Discount Rate (7.10%)	\$ 3,423,234
1% Increase (8.10%)	\$ 1,979,357
2% Increase (9.10%)	\$ 776,638
3% Increase (10.10%)	\$ (230,173)

B. California Public Employees Retirement System (CalPERS)

Plan Description. The Gold Oak Union Elementary School 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-2020.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 Gold Oak Union Elementary School 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, 2021 and 2020 were 20.70% and 19.72%, respectively. The Gold Oak Union Elementary School District's employer contributions to CalPERS for the fiscal years ending June 30, 2021 and 2020 were \$190,081 and \$167,925, respectively and equal 100% of the required contributions for each year. The employer contribution rates for 2019-2020 and 2020-2021 were reduced by 1.012% and 1.98% from the 20.733% and 22.68% 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, 2021

NOTE 10 - 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, 2021, the District reported a liability of \$1,814,924 for its proportionate share of the net pension liability for the PERF B. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019. 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, 2020, the District's proportion of contributions was 0.0059%, an increase of 0.00005% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$341,109. At June 30, 2020, 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	\$ 90,015	
Changes in assumptions	6,655	
Net difference between projected and actual earnings on pension plan investments	37,781	
Changes in proportion and differences between District contributions and proportionate share of contributions	31,678	\$ 29,340
District contributions subsequent to measurement date of June 30, 2020	<u>190,081</u>	
Totals	<u>\$ 356,210</u>	<u>\$ 29,340</u>

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - 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 \$190,081 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, 2022. 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:

	Outflows	Inflows
June 30, 2022	\$ 78,303	\$ 10,117
June 30, 2023	39,319	10,117
June 30, 2024	30,466	9,106
June 30, 2025	18,041	
Total	<u>\$ 166,129</u>	<u>\$ 29,340</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, 2020 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, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The financial reporting actuarial valuation as of June 30, 2019, 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, 2021

NOTE 10 - 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 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool.

The following presents the net pension liability of the Plan as of June 30, 2020, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Discount Rate	Plan's Net Pension Liability
1% Decrease (6.15%)	\$ 2,609,284
Current Discount Rate (7.15%)	\$ 1,814,924
1% Increase (8.15%)	\$ 1,155,645

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	Real Return Years 11+ ³
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' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used for this period

³ An expected inflation of 2.92% used for this period

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - 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 Schools 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 11 - 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 12 - 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, 2021.

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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONCLUDED)

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.

NOTE 13 - 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, 2021, 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 2020-2021, 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.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 7, 2021, 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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
			(GAAP Basis)	Positive
				(Negative)
REVENUES				
Local Control Funding Formula				
Sources:				
State Apportionments	\$ 1,925,039	\$ 2,326,003	\$ 2,326,003	
Local Sources	1,908,409	1,816,604	1,816,604	
Total Local Control Funding				
Formula Sources	3,833,448	4,142,607	4,142,607	
Federal Revenue	261,574	717,585	655,494	\$ (62,091)
Other State Revenue	303,760	544,877	544,877	
Other Local Revenue	208,092	248,450	248,450	
Total Revenues	4,606,874	5,653,519	5,591,428	(62,091)
EXPENDITURES				
Certificated Salaries	1,815,429	1,942,565	1,942,565	
Classified Salaries	848,610	890,666	890,666	
Employee Benefits	1,315,132	1,352,615	1,352,615	
Books and Supplies	230,935	276,540	276,540	
Services and Other				
Operating Expenditures	495,992	418,280	418,280	
Capital Outlay		17,008	17,008	
Other Outgo	29,127	32,235	32,235	
Total Expenditures	4,735,225	4,929,909	4,929,909	0
Excess of Revenues Over				
(Under) Expenditures	(128,351)	723,610	661,519	(62,091)
Other Financing Sources (Uses):				
Operating Transfers Out	(36,981)	(48,197)	(48,197)	0
Excess of Revenues				
Over (Under) Expenditures				
and Other Uses	(165,332)	675,413	613,322	(62,091)
Fund Balances - July 01, 2020	564,267	713,473	713,473	0
Fund Balances - June 30, 2021	\$ 398,935	\$ 1,388,886	\$ 1,326,795	\$ 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, 2021

Year Ended June 30	Changes Recognized for the Measurement Period										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	Balance at June 30 (Measurement Date)	Covered- Employee Payroll	
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 three 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, 2021

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
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
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, 2021

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
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
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, 2021

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 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, 2021.

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 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, 2021

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
Casey Murdock	Clerk	December, 2024
Sheri Cook	Member	December, 2022
Jerald Soracco	Member	December, 2022
Aaron Pratt	Member	December, 2024

ADMINISTRATION

Meg Enns
Superintendent/Principal

Shannon Daniel
Chief Business Official

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Grade Level	2020-2021 Instructional Days Offered	Less Days Out of Compliance with Instructional Day Provisions	2020-2021 Total Days of Instruction	Status
TK	180	0	180	In Compliance
Kindergarten	180	0	180	In Compliance
Grade 1	180	(1)	179	Not in Compliance
Grade 2	180	(1)	179	Not in Compliance
Grade 3	180	(1)	179	Not in Compliance
Grade 4	180	(1)	179	Not in Compliance
Grade 5	180	(1)	179	Not in Compliance
Grade 6	180	(1)	179	Not in Compliance
Grade 7	180	(1)	179	Not in Compliance
Grade 8	180	(1)	179	Not 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, 2021

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Program Name:	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Child Nutrition Cluster:			
Donated Food Commodities	10.555	N/A	\$ 14,544
Passed through the California Department of Education (CDE):			
National School Lunch	10.555	13523/13524	84,228
School Breakfast Needy	10.553	13526	38,936
Subtotal Child Nutrition Cluster			137,708
Passed through the El Dorado County Office of Education:			
Forest Reserve Funds	10.665	10044	7,850
Total U.S. Department of Agriculture			145,558
U.S. Department of Treasury:			
Passed through the CDE:			
COVID-19: Coronavirus Relief Fund, Learning Loss Mitigation	21.019*	25516	231,838
Total U.S. Department of Treasury			231,838
US. Department of Education:			
Small, Rural School Achievement Program	84.358A	N/A	56,873
Passed through the El Dorado County Office of Education:			
Special Education Cluster:			
IDEA: Basic Local Assistance, Part B, Section 611	84.027	13379	41,534
ESEA (ESSA): Title III, English Learner Student Program	84.365	14346	785
Passed through the CDE:			
COVID-19: Governor's Emergency Education Relief (GEER) Fund:			
Learning Loss Mitigation	84.425C*	15517	35,881
COVID-19: Child Nutrition: COVID CARES Act Supplemental Meal Reimbursement	84.425D*	15535	8,094
COVID-19: Elementary & Secondary School Relief (ESSER I) Fund	84.425D*	15536	51,648
COVID-19: Elementary & Secondary School Relief (ESSER II) Fund	84.425D*	15547	142,639
Subtotal Education Stabilization Fund			238,262
ESEA (ESSA): Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	68,272
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction	84.367	14341	8,174
ESEA (ESSA): Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	10,000
Total U.S. Department of Education			423,900
Total Federal Programs			\$ 801,296

* Denotes a Major Program

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, 2021

	<u>General Fund</u>
June 30, 2021, Annual Unaudited Actual Financial Report Fund Balance	<u>\$ 1,388,884</u>
Adjustments and Reclassifications Increasing (Decreasing) the Fund Balance:	
Overstated Federal Revenue	<u>(62,089)</u>
Net Adjustments and Reclassifications	<u>(62,089)</u>
June 30, 2021, Audited Financial Statement Fund Balance	<u>\$ 1,326,795</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, 2021.

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, 2021

	Budget 2021-2022	2020-2021	2019-2020	2018-2019
<u>General Fund</u>				
Revenues and Other Financial Sources	\$ 5,504,954	\$ 5,591,428	\$ 5,050,279	\$ 5,192,378
Expenditures	5,663,520	4,929,909	4,952,093	5,042,883
Other Uses and Transfers Out	91,681	48,197	37,699	42,772
Total Outgo	5,755,201	4,978,106	4,989,792	5,085,655
Change in Fund Balance (Deficit)	(250,247)	613,322	60,487	106,723
Ending Fund Balance	\$ 997,319	\$ 1,326,795	\$ 713,473	\$ 652,986
Available Reserves	\$ 642,073	\$ 902,881	\$ 443,817	\$ 242,208
Reserve for Economic Uncertainties	\$ 642,073	\$ 902,881	\$ 451,672	\$ 242,208
Unassigned Fund Balance (Deficit)	\$ 0	\$ 0	\$ (7,855)	\$ 0
Available Reserves as a Percentage of Total Outgo	11.2%	18.1%	8.9%	4.8%
Total Long-Term Debt	\$ 8,144,401	\$ 8,339,401	\$ 7,917,386	\$ 8,106,970
Average Daily Attendance (ADA) at P-2	385	445	445	452

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 \$780,532 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).

Total long-term debt increased \$232,431 during the past two years. Pursuant to *California Education Code* (EC) Section 43502(b) added by SB 98, with limited exceptions, the 2019-2020 reported ADA was used to calculate 2020-2021 LCFF funding. Pursuant to EC Section 42238.05, 2021-2022 LCFF funding will be determined using the greater of the District's 2019-2020 ADA and 2021-2022 ADA.

The amounts presented as Budget 2021-2022 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 FUNDS
JUNE 30, 2021

	Student Activity Fund	Cafeteria Fund	Deferred Maintenance Fund	Total Other Governmental Funds
ASSETS				
Cash	\$ 8,839	\$ 1,000	\$ 5,016	\$ 14,855
Accounts Receivable		29,144		29,144
Due From Other Funds		2,256		2,256
Stores Inventory		2,573		2,573
Total Assets	<u>\$ 8,839</u>	<u>\$ 34,973</u>	<u>\$ 5,016</u>	<u>\$ 48,828</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deficit Cash		\$ 26,361		\$ 26,361
Accounts Payable		260		260
Deferred Revenue		4,779		4,779
Total Liabilities		<u>31,400</u>		<u>31,400</u>
Fund Balances:				
Nonspendable		3,573		3,573
Restricted	\$ 8,839			8,839
Committed			\$ 5,016	5,016
Total Fund Balances	<u>8,839</u>	<u>3,573</u>	<u>5,016</u>	<u>17,428</u>
Total Liabilities and Fund Balances	<u>\$ 8,839</u>	<u>\$ 34,973</u>	<u>\$ 5,016</u>	<u>\$ 48,828</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 FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Student Activity Fund	Cafeteria Fund	Deferred Maintenance Fund	Total Non- Major Governmental Funds
REVENUES				
Revenue Limit Sources:				
State Apportionments			\$ 30,000	\$ 30,000
Total Revenue Limit			30,000	30,000
Federal Revenue		\$ 145,802		145,802
Other State Revenue		10,900		10,900
Other Local Revenue	\$ 1,078	4,328	110,518	115,924
Total Revenues	1,078	161,030	140,518	302,626
EXPENDITURES				
Classified Salaries		79,412		79,412
Employee Benefits		33,968		33,968
Books and Supplies		74,209		74,209
Services and Other Operating Expenditures		12,626	5,898	18,524
Capital Outlay			232,918	232,918
Other Outgo		9,270		9,270
Total Expenditures	0	209,485	238,816	448,301
Excess of Revenues Over (Under) Expenditures	1,078	(48,455)	(98,298)	(145,675)
Other Financing Sources:				
Operating Transfers In		48,197		48,197
Excess of Revenues and Other Sources Over (Under) Expenditures	1,078	(258)	(98,298)	(97,478)
Fund Balances - July 01, 2020	7,761	3,831	103,314	114,906
Fund Balances - June 30, 2021	\$ 8,839	\$ 3,573	\$ 5,016	\$ 17,428

SEE ACCOMPANYING NOTES TO SUPPLEMENTARY INFORMATION

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES

A. Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *California Education Code* Section 46208.

B. 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.

C. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The District has not used the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

D. Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the Unaudited Actual Financial Report to the audited financial statements.

E. Schedule of Financial Trends and Analysis

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

F. 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



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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 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, 2021, 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 7, 2021.

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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gold Oak Union Elementary School District's financial statements are free of 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 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 7, 2021



Certified Public Accountant

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Gold Oak Union Elementary School District's major federal programs based on my audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gold Oak Union Elementary School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Gold Oak Union Elementary School District's compliance.

Opinion on Each Major Federal Program

In my opinion, Gold Oak Union Elementary School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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



MICHELLE M. HANSON
Certified Public Accountant

December 7, 2021



Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

I have audited Gold Oak Union Elementary School District's compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* that could have a direct and material effect on each of Gold Oak Union Elementary School District's State government programs as noted below for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws and regulations.

Auditor's Responsibility

My responsibility is to express an opinion on compliance with State laws and regulations of Gold Oak Union Elementary School District's state government programs based on my audit of the types of compliance requirements referred to below. 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 *2020-2021 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the applicable State laws and regulations listed below occurred. An audit includes examining, on a test basis, evidence about Gold Oak Union Elementary School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion. However, my audit does not provide a legal determination of Gold Oak Union Elementary School District's compliance with those requirements.

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 and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	No (see next page)
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Office of Education and Charter Schools:	
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study – Course Based	Not Applicable
Charter Schools:	
Attendance	Not Applicable
Non-Classroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Non-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 *Education Code* Section 41374.

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

Opinion on Each State Government Program

In my opinion, Gold Oak Union Elementary School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state government programs for the year ended June 30, 2021.

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the *2020-2021 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 2021-001. My opinion on State government programs is not modified with respect to this matter.

Gold Oak Union Elementary School District’s Response to Finding

Gold Oak Union Elementary School District’s response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. Gold Oak Union Elementary School District’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of my testing of compliance and the results of that testing based on the requirements of the *2020-2021 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.



MICHELLE M. HANSON
Certified Public Accountant

December 7, 2021

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, 2021

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? ☐ Yes ☒ No

Significant deficiency(ies) identified that are not considered to be material weakness? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs

Federal Assistance <u>Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19: Coronavirus Relief Fund, Learning Loss Mitigation
84.425	COVID-19: Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

State Awards

Internal control over state programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified that are not considered to be material weakness? ☒ Yes ☐ None reported

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

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section II - Financial Statements Findings

No matters are reported.

Section III - Federal Award Findings and Questioned Costs

No matters are reported.

Section IV - State Award Findings and Questioned Costs

2021-001 - INSTRUCTIONAL TIME - 40000

Criteria: *California Education Code* Section 43504(c) states, for the 2020-2021 school year, for purposes of the requirement on school districts to offer 180 instructional days per school year pursuant to *California Education Code* Section 46208, an instructional day is a day in which all pupils are scheduled for the length of the day established by the governing board or body of the local educational agency in a classroom under the immediate supervision of a certificated employee or in distance learning that meets the minimum requirements described in this part. For a day to count as a day of instruction, *California Education Code* Section 43501 stipulates, for the 2020-2021 school year, the minimum school day for a school district is as follows:

180 instructional minutes in Kindergarten
230 instructional minutes in grades 1 to 3, inclusive
240 instructional minutes in grades 4 to 8, inclusive

Statement of Condition: During my review of the District's daily instructional minutes I noted the District had followed the originally developed calendar when students returned to campus for in person learning. This calendar included one minimum day which was not in compliance with the minimum minute requirements in place for 2020-2021 pursuant to *California Education Code* Section 43501 for grades TK through eight.

Cause: When the District returned to in person learning, the originally developed (pre-pandemic) calendar and traditional bell schedules were resumed for the remainder of the year not realizing *California Education Code* Section 43501 superseded *California Education Code* Section 46114 which normally allows the averaging of ten consecutive days to meet minimum instructional minutes required.

Effect: The District is 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 is not able to be 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).

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

2021-001 - INSTRUCTIONAL TIME - 40000 (CONCLUDED)

Questioned Costs: Pursuant to *California Education Code* Section 43504(i)(1)(A), the District's apportionment is expected to be adjusted by the sum of .0056 multiplied by that apportionment for each day less than what was required pursuant to *California Education Code* Section 43504(c). The total penalty is not considered material and no accrual has been made in these financial statements.

<u>Affected grade levels</u>	Tk-3	4-6	7-8
Derived value of ADA by grade span	\$ 9,157.56	\$ 8,419.83	\$ 8,669.69
Adjustment factor	<u>0.0056</u>	<u>0.0056</u>	<u>0.0056</u>
Calculation	\$ 51.28	\$ 47.15	\$ 48.55
Affected grade level ADA	<u>199.66</u>	<u>150.16</u>	<u>94.95</u>
Calculation	\$10,238.57	\$ 7,080.04	\$ 4,609.82
Number of days short	<u>1</u>	<u>1</u>	<u>1</u>
Instructional day penalty by grade span	<u>\$10,238.57</u>	<u>\$ 7,080.04</u>	<u>\$ 4,609.82</u>
Total instructional day penalty			<u>\$21,928.43</u>

Recommendation: It is important to understand and follow all compliance requirements in place in any given year, especially in a year when the laws have been created to address unique, unprecedented times. Considering the unusual times and the District's effort to act in good faith to comply with the laws historically in effect including *California Education Code* Section 46207, management may choose to request 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.

Corrective Action: Under normal circumstances the District has met and exceeded the traditional annual instructional minutes required by *California Education Code* Section 46207. The *California Education Code* Section 43501, active for the 2020-21 fiscal year only, caused the one-day non-compliance and will not be applicable in future years. The District strongly believes we can demonstrate we acted in good faith to comply with the laws necessary for apportionment of funding and will be requesting a summary review with the Executive Officer of the Education Audit Appeals Panel to have this finding dismissed.

GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT
STATUS OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

There were no findings or recommendations considered reportable conditions determined as a result of my audit of Gold Oak Union Elementary School District for the fiscal year ended June 30, 2020.