

**WHEATLAND  
ELEMENTARY  
SCHOOL DISTRICT**



**ANNUAL  
FINANCIAL  
REPORT**

**JUNE 30, 2021**



**WHEATLAND ELEMENTARY SCHOOL DISTRICT**

**OF YUBA COUNTY**

**WHEATLAND, CALIFORNIA**

**JUNE 30, 2021**

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**GOVERNING BOARD**

<b>MEMBER</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
Nicole Crabb	President	December 2024
Ronna Eaton	Clerk	December 2022
Raegean Waltz	Member	December 2022
Ish Medina	Member	December 2022
Robin Bogdanoff	Member	December 2024
	Beale AFB Liason (non-voting)	NA

**ADMINISTRATION**

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Craig Guensler

Superintendent/Chief Business Official

**ORGANIZATION**

The Wheatland Elementary School District was established in 1871 and is located in Yuba County. The District was established when the former Bear River School District was divided into Virginia and Wheatland School Districts. The District operates two elementary schools, one 4<sup>th</sup>-8<sup>th</sup> grade school, and one charter school, Wheatland Charter Academy.

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Trustees  
Wheatland Elementary School District  
Wheatland, California

### ***REPORT ON THE FINANCIAL STATEMENTS***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wheatland Elementary School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Wheatland 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***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

RT DENNIS  
ACCOUNTANCY

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wheatland Elementary School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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, budgetary comparison information, pension schedules, and other postemployment benefit schedules on pages 5 through 16 and 61 through 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wheatland Elementary School District's basic financial statements. The following schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements:

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") requires:

- ❖ Schedule of Expenditures of Federal Awards

2020-21 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires:

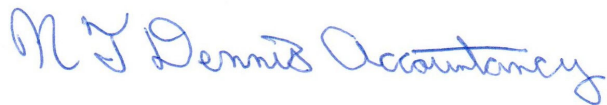
- ❖ LEA Organization Structure
- ❖ Schedule of Instructional Time
- ❖ Schedule of Financial Trends and Analysis
- ❖ Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
- ❖ Schedule of Charter Schools

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

The Combining Statements of Non-Major Governmental Funds have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022 on our consideration of Wheatland Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wheatland 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 Wheatland Elementary School District's internal control over financial reporting and compliance.



January 27, 2022



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INTRODUCTION

Our discussion and analysis of Wheatland Elementary School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

The District's financial status remained relatively consistent to the prior year as a whole. Total net position decreased less than 1 percent over the course of the year.

- Total net position was \$17.9 million at June 30, 2021. This was an increase of over \$0.3 million from the beginning balance.
- Overall revenues were \$23.5 million, which was more than expenses of \$23.2 million.
- The net cost of the District's programs (expenses after program revenues) was \$17.4 million.
- The general fund reported an increase in fund balance this year of \$2.4 million.
- The resources available for appropriation were \$1.4 million more than budgeted for the General Fund, and expenditures were under spending limits by approximately \$1.4 million.

**OVERVIEW OF FINANCIAL STATEMENTS**

**Components of the Financials Section**

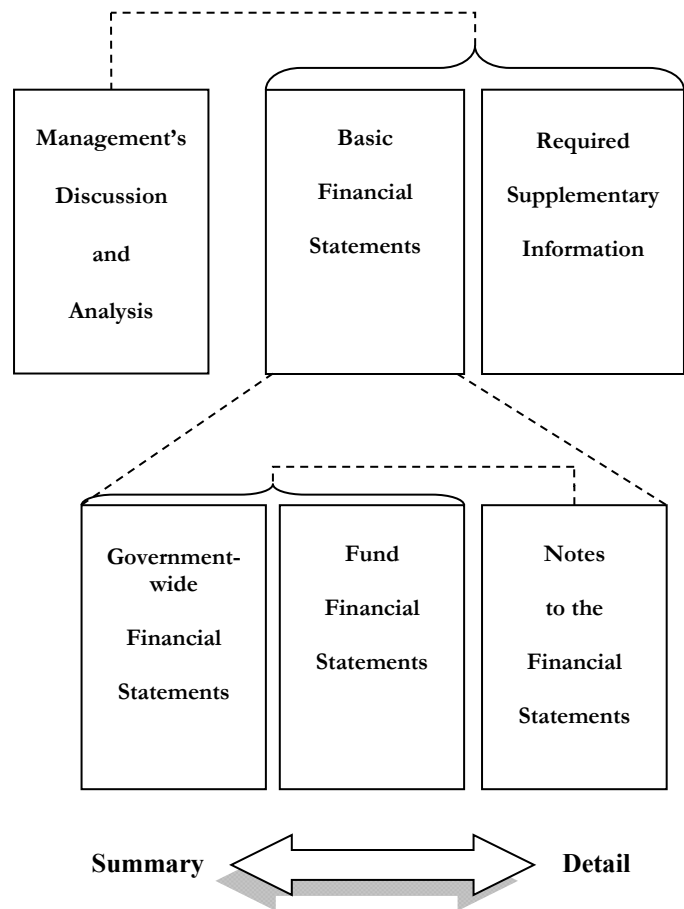
This annual report consists of four parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*, and *supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- ❖ The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- ❖ The remaining statements are *fund financial statements* that focus on *individual parts* of the District government, reporting the District’s operations in *more detail* than the government-wide statements.

– The *governmental funds* statements tell how *general government* services like were financed in the *short term* as well as what remains for future spending.

– *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as the self-insurance fund.

**Figure A-1  
 Required Components of Wheatland Elementary School District’s Annual Financial Report**



The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The figure above shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with additional federal and state required information, as well as a detail of the nonmajor funds.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2021

Major Features of Wheatland Elementary School District’s Government-wide and Fund Financial Statements

	Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire District government (except fiduciary funds) and the District’s component units	The activities of the District that are not proprietary or fiduciary, such as self-insurance, ASB	Activities the District operates similar to private businesses self-insurance
Required financial statements	❖ Statement of net position ❖ Statement of activities	❖ Balance sheet ❖ Statement of revenues, expenditures, and changes in fund balances	❖ Statement of net position ❖ Statement of revenues, expenses and changes in net position ❖ Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

**District-Wide Statements**

The district-wide statements report 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. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District’s *net position* and how they have changed. Net position—the difference between the District’s assets and deferred outflows of resources less liabilities and deferred inflows of resources—are one way to measure the District’s financial health or *position*.

- ❖ Over time, increases or decreases in the District’s net positions are an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities. In the district-wide financial statements, the District’s *Governmental activities*—Most of the District’s basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

## WHEATLAND ELEMENTARY SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2021

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#### Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" 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 by State law and by bond covenants.
- ❖ The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

The District has two kinds of funds:

- ❖ *Governmental funds*—Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at yearend that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences) between them.
- ❖ *Proprietary funds*—Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
  - We use *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for the District's other programs and activities. The district currently has one internal service fund—the workers' compensation fund.



WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District’s net position increased between fiscal years 2020 and 2021—increasing to \$17.9 million. (See Table 1.)

Table 1 - Net Position

<i>(\$ Amounts in millions)</i>	2021	2020	\$ Change	% Change
<b>ASSETS</b>				
Current assets	\$ 16.3	\$ 13.5	\$ 2.8	21%
Capital assets, net	20.6	21.6	(1.0)	-5%
<b>Total Assets</b>	<b>36.9</b>	<b>35.1</b>	<b>1.8</b>	<b>5%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	4.8	4.4	0.4	9%
<b>LIABILITIES</b>				
Current liabilities	1.1	1.0	0.1	10%
Non-current liabilities	22.0	19.4	2.6	13%
<b>Total Liabilities</b>	<b>23.1</b>	<b>20.4</b>	<b>2.7</b>	<b>13%</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
	0.7	1.5	(0.8)	-53%
<b>NET POSITION</b>				
Net investment in capital assets	20.6	21.6	(1.0)	-5%
Restricted	1.8	1.3	0.5	38%
Unrestricted (Deficit)	(4.5)	(5.3)	0.8	-15%
<b>Total Net Position</b>	<b>\$ 17.9</b>	<b>\$ 17.6</b>	<b>\$ 0.3</b>	<b>2%</b>

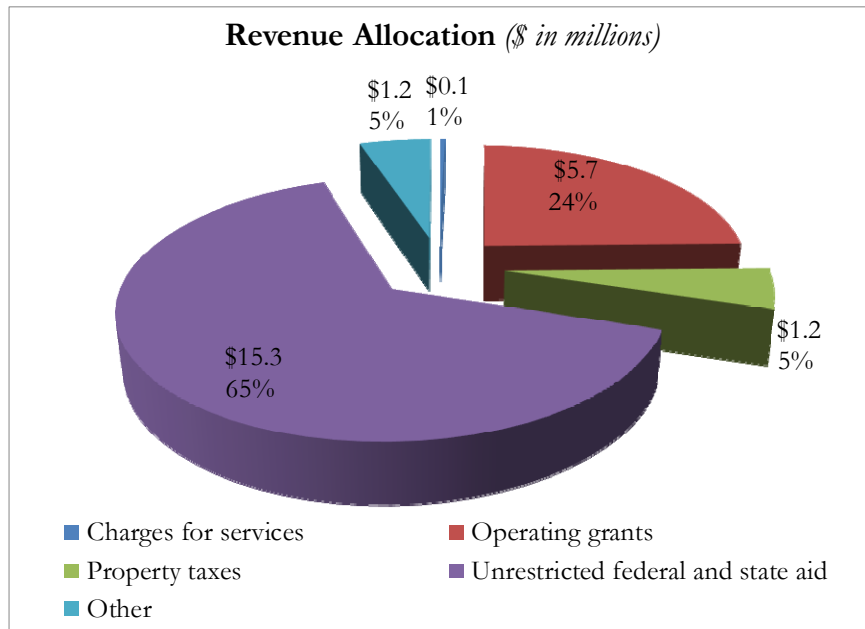
The net position increased two percent. Consequently, the *unrestricted* component of net position (deficit) showed \$4.5 million at the end of this year. The deficit is mostly a result of pension liabilities, but the overall increase in net position is attributed to increased fund performance.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

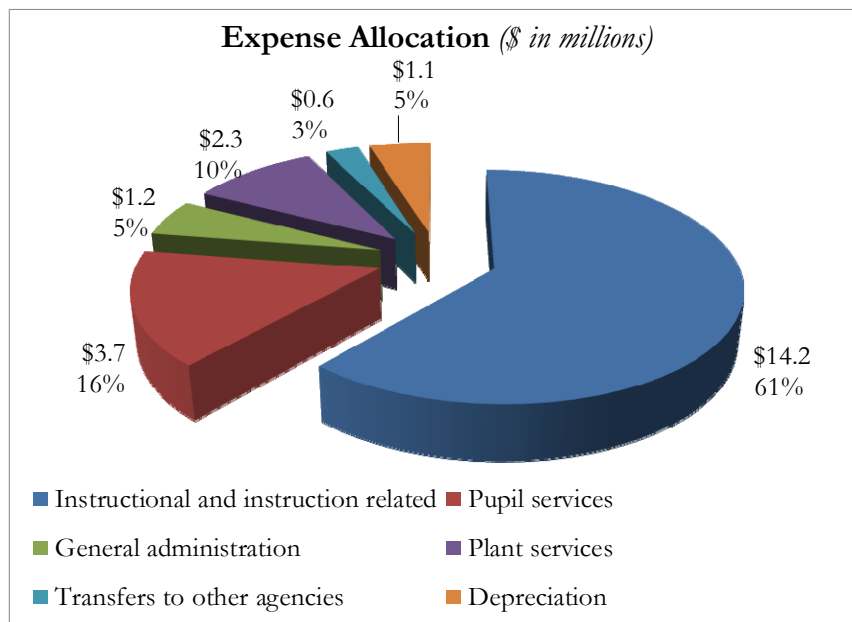
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2021

Changes in Net Position

The District’s total revenue increased to \$23.5 million. (See Table 2.) Almost two-thirds of the District’s revenue comes from LCFF related and impact aid. Twenty-one cents of every dollar raised comes from some type of grant. (See Revenue Allocation.) The rest comes from fees charged for services, and miscellaneous revenue.



The total cost of all programs and services stayed about the same \$23.2 million. The District’s expenses cover a range of services, with more than half related to instruction and instruction related. (See Expense Allocation.)



WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2021

**Governmental Activities**

Revenues for the District increased; while total expenses increased at a lower rate. Increase in LOT percentage payments for Impact Aid and SD816, as well as State & Federal CARES Funding, and the COLA increase for LCFF, but deferrals of funds from February through June, LCFF payments decreased unrestricted state aid, and miscellaneous new grants added additional revenue and expense.

**Table 2 - Changes in Net Position**

<i>(\$ Amounts in millions)</i>	2021	2020	\$ Change	% Change
<b>REVENUES</b>				
Program revenues				
Charges for services	\$ 0.1	\$ 0.4	\$ (0.3)	-75%
Operating grants	5.7	3.3	2.4	73%
General revenues				
Property taxes	1.2	1.1	0.1	9%
Unrestricted federal and state aid	15.3	12.7	2.6	20%
Other	1.2	0.5	0.7	140%
<b>Total Revenues</b>	<b>23.5</b>	<b>18.0</b>	<b>5.5</b>	<b>31%</b>
<b>EXPENSES</b>				
Instructional and instruction related	14.2	13.5	0.7	5%
Pupil services	3.7	3.1	0.6	19%
General administration	1.2	1.1	0.1	9%
Plant services	2.3	2.4	(0.1)	-4%
Transfers to other agencies	0.6	0.8	(0.2)	-25%
Depreciation	1.1	1.1	-	0%
<b>Total Expenses</b>	<b>23.2</b>	<b>22.1</b>	<b>1.1</b>	<b>5%</b>
<b>Deficiency</b>	<b>\$ 0.3</b>	<b>\$ (4.1)</b>	<b>\$ 4.4</b>	<b>-107%</b>

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2021

Table 3 presents the cost of each of the District’s four largest programs—instruction, instruction related, student services, and plant services—plus all others, as well as each program’s *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

- ❖ The net cost of all *governmental* activities this year was \$17.4 million.
- ❖ Some of the cost was paid by:
  - Those who directly benefited from the programs (\$0.8 million).
  - Other governments and organizations that subsidized certain programs with grants and contributions (\$5.0 million).
- ❖ The District paid for the \$17.4 million “public benefit” portion with \$16.5 million in unrestricted federal and state aid, and with other revenues such as property taxes.

**Table 3 - Net Cost of Governmental Activities**

<i>(\$ Amounts in millions)</i>	Total Cost of Services		Net Cost of Services			
	2021	2020	2021	2020	\$ Change	% Change
Instruction	\$ 11.3	\$ 11.1	\$ 8.8	\$ 9.6	\$ (0.8)	-8%
Instruction related	2.9	2.4	2.4	2.2	0.2	9%
Student services	3.7	3.1	1.7	1.7	-	0%
Plant services	2.3	2.4	2.0	2.1	(0.1)	-5%
Other	3.0	3.1	2.5	2.7	(0.2)	-7%
<b>Total</b>	<b>\$ 23.2</b>	<b>\$ 22.1</b>	<b>\$ 17.4</b>	<b>\$ 18.3</b>	<b>\$ (0.9)</b>	<b>-5%</b>

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Fund Financial Statement

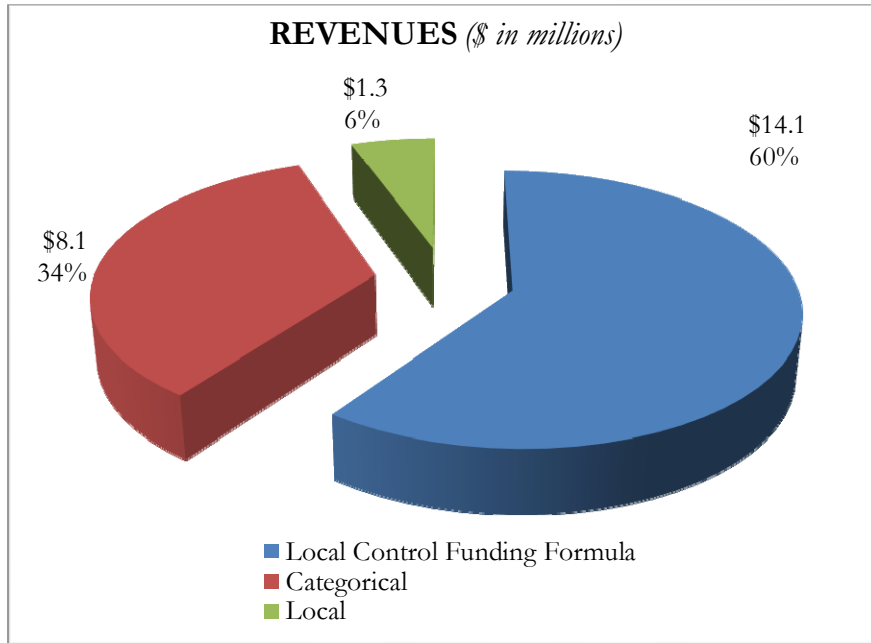
As the District completed the year, its funds reported a *combined* fund balance of \$14.3 million, \$2.8 million more than last year. This is due to maintaining LCFF at the 19-20 level, as well as CARES State & Federal funding for COVID-19.

Table 4 - Funds' Performance

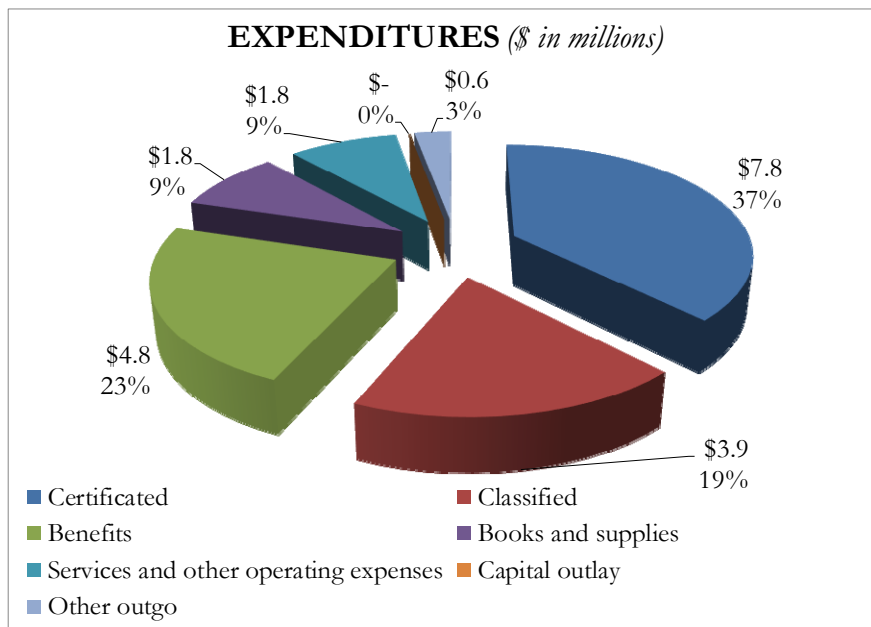
	Governmental Funds			
	(\$ Amounts in millions)	2021	2020	\$ Change % Change
<b>REVENUES</b>				
Local Control Funding Formula	\$	14.1	\$ 11.1	\$ 3.0 27%
Categorical		8.1	6.0	2.1 35%
Local		1.3	1.6	(0.3) -19%
<b>Total Revenues</b>		23.5	18.7	4.8 26%
<b>EXPENDITURES</b>				
Certificated		7.8	7.6	0.2 3%
Classified		3.9	4.4	(0.5) -11%
Benefits		4.8	5.0	(0.2) -4%
Books and supplies		1.8	1.2	0.6 50%
Services and other operating expenses		1.8	1.4	0.4 29%
Capital outlay		-	0.1	(0.1) -100%
Other outgo		0.6	0.8	(0.2) -25%
<b>Total Expenditures</b>		20.7	20.5	0.2 1%
<b>NET CHANGE IN FUND BALANCE</b>				
	\$	2.8	\$ (1.8)	\$ 4.6 -256%

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2021



These graphs represent the fund expenditures by object code.



WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
 JUNE 30, 2021

**General Fund Budgetary Highlights**

Over the course of the year, the School Board revised the District budget several times. These budget amendments fall into three categories:

- ❖ Amendments and supplemental appropriations approved in December (1<sup>st</sup> Interim) to reflect the actual beginning account balances (correcting the estimated amounts in the budget adopted in June 2020).
- ❖ Increases in appropriations to prevent budget overruns.

Even with these adjustments, actual expenditures were \$1.4 million below final budget amounts, which was due to unprecedented school closure and increased revenues.

On the other hand, resources available for appropriation were almost \$1.4 million above the final budgeted amount.

**Table 5 - General Fund and Budget Performance**

	General Fund Activity			General Fund Budget						
		2021	2020	% Diff.	Original Budget	Final Budget	% Diff.			
	<i>(\$ Amounts in millions)</i>									
<b>REVENUES</b>										
Local Control Funding Formula	\$	13.1	\$	10.3	27%	\$	11.0	\$	12.0	9%
Categorical		6.4		4.8	33%		3.0		6.0	100%
Local		1.2		1.3	-8%		1.3		1.3	0%
<b>Total Revenues</b>		20.7		16.4	26%		15.3		19.3	26%
<b>EXPENDITURES</b>										
Certificated		7.1		7.0	1%		7.2		7.1	-1%
Classified		3.4		3.7	-8%		3.4		3.6	6%
Benefits		4.4		4.6	-4%		4.0		4.5	13%
Supplies and services		2.9		1.9	53%		1.6		3.5	119%
Other		0.5		0.7	-29%		1.0		1.0	0%
<b>Total Expenditures</b>		18.3		17.9	2%		17.2		19.7	15%
<b>NET CHANGE IN FUND BALANCE</b>	\$	2.4	\$	(1.5)	-260%	\$	(1.9)	\$	(0.4)	-79%

## WHEATLAND ELEMENTARY SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2021

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#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

At June 30, 2021, the District has a net investment of \$20.6 million in a broad range of capital assets, including buildings, building improvements, and equipment. (See Table 6.) This amount represents a net decrease of \$1.0 million assets over last year.

**Table 6 - District's Capital Assets**

<i>(\$ Amounts in millions)</i>	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>	<b>% Change</b>
Land and const. in progress	\$ 0.5	\$ 0.5	\$ -	0%
Buildings and equipment	37.6	37.6	-	0%
Accumulated depreciation	(17.5)	(16.5)	(1.0)	6%
<b>Total Capital Assets</b>	<b>\$ 20.6</b>	<b>\$ 21.6</b>	<b>\$ (1.0)</b>	<b>-5%</b>

There was no capital asset additions this year

##### Long-Term Liabilities

The District had \$19.5 million in pension, OPEB, capital leases, and compensated absences—as shown in Table 7. More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.

**Table 7 - District's Long Term Liabilities**

<i>(\$ Amounts in millions)</i>	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>	<b>% Change</b>
Net pension liabilities	\$ 21.1	\$ 18.5	\$ 2.6	14%
Net OPEB	0.7	0.7	-	0%
Compensated absences	0.1	0.1	-	0%
Other long-term liabilities	0.2	0.3	(0.1)	-33%
Less current portion	(0.1)	(0.2)	0.1	-50%
<b>Total Long-term Liabilities</b>	<b>22.0</b>	<b>19.4</b>	<b>2.6</b>	<b>13%</b>

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Annual retirement increases in both the STRS and PERS systems are significant through 21-22. Employer rates will reach an estimated 16.15% for STRS by 2021, a decrease from 2020 and a possible increase to 18.10% in 2022. PERS is estimated to reach 23% by that time.

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for money it receives. If you have any questions about this report, or need additional financial information, contact the Superintendent at 111 Main Street, Wheatland, CA 95692 (530) 633-3130.



WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATEMENT OF NET POSITION  
 JUNE 30, 2021

	Governmental (\$ Amounts in thousands) <u>Activities</u>
<b>ASSETS</b>	
Deposits and investments	\$ 14,422
Accrued receivables	1,723
Inventory	16
Prepaid expenses	99
Capital assets, not depreciable	508
Capital assets, depreciable, net	20,082
<b>Total Assets</b>	<b>36,850</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>Total Assets and Deferred Outflows of Resources</b>	<b>41,627</b>
<b>LIABILITIES</b>	
Accrued liabilities	232
Unearned revenue	737
Long-term obligations, current portion	104
Long-term obligations, net pension liability	21,995
<b>Total Liabilities</b>	<b>23,068</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
	687
<b>NET POSITION</b>	
Net investment in capital assets	20,590
Restricted for	
Capital projects	70
Educational programs	1,753
Unrestricted (Deficit)	(4,541)
<b>Total Net Position</b>	<b>17,872</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 41,627</b>

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

Function/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
Instruction	\$ 11,298	\$ 29	\$ 2,501	\$ (8,768)
Instruction-related services				
Instructional supervision and administration	185	0	87	(98)
Instructional library, media, and technology	1,064	1	333	(730)
School site administration	1,630	4	71	(1,555)
Pupil services				
Home-to-school transportation	715	-	7	(708)
Food services	842	-	824	(18)
All other pupil services	2,110	24	1,082	(1,004)
General administration				
All other general administration	1,221	2	169	(1,050)
Plant services	2,328	8	361	(1,959)
Ancillary services	10	37	-	27
Enterprise activities	139	-	-	(139)
Transfer to other agencies	580	8	225	(347)
Depreciation (unallocated)	1,066	-	-	(1,066)
<b>Total Governmental Activities</b>	<b>\$ 23,188</b>	<b>\$ 113</b>	<b>\$ 5,660</b>	<b>(17,415)</b>
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				1,230
Federal and state aid not restricted for specific purposes				15,337
Interest and investment earnings				117
Interagency revenues				44
Miscellaneous				1,007
<b>Subtotal, General Revenue</b>				<b>17,735</b>
<b>CHANGE IN NET POSITION</b>				<b>320</b>
<b>Net Position - Beginning (Restated)</b>				<b>17,552</b>
<b>Net Position - Ending</b>				<b>\$ 17,872</b>

The accompanying notes are an integral part of these financial statements

**GOVERNMENTAL FUNDS – BALANCE SHEET**

WHEATLAND ELEMENTARY SCHOOL DISTRICT

GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021

	<b>General Fund</b>	<b>Charter School Fund</b>
<b>ASSETS</b>		
Deposits and investments	\$ 9,561,403	\$ 553,391
Accrued receivables	1,657,607	10,403
Due from other funds	166,409	27,131
Stores inventory	-	-
Prepaid expenditures	98,946	-
<b>Total Assets</b>	<b>\$ 11,484,365</b>	<b>\$ 590,925</b>
<b>LIABILITIES</b>		
Accrued liabilities	\$ 229,956	\$ 567
Due to other funds	126,301	141,960
Unearned revenue	737,104	-
<b>Total Liabilities</b>	<b>1,093,361</b>	<b>142,527</b>
<b>FUND BALANCES</b>		
Non-spendable	112,396	-
Spendable		
Restricted	1,132,642	61,620
Committed	-	-
Assigned	5,114,085	386,778
Unassigned	4,031,881	-
<b>Total Fund Balances</b>	<b>10,391,004</b>	<b>448,398</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,484,365</b>	<b>\$ 590,925</b>

The accompanying notes are an integral part of these financial statements

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<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,703,138	\$ 649,664	\$ 13,467,596
4,420	48,146	1,720,576
-	99,170	292,710
-	15,718	15,718
-	-	98,946
<u>\$ 2,707,558</u>	<u>\$ 812,698</u>	<u>\$ 15,595,546</u>
\$ -	\$ 1,039	\$ 231,562
-	24,449	292,710
-	-	737,104
-	25,488	1,261,376
-	15,718	128,114
-	628,617	1,822,879
-	115,142	115,142
2,707,558	27,733	8,236,154
-	-	4,031,881
<u>2,707,558</u>	<u>787,210</u>	<u>14,334,170</u>
<u>\$ 2,707,558</u>	<u>\$ 812,698</u>	<u>\$ 15,595,546</u>

WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2021

(\$ Amounts in thousands)

**Total Fund Balance - Governmental Funds** \$ 14,334

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

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

	Capital assets	\$ 38,127	
	Accumulated depreciation	(17,537)	20,590

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:

	Net pension liability	21,094	
	Net OPEB obligation	74	
	Compensated absences	127	
	Other long term debt	227	(21,522)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

	Deferred outflows of resources relating to pensions	4,777
	Deferred inflows of resources relating to pensions	(687)

Internal service fund:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds are:

	380
<b>Total Net Position - Governmental Activities</b>	<b>\$ 17,872</b>

The accompanying notes are an integral part of these financial statements

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

WHEATLAND ELEMENTARY SCHOOL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Charter School Fund
<b>REVENUES</b>		
Local Control Funding Formula ("LCFF") Sources	\$ 13,089,441	\$ 904,120
Federal sources	3,696,905	38,288
Other State sources	2,810,831	110,869
Other local sources	1,170,259	4,154
<b>Total Revenues</b>	<b>20,767,436</b>	<b>1,057,431</b>
<b>EXPENDITURES</b>		
Current		
Instruction	9,855,162	485,910
Instruction-related services		
Instructional supervision and administration	69,438	-
Instructional library, media, and technology	979,171	4,081
School site administration	1,326,792	168,223
Pupil services		
Home-to-school transportation	611,671	20,000
Food services	2,156	-
All other pupil services	1,974,276	37,891
General administration		
All other general administration	1,120,759	-
Plant services	1,874,344	94,100
Ancillary services	-	-
Transfers to other agencies	517,172	62,906
<b>Total Expenditures</b>	<b>18,330,941</b>	<b>873,111</b>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over Expenditures</b>	<b>2,436,495</b>	<b>184,320</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	-	-
Transfers Out	(34,000)	-
<b>Net Financing Sources (Uses)</b>	<b>(34,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,402,495</b>	<b>184,320</b>
<b>Fund Balance - Beginning (Restated)</b>	<b>7,988,509</b>	<b>264,078</b>
<b>Fund Balance - Ending</b>	<b>\$ 10,391,004</b>	<b>\$ 448,398</b>

The accompanying notes are an integral part of these financial statements



<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 65,170	\$ 14,058,731
-	766,561	4,501,754
-	724,928	3,646,628
27,454	91,218	1,293,085
27,454	1,647,877	23,500,198
-	434,525	10,775,597
-	91,006	160,444
-	-	983,252
-	-	1,495,015
-	-	631,671
-	767,151	769,307
-	15,160	2,027,327
-	24,045	1,144,804
40,000	147,069	2,155,513
-	10,118	10,118
-	-	580,078
40,000	1,489,074	20,733,126
(12,546)	158,803	2,767,072
-	34,000	34,000
-	-	(34,000)
-	34,000	-
(12,546)	192,803	2,767,072
2,720,104	594,407	11,567,098
\$ 2,707,558	\$ 787,210	\$ 14,334,170

WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

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*(\$ Amounts in thousands)*

Net Change in Fund Balances - Governmental Funds \$ 2,767

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Depreciation expense: (1,066)

Compensated absences:

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

22

Postemployment benefits other than pensions ("OPEB"):

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

(3)

WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES,  
Continued  
FOR THE YEAR ENDED JUNE 30, 2021

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*(\$ Amounts in thousands)*

Other liabilities not normally liquidated with current financial resources:

In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources.

Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were:

207

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:

(1,476)

Internal Service Fund:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:

(131)

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**Change in net position of Governmental Activities**

**\$ 320**

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The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021

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	<u>Governmental Activities Internal Service Fund Self-Insurance</u>
<b>ASSETS</b>	
Current assets	
Deposits and investments	\$ 954,472
Accrued receivables	2,769
<b>TOTAL ASSETS</b>	<b>\$ 957,241</b>
<b>LIABILITIES</b>	
Non-current liabilities, OPEB	\$ 577,000
<b>DEFERRED INFLOWS OF RESOURCES</b>	-
<b>NET POSITION</b>	
Unrestricted	380,241
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 957,241</b>

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021

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	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
	<u>Self-Insurance</u>
<b>OPERATING EXPENSE</b>	
Benefits	\$ 10,295
Professional services	128,766
<b>Total operating expenses</b>	<b>139,061</b>
<b>NON-OPERATING REVENUE</b>	
Interest income	8,614
<b>CHANGE IN NET POSITION</b>	<b>(130,447)</b>
Net Position - Beginning	510,688
Net Position - Ending	\$ 380,241

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021

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	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
	<u>Self-Insurance</u>
<b>Cash flows to operating activities</b>	
Cash payments for benefits	\$ (10,295)
Cash payments for insurance claims	(163,766)
Net cash used by operating activities	(174,061)
<b>Cash flows from investing activities</b>	
Interest received	12,223
NET DECREASE IN CASH	(161,838)
<b>CASH</b>	
Beginning of year	1,116,310
End of year	\$ 954,472
<b>Reconciliation of operating activities</b>	
Operating loss	\$ (139,061)
Decrease in deferred outflows of resources	127,000
Decrease in deferred inflows of resources	(117,000)
Increase in OPEB	(45,000)
Net cash used by operating activities	\$ (174,061)

The accompanying notes are an integral part of these financial statements

# WHEATLAND ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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### ***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

#### **1 - A. Financial Reporting Entity**

The Wheatland Elementary School District (the “District”) or Local Educational Agency (“LEA”) is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five member Board of Trustees (Board) elected by registered voters of the District, which comprises an area in Yuba County. The District was established in 1871, when the former Bear River School District was divided into Virginia and Wheatland School Districts, and serves students in grades K-8.

The Wheatland Charter Academy (the “Charter”) was approved on March 7, 2001 and began operations in August of 2001. The Charter is not a separate legal entity; however, it does have a governance council consisting of the District Superintendent, a Charter teacher, a Charter parent, a local community representative, a Beale Air Force Base representative and a member of the District. The activity for the Charter is in the Charter School Fund.

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, and agencies that are not legally separate from the District. For Wheatland Elementary School District, this includes general operations, food service, and student related activities of the District.

#### **1 - B. Other Related Entities**

**Joint Powers Authority (JPA).** The District is associated with three joint powers agencies’. These organizations do not meet the criteria for inclusion as component units of the District. Summarized financial statements are presented in Note 12 to the financial statements. These organizations are:

- ❖ Tri-County Schools Insurance Group (“TCSIG”)
- ❖ Central Valley Trust (“CVT”)
- ❖ School Project for Utility Rate Reduction (“SPURR”)

#### **1 - C. Basis of Presentation**

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

## WHEATLAND ELEMENTARY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2021

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**Fund Financial Statements.** The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

*Proprietary funds* are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the LEA, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

#### **Major Governmental Funds**

**General Fund.** This is the chief operating fund for all LEAs. It is used to account for the ordinary operations of an LEA. All transactions except those accounted for in another fund are accounted for in this fund.

**Charter School Fund.** This fund may be used by authorizing LEAs to account separately for the activities of LEA-operated charter schools that would otherwise be reported in the authorizing LEA's general fund. If an LEA uses this fund for any of a charter school's operating activities, it should use this fund for all of the charter school's operating activities.

**Special Reserve Fund for Capital Outlay Projects.** This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* §42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49. Other authorized resources that may be deposited to the Special Reserve Fund for Capital Outlay Projects (Fund 40) are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code* §17462) and rentals and leases of real property specifically authorized for deposit to the fund by the governing board (*Education Code* §41003).

#### **Non-Major Governmental Funds**

**Special Revenue Funds** are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund:

**Student Activity Special Revenue Fund.** This fund may be used by authorizing LEAs to account separately for the associated student body ("ASB") activities of LEA that would otherwise be reported in the authorizing LEA's general fund. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code* §48930–§48938).

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



## WHEATLAND ELEMENTARY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2021

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**Cafeteria Fund.** This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* §38090–§38093). The Cafeteria Special Revenue Fund (Fund 13) shall be used only for those expenditures authorized by the governing board as necessary for the operation of the LEA's food service program (*Education Code* §38091 and §38100).

**Deferred Maintenance Fund.** This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* §17582).

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

**Capital Facilities Fund.** This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* §17620–§17626). The authority for these levies may be county/city ordinances (*Government Code* §65970–§65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (*Government Code* §66006).

#### Proprietary Funds

**Internal Service Funds.** Internal service funds are created principally to render services to other organizational units of the LEA on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

**Self-Insurance Fund.** Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of an LEA. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code* §17566).

#### 1 - D. Basis of Accounting – Measurement Focus

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

Net Position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net position use.

**Governmental Funds.** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. All other revenue items are considered to be measurable and available only when the District receives cash. Local Control Funding Formula revenue, property taxes, and grant awards are recorded the same as what is described for Government-Wide Statements. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

## WHEATLAND ELEMENTARY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2021

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**Revenues – Exchange and Non-Exchange Transactions.** The Local Control Funding Formula (“LCFF”) and other state apportionments are government mandated non-exchange transactions and are recognized when all eligibility requirements have been met. When the annual calculation of the LCFF is made and the District's actual tax receipts, as reported by the county auditor, is subtracted the result determines the annual state aid to which the LEA is entitled. If the difference between the calculated annual state aid and the state aid received on the second principal apportionment is positive a receivable is recorded, and if it is negative a payable is recorded.

The District recognizes property tax revenues actually received as reported on California Department of Education (“CDE”)’s Principal Apportionment Data Collection Software, used by county offices of education and county auditors to report school district and county taxes. The District makes no accrual for property taxes receivable as of June 30.

The District receives grant awards that are "reimbursement type" or "expenditure driven." The eligibility requirements of these awards have not been met until the LEA has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received but unspent at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended.

The District also receives funds for which they have fulfilled specific eligibility requirements or have provided a particular service. Once the LEAs have provided these services, they have earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period that the service is provided, and any carryover becomes a part of the LEA's ending fund balance.

**Expenses/Expenditures.** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**Operating Revenues and Expenses.** Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund’s principal services.

**Interfund Activity.** Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

#### **1 - E. Assets, Liabilities, and Net Position**

**Fair Value.** The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
JUNE 30, 2021

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**Deposits and Investments.** The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool’s investments are reported at fair value at June 30, 2021, based on market prices. The individual funds’ portions of the pool’s fair value are presented as “Cash in County.” Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund. The District considers the deposits and investments in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Inventories.** Inventories are valued at cost using the average cost method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

**Capital Assets.** Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The District maintains a capitalization threshold of \$20,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Interest incurred during the construction of capital assets utilized by the enterprise fund is also capitalized. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and improvements	50
Site improvements	20
Equipment	25
Vehicles	8

**Interfund Balances.** On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

**Unearned Revenue**

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. At June 30, 2021, the General Fund had a balance of \$48,902 from federal sources and \$688,202 from state sources.

**Compensated Absences.** Accumulated unpaid employee vacation and comp time benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

## WHEATLAND ELEMENTARY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2021

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However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

**Pensions.** For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the CA State Teachers Retirement System (“STRS”) and CA Public Employee Retirement System Pension Plan (“PERS”) and additions to/deductions from the respective fiduciary net positions have been determined on the same basis as they are reported by STRS and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Fund Balance.** Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* – The portion of fund balance reflecting assets not in spendable form, either because they will never convert to cash (such as prepaid items) or must remain intact pursuant to legal or contractual requirements (such as the principal of a permanent endowment).

*Restricted* – The portion of fund balance representing resources subject to legally enforceable constraints externally imposed either by resource providers (e.g., grantors or creditors) or by law through constitutional provisions or enabling legislation.

*Committed* – The portion of fund balance representing resources whose use is constrained by limitations self-imposed by the LEA through formal action of its highest level of decision-making authority. The constraints can be modified or removed only through the same process by which they were imposed. The action imposing the constraint must be made by the end of the reporting period. The actual amounts may be determined at a later date, prior to the issuance of the financial statements.

*Assigned* – The portion of fund balance representing resources that are intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported as restricted or committed. Intent may be established either by the LEA’s highest level of decision-making authority or by a designated body or official. Constraints giving rise to assigned fund balance may be imposed at any time before the financial statements are issued. The constraints may be modified or removed by a process less formal than is required to remove constraints that give rise to committed fund balance. In governmental fund types other than the general fund, this is the residual fund balance classification.

*Unassigned* – In the general fund, residual fund balance in excess of amounts reported in the nonspendable, restricted, committed, or assigned fund balance classifications and net of Reserve for Economic Uncertainties. In all governmental funds including the general fund, the excess of nonspendable, restricted, and committed fund balance over total fund balance (deficits). Assigned amounts must be reduced or eliminated if a deficit exists.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
JUNE 30, 2021

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**Net Position.** Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The District has related debt outstanding as of June 30, 2021. Net Position was reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The district-wide financial statements report \$1.8 million of restricted net position.

**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.

**1 - F. New Accounting Pronouncement**

For the year ended June 30, 2021, the District implemented Governmental Accounting Standards Board (GASB”) Statements Nos. 84: *Fiduciary Activities* and 95: *Postponement of the Effective Dates of Certain Authoritative Guidance*. Statement 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement 95 provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates Statement 84 by one year. As a result of implementing the two statements, the District added/restated the Student Activity Special Revenue Fund.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**2 - A. Summary of Deposits and Investments**

	<b>Governmental Activities</b>
Cash on hand	\$ 700
Deposits in financial institutions	114,924
Cash in County	14,306,444
<b>Total</b>	<b>\$ 14,422,068</b>

**Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations; the Yuba County Investment Pool.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**Investment in County Treasury** – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* §41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The unreported fair value of Cash in County as of June 30, 2021 was \$14,295,397 (fair value level of 2).

**2 - B. General Authorizations**

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies examples of the investment types permitted in the investment policy, see below. Allowable investment instruments per *Government Code* §§ 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations— CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S Agency Obligations	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper— Pooled Funds	270 days	40% of the agency's money	Highest letter and number rating by an NRSROH
Commercial Paper— Non-Pooled Funds	270 days	25% of the agency's money	Highest letter and number rating by an NRSROH
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30%	None
Placement Service Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 daysL	20% of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	"AA" rating category or its equivalent or better R
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	"AA" rating category or its equivalent or better

**2 - C. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the county pool.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**2 - D. Credit Risk**

*Credit Risk.* As of June 30, 2021, the District's Cash in County pool consisted of debt securities and the ratings ranged from A to AAA by Standard & Poor's.

**2 - E. Specific Identification**

Contact the Yuba County Treasurer for a report for all investments in the county pool with their relative ratings and maturities.

**2 - F. Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2021, the District's bank balances of \$115,382 were fully insured.

**NOTE 3 – ACCRUED RECEIVABLES**

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

				Spec. Res.				
	General Fund	Charter School Fund	Fund for Cap. Out. Proj.	Non-Major Gov. Funds	Self-Insurance	Total Gov. Activities		
Federal Government								
Categorical aid	\$ 401,791	\$ 506	\$ -	\$ 30,817	\$ -	\$ 433,114		
Impact aid	550,722	-	-	-	-	550,722		
State Government								
Categorical aid	574,983	6,889	-	2,646	-	584,518		
Lottery	25,813	2,937	-	-	-	28,750		
Local Government								
Interest	15,611	-	4,420	771	1,561	22,363		
Other Local AR	88,687	71	-	13,912	1,208	103,878		
<b>Total</b>	<b>\$ 1,657,607</b>	<b>\$ 10,403</b>	<b>\$ 4,420</b>	<b>\$ 48,146</b>	<b>\$ 2,769</b>	<b>\$ 1,723,345</b>		

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance		Balance	
	(\$ Amounts in thousands)		(\$ Amounts in thousands)	
	July 01, 2020	Additions	July 01, 2020	June 30, 2021
Capital assets not being depreciated				
Land	\$ 508	\$ -	\$ 508	\$ 508
Capital assets being depreciated				
Buildings & improvements	\$ 35,412	\$ -	\$ 35,412	\$ 35,412
Furniture & equipment	2,207	-	2,207	2,207
Total Capital Assets Being Depreciated	37,619	-	37,619	37,619
Less Accumulated Depreciation				
Land improvements				-
Buildings & improvements	14,760	971	15,731	15,731
Furniture & equipment	1,711	95	1,806	1,806
Total Accumulated Depreciation	16,471	1,066	17,537	17,537
<b>Depreciable Capital Assets, net</b>	<b>\$ 21,148</b>	<b>\$ (1,066)</b>	<b>\$ 20,082</b>	<b>\$ 20,082</b>
<b>Total Capital Assets, net</b>	<b>\$ 21,656</b>	<b>\$ (1,066)</b>	<b>\$ 20,590</b>	<b>\$ 20,590</b>

**NOTE 5 – INTERFUND TRANSACTIONS**

**5 - A. Interfund Receivables/Payables (Due From/Due To)**

Due To Other Funds	Due From Other Funds			
	General Fund	Charter School Fund	Non-Major Gov't Funds	Total
General Fund	\$ -	\$ 27,131	\$ 99,170	\$ 126,301
Charter Schools Special Revenue Fund	141,960		-	141,960
Non-Major Funds	24,449	-	-	24,449
<b>Total Due From Other Funds</b>	<b>\$ 166,409</b>	<b>\$ 27,131</b>	<b>\$ 99,170</b>	<b>\$ 292,710</b>



WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

The General Fund owes the Charter Fund for In-Lieu property taxes in the amount of	\$ 27,131
The General Fund owes the Deferred Maintenance Fund LCFF contribution in the amount of	65,170
The General Fund owes the Child Development Fund preschool contributions in the amount of	25,000
The General Fund owes the Cafeteria Fund for program support in the amount of	9,000
The Charter School Fund owes the General Fund for operational costs and excess costs in the amount of	141,960
The Child Development Fund owes the General Fund for various operational provided in the amount of	21,410
The Cafeteria Fund owes the General Fund for operational costs in the amount of	3,039
<b>Total</b>	<b>\$ 292,710</b>

5 - B. Operating Transfers

Transfer To Other Funds	Interfund Transfers In Non-Major Governmental Funds
<b>General Fund</b>	<b>\$ 34,000</b>
The General Fund transferred to the Child Development Fund support in the amount of	\$ 25,000
The General Fund transferred to the Cafeteria Fund for breakfast costs	9,000
<b>Total</b>	<b>\$ 34,000</b>

**NOTE 6 – ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2021, consisted of the following:

	General Fund	Charter School Fund	Non-Major Gov. Funds	Total Gov. Activities
Special education excess costs	\$ 153,119	\$ -	\$ -	\$ 153,119
Vendors and other payables	34,037	567	95	34,699
Compensated absences	42,800	-	944	43,744
<b>Total</b>	<b>\$ 229,956</b>	<b>\$ 567</b>	<b>\$ 1,039</b>	<b>\$ 231,562</b>

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**NOTE 7 – LONG-TERM OBLIGATIONS**

**7 - A. Long-Term Obligations Summary**

<i>(\$ Amounts in thousands)</i>	Balance			Balance		Balance Due
	Jul 01, 2020	Additions	Deductions	Jun 30, 2021	In One Year	
Net pension liabilities ("NPL")						
Cal STRS	\$ 11,097	\$ 2,138	\$ -	\$ 13,235	\$ -	-
Cal PERS	7,358	501	-	7,859	-	-
Total NPL	18,455	2,639	-	21,094	-	-
Net OPEB obligations						
Cal STRS OPEB obligation	71	3	-	74	-	-
District OPEB obligation	622	-	45	577	-	-
Total OPEB obligations	693	3	45	651	-	-
Compensated absences	149	-	22	127	-	-
Early retirement incentive	434	-	207	227	-	104
<b>Total</b>	<b>\$ 19,731</b>	<b>\$ 2,642</b>	<b>\$ 274</b>	<b>\$ 22,099</b>	<b>\$ 104</b>	<b>104</b>

**7 - B. Net Pension Liability**

The District’s prior year contributions to Cal STRS and to Cal PERS, are used to calculate the current liability, which at June 30, 2021 was a total of \$21,094,000. See Note 9 for additional information regarding the net pension liability and pension benefit plans.

**7 - C. Other Postemployment Benefits**

The District has two OPEB liabilities, one through CalSTRS, and its original OPEB plan. Additionally, the District “self-insures” for the District liability and it is reported in the Self-Insurance Fund. As of June 30, 2021, the District reported \$651,000 in combined OPEB liabilities. See Note 10 for additional information regarding the OPEB obligations and the postemployment benefit plan.

**7 - D. Compensated Absences**

The expense and accrued liability is recognized when the annual leave is earned. As of June 30, 2021, the District’s long-term portion of the compensated absences balance is \$127,000. The District estimates that approximately \$43,000, of its total leave total liability will be paid within one year, and as such is considered short-term and accrued in the General Fund and Child Development Fund.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
JUNE 30, 2021

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7 - E. Early Retirement Incentive

Over the last two years the District offered an early retirement incentive to the certificated staff. The latest incarnation, staff was given a choice of one of the following:

- ❖ Medical benefits of \$13,000 a year for up to nine years or until age 65.
- ❖ Cash payment of \$13,000 a year for up to nine years or until age 65.
- ❖ One-time cash payment of \$15,000.

As of June 30, 2021, the District reported a liability of \$227,000. The imputed interest rate is 2.18%, and the amortization of the liability is as follows:

*(\$ Amounts in thousands)*

<u>Year Ending June 30,</u>	<u>Annual Payment</u>
2022	\$ 64
2023	64
2024	64
2025	48
2026	13
<hr/>	
Total payments	253
Less: Amount representing interest	(26)
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Present value of minimum payments \$	227
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WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**NOTE 8 – FUND BALANCES**

Fund balances are composed of the following elements:

	General Fund	Charter School Fund	Spec. Res. Fund for Cap. Out. Proj.	Non-Major Gov. Funds	Total Gov. Funds
Non-spendable					
Non-restricted					
Reserve for revolving cash	\$ 13,450	\$ -	\$ -	\$ -	\$ 13,450
Reserve for stores inventory	-	-	-	15,718	15,718
Reserve for prepaid expenditures	98,946	-	-	-	98,946
<b>Total Nonspendable</b>	<b>112,396</b>	<b>-</b>	<b>-</b>	<b>15,718</b>	<b>128,114</b>
Spendable					
Restricted					
Educational programs					
Federal	-	-	-	160,424	160,424
State	557,157	61,620	-	-	618,777
Local	575,485	-	-	295,908	871,393
ASB activity	-	-	-	102,174	102,174
Capital facilities	-	-	-	70,111	70,111
<b>Total Restricted</b>	<b>1,132,642</b>	<b>61,620</b>	<b>-</b>	<b>628,617</b>	<b>1,822,879</b>
Committed					
Deferred maintenance	-	-	-	115,142	115,142
Assigned					
Salaries	3,367,133	117,018	-	-	3,484,151
Vacation payouts	169,855	-	-	-	169,855
Lottery/book adoption	1,344,562	44,760	-	-	1,389,322
Facility acquisition	-	225,000	-	-	225,000
Child development	-	-	-	27,733	27,733
Capital projects	-	-	2,707,558	-	2,707,558
<b>Total Assigned</b>	<b>5,114,085</b>	<b>386,778</b>	<b>2,707,558</b>	<b>27,733</b>	<b>8,236,154</b>
Unassigned					
Reserve for economic uncertainties	1,061,756	-	-	-	1,061,756
Unassigned	2,970,125	-	-	-	2,970,125
<b>Total Unassigned</b>	<b>4,031,881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,031,881</b>
<b>Total</b>	<b>\$ 10,391,004</b>	<b>\$ 448,398</b>	<b>\$ 2,707,558</b>	<b>\$ 787,210</b>	<b>\$ 14,334,170</b>

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than the CDE required minimum fund balance requirement.

**NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS**

**9 - A. California Teachers’ Retirement System (“CalSTRS”)**

**Plan Description.** CalSTRS administers a hybrid retirement system consisting of a defined benefit plan, two defined contribution plans, a postemployment benefit plan, and a fund used to account for ancillary activities associated with various deferred compensation plans and programs:

- ❖ State Teachers’ Retirement Plan (“STRP”)
- ❖ CalSTRS Pension 2
  - 403(b) plan
  - 457(b) plan
- ❖ Medicare Premium Payment (“MPP”) Program
- ❖ Teachers’ Deferred Compensation Fund (“TDCF”)

CalSTRS provides pension benefits, including disability and survivor benefits, to California full-time and part-time public school teachers from pre-kindergarten through community college and certain other employees of the public school system. The Teachers’ Retirement Law (California *Education Code* § 22000 et seq.), as enacted and amended by the California Legislature, established these plans and CalSTRS as the administrator. The terms of the plans may be amended through legislation.

The STRP is a multiple employer, cost-sharing defined benefit plan comprised of four programs: Defined Benefit (“DB”) Program, Defined Benefit Supplement (“DBS”) Program, Cash Balance Benefit (“CBB”) Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP. CalSTRS issues a publicly available financial report that can be obtained at <https://www.calstrs.com/comprehensive-annual-financial-report>.

**Benefits Provided.** The STRP DB Program has two benefit formulas:

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

The 2% refers to the percentage of your final compensation that you’ll receive as a retirement benefit for every year of service credit, also known as the age factor. Other differences between the two benefit structures are final compensation, age factors, normal retirement age, creditable compensation cap and contribution rate. In addition, 2% at 62 members aren’t eligible for benefit enhancements, the Reduced Benefit Election or the CalSTRS Replacement Benefits Program.

**Member’s Contribution Rates:**

Effective Date	2% at 60 Members	2 % at 62 Members
July 1, 2016	10.25%	10.205%

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**Employer’s Contribution Rates:**

Effective date	Pre-AB 1469 rate	Increase per funding plan	SB 90 and AB 84 impact <sup>1</sup>	Total
July 1, 2020	8.250%	10.850%	(2.950%)	16.150%
July 1, 2021	8.250%	2	(2.180%)	2
July 1, 2022 –				
June 30, 2046	8.250%	2	N/A	2
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046–47		

<sup>1</sup> Pursuant to SB 90 and AB 84, the fiscal year 2018–19 state contribution of approximately \$2.2 billion made in advance on behalf of employers will be used to pay the contributions required by employers for the 2019–20, 2020–21 and 2021–22 fiscal years, such that employers will remit 1.030%, 2.950% and 2.180% less, respectively, than is required by the CalSTRS Funding Plan.

<sup>2</sup> The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

**State’s Contribution Rates:**

Effective date	Base rate	AB 1469 increase for 1990 benefit structure	SBMA funding <sup>1</sup>	Total
July 1, 2020	2.017%	5.811%	2.500%	10.328% <sup>2</sup>
July 1, 2021 –				
June 30, 2046	2.017%	4	2.500%	4
July 1, 2046	2.017%	5	2.500%	5

<sup>1</sup> The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code §22954.

<sup>2</sup> This rate does not include the impacts of supplemental state contributions pursuant to SB 90.

<sup>3</sup> In May 2020, the board exercised its limited authority to increase the state contribution rate by 0.5% of the creditable compensation effective July 1, 2020. However, pursuant to AB 84, the state suspended the board’s rate setting authority of state contributions for fiscal year 2020–21, thereby negating the board’s rate increase of 0.5%.

<sup>4</sup> The board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0%.

<sup>5</sup> From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining 1990 unfunded actuarial obligation.

Contributions to the pension plan from the District was \$1,184,386 for the year ended June 30, 2021.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

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

	<i>(\$ Amounts in thousands)</i>	
District's proportionate share of the net pension liability	\$	13,235
State's proportionate share of the net pension liability associated with the District		4,502
<b>Total</b>	<b>\$</b>	<b>17,737</b>

At June 30, 2021, the District's proportion was as follows:

	Jun. 30, 2020	Jun. 30, 2019	Difference
Net Pension Liability Allocation Basis	0.0001366	0.0001229	0.0000137

For the year ended June 30, 2021, the District recognized pension expense of \$1,750,000 and revenue of \$689,000 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>(\$ Amounts in thousands)</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ 350
Changes of assumptions		1,291	-
Net difference between projected and actual earnings on pension plan investments		314	-
Changes in proportion and differences between District contributions and proportionate share of contributions		898	-
District contributions subsequent to the measurement date		1,184	-
<b>Total</b>	<b>\$</b>	<b>3,687</b>	<b>\$ 350</b>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows *(\$ amounts in thousands)*:

<b>Year Ending June 30,</b>			
2022	\$	1,552	\$ 99
2023		623	72
2024		731	49
2025		397	57
2026		187	55
2027 - 2028		197	18
<b>Total</b>	<b>\$</b>	<b>3,687</b>	<b>\$ 350</b>

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**Actuarial Assumptions and Discount Rate Information**

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

Valuation Date	June 30, 2019
Experience Study	July 1, 2015 – June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return <sup>3</sup>	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2% simple for DB (annually) Maintain 85% purchasing power level for DB Not applicable for DBS/CBB

<sup>1</sup> Net of investment expenses, but gross of administrative expenses.

**Discount Rate.** The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases as disclosed in Note 1. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-Term Expected Rate of Return<sup>1</sup></b>
Public Equity	42.0%	4.8%
Real Estate	15.0%	3.6%
Private Equity	13.0%	6.3%
Fixed Income	12.0%	1.3%
Risk Mitigating Strategies	10.0%	1.8%
Inflation Sensitive	6.0%	3.3%
Cash/Liquidity	2.0%	(0.4%)

<sup>1</sup> 20-years average



WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.**

Presented below is the net pension liability of employer 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 1% lower or 1% higher than the current rate:

	Current		
	1% Decrease (6.10%)	Discount Rate (7.10%)	1% Increase (8.10%)
<i>(\$ Amounts in thousands)</i>			
District's proportionate share of the net pension liability	\$ 19,995	\$ 13,235	\$ 7,652

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report. The components of the net pension liability (NPL) of the STRP for participating employers and the state (nonemployer contributing entity), are as follows (*\$ in millions*):

Total Pension Liability	\$343,893
Less: STRP Fiduciary Net Position	246,984
NPL of Employers and the State of California	\$ 96,909
STRP Fiduciary Net Position as a % of the Total Pension Liability	71.8%

**9 - B. California Public Employees’ Retirement System (“CalPERS”)**

**Plan Description.** The Schools Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF B) is administered by the California Public Employees’ Retirement System (CalPERS or the System). Plan membership consists of nonteaching and noncertified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California. The Plan excludes school safety members who participate either in the agent multiple-employer defined benefit pension plan or the public agency cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, depending on the number of active members.

The Plan was established to provide retirement, death and disability benefits to nonteaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2020.pdf>.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**Benefits Provided.** The Service Retirement benefit is a monthly allowance equal to the product of benefit factor, years of service, and final compensation.

- ❖ The *benefit factor* for classic members comes from the 2% at 55 benefit factor table. New PEPRA members hired on or after January 1, 2013 are subject to the 2% at 62 benefit factor table.
- ❖ The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer’s contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer’s contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- ❖ The *final compensation* is the monthly average of the member’s highest 12 consecutive months’ full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). For new PEPRA members hired after January 1, 2013 final compensation is based on the monthly average of the member’s highest 36 consecutive months’ full-time equivalent monthly pay. PEPRA members have a cap on the annual salary that can be used to calculate final compensation for all new members based on the Social Security Contribution and Benefit Base. For employees that participate in Social Security this cap is \$117,020 for 2016 and for those employees that do not participate in social security the cap for 2016 is \$140,424, the equivalent of 120 percent of the 2016 Contribution and Benefit Base. Adjustments to the caps are permitted annually based on changes to the CPI for All Urban Consumers.
- ❖ The employees in this plan may or may not be covered by Social Security. For employees with service prior to January 1, 2001 covered by Social Security, the final compensation is offset by \$133.33 (or by one-third if, the final compensation is less than \$400). For PEPRA members, the final compensation is not offset.

**Contributions.** CalPERS required employer contributions to be 20.700% of payroll. The report also reported an employee contribution rate of 7.0% for classic and PEPRA. Contributions to the pension plan from the District was \$670,410 for the year ended June 30, 2021.

For the year ended June 30, 2020, the State of California appropriated and contributed funds to the Plan in the amount of \$904,000,000. This contribution is not considered a special funding situation and the amount of this contribution associated with each participating employer are reported in the Schedule of Employer Allocations. The total amount contributed by the State of California was on behalf of the employers determined based on a pro-rata share of the total required contributions.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentages presented in the CalPERS *Schedule of Employer Allocations and Collective Pension Amounts* and applied to amounts presented in the Schedule of Collective Pension Amounts by Employer are based on the ratio of each employer’s contribution to the Plan’s total employer contributions during the measurement period July 1, 2019 through June 30, 2020.

At June 30, 2021, the District reported a liability of \$7,859,000 for its proportionate share of the net pension liability. At June 30, 2021, the District’s proportion was as follows:

	<u>Jun. 30, 2020</u>	<u>Jun. 30, 2019</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0002562	0.0002525	0.0000037

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

For the year ended June 30, 2021, the District recognized pension expense of \$1,581,000. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>(\$ Amounts in thousands)</i>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 390	\$ -
Changes of assumptions	29	-
Net difference between projected and actual earnings on pension plan investments	-	164
Changes in proportion and differences between District contributions and proportionate share of contributions	-	173
District contributions subsequent to the measurement date	670	-
<b>Total</b>	<b>\$ 1,089</b>	<b>\$ 337</b>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (*\$ amounts in thousands*):

<b>Year Ending June 30,</b>		
2022	\$ 933	\$ 39
2023	116	140
2024	37	85
2025	3	73
<b>Total</b>	<b>\$ 1,089</b>	<b>\$ 337</b>

**Actuarial Methods, Assumptions, and Discount Rate Information**

**Actuarial Methods and Assumptions.** The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020.

The collective total pension liability was based on the following assumptions:

Investment rate of return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	2.00% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return Years 1 – 10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	(0.92%)

<sup>1</sup> In the System's 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.

<sup>2</sup> An expected inflation rate of 2.00% used for this period.

<sup>3</sup> An expected inflation rate of 2.92% used for this period.

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

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

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

	Current		
	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	\$ 11,300	\$ 7,859	\$ 5,005

(\$ Amounts in thousands)

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS Comprehensive Annual Financial Report. The components of the employers’ collective net pension liability related to the Plan as of June 30, 2020 (*\$ in millions*):

Total pension liability	\$102,290
Less:	
Plan fiduciary net position	71,607
<b>Net Pension Liability of Employers</b>	<b>\$ 30,683</b>
Fiduciary Net Position as a % of the Total Pension Liability	70.0%

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLANS**

**10 - A. CalSTRS**

**Plan Description.** CalSTRS administers a postemployment benefit plan Medicare Premium Payment (“MPP”) Program. The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (“OPEB”) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (“THBF”).

**Benefits Provided.** The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRP DB Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A.

**Contributions.** The MPP Program is funded on a pay-as-you go basis from a portion of monthly contributions, by Districts in the retirement system. In accordance with California *Education Code* §25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program. Total contributions directed to the MPP Program for year 2019-20 was \$27.7 million. The MPP Program contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2020, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the California State Treasurer.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The total OPEB liability for the MPP Program as of June 30, 2020, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020.

At June 30, 2021, the District reported a liability of \$74,000 for its proportionate share of the net OPEB liability. The District’s proportion was as follows:

	<u>Jun. 30, 2020</u>	<u>Jun. 30, 2019</u>	<u>Difference</u>
Net OPEB Liability Allocation Basis	0.0002070	0.0001899	0.0000171

For the year ended June 30, 2021, the District recognized pension expense of \$3,000.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
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**Actuarial Methods, Assumptions, and Discount Rate Information**

**Actuarial Methods and Assumptions.** The total OPEB liability for the MPP Program as of June 30, 2020, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total OPEB liability as of June 30, 2020, include:

Valuation Date	June 30, 2019
Experience Study	July 1, 2014 – June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.21%
Medicare Part A Premium Costs Trend Rate <sup>1</sup>	4.5%
Medicare Part B Premium Costs Trend Rate <sup>1</sup>	5.4%

<sup>1</sup> The assumed increases in the Medicare Part A and Part B Cost Trend Rates vary by year; however, the increases are approximately equivalent to a 4.5% and 5.4% increase each year for Medicare Part A and Part B, respectively.

**Discount Rate.** The MPP Program used the Bond Buyer’s 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2020, was 2.21%, which is a decrease of 1.29% from 3.50% as of June 30, 2019.

**Medicare costs trend rate.** The June 30, 2019, valuation uses the 2020 Medicare Part A and Part B premiums as the basis for future premium calculations. Future premiums are assumed to increase with a medical trend rate that varies by year, as shown in the following table:

Years <sup>1</sup>	Assumed Annual Increase	
	Part A	Part B
2019 – 2028	4.3%	5.5%
2029 – 2038	5.0%	5.1%
2039 – 2048	4.9%	4.5%
2019 & Later	4.3%	4.4%

<sup>1</sup> Trend rates indicate medical inflation in the specific year and, therefore, affect the premiums for the following years. For example, the projected 2020 premium is the 2019 premium increased by the assumed 2019 trend rate.

The Part A trend is approximately equivalent to assuming a fixed 4.5% increase each year. The Part B trend is approximately equivalent to assuming a fixed 5.4% increase each year.

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.**

Presented below is the net OPEB liability of employers using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
	(1.21%)	(2.21%)	(3.21%)
	(\$ Amounts in thousands)		
District's proportionate share of the net OPEB liability	\$ 83	\$ 74	\$ 66

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NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

**Medicare Costs Trend Rates.** Presented below is the net OPEB liability of employers using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are 1% lower and 1% higher than the current rate:

	Medicare Costs		
	1% Decrease (3.50%)	Trend Rate (4.50%)	1% Increase (5.50%)
<i>(\$ Amounts in thousands)</i>			
District's proportionate share of the net OPEB liability	\$ 64	\$ 74	\$ 78

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS Comprehensive Annual Financial Report, but there are effectively NO assets in the trust, as noted below. The components of the net OPEB liability of the MPP Program for participating employers as of June 30, 2020, are as follows (*\$ in millions*):

Total OPEB liability	\$421
Less: MPP Program fiduciary net position	(3)
<b>Net OPEB liability of employers</b>	<b>\$424</b>
MPP Program fiduciary net position as a % of the total OPEB liability	(0.71%)

**10 - B. District OPEB Plan**

**Plan Description.** The District's defined benefit OPEB plan is a single employer defined benefit healthcare plan, administered by the District to retirees at least fifty-five years old, for five years, up to age sixty-five. **No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.**

**Benefits Provided.** The plan provides healthcare benefits for retirees of up to \$400 of coverage per month.

**Employees Covered by Benefit Terms.** At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Active employees	195
<b>Total</b>	<b>200</b>

**Total OPEB Liability.** The District's total OPEB liability of \$577,000 was measured and rolled-forward as of June 30, 2021.

**Measurement Assumptions and Other Inputs.** The total OPEB liability in the June 30, 2021 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: 2.20% per year net of expenses. This is based on the Bond Buyer 20 Bond Index.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

Changes in the Total OPEB Liability:

July 01, 2020	\$	622,000
<b>Changes for the year:</b>		
Service cost		44,000
Interest		13,000
Changes in assumptions or other inputs		(10,000)
Benefit payments		(92,000)
<b>Net changes</b>		<b>(45,000)</b>
<b>Balance at June 30, 2021</b>	<b>\$</b>	<b>577,000</b>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is +1/-1 percentage-point than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
(\$ Amounts in thousands)	(1.20%)	(2.20%)	(3.20%)
District's proportionate share of the net pension liability	\$ 570,000	\$ 577,000	\$ 583,000

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

For the year ended June 30, 2021, the District recognized OPEB pension expense of \$45,000.

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

The District is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at.



WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2021

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**NOTE 12 – PARTICIPATION IN JOINT POWERS AUTHORITIES**

The District is a member of three joint powers authorities (JPAs). The first is the TCSIG to provide liability and property insurance and workers’ compensation insurance, the second is CVT for health, dental, vision and life insurance and the third is SPURR to help with rate stabilization for natural gas. The relationship is such that the JPAs are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these financial statements. Audited financial statements are available from the respective entities. During the year ended June 30, 2021, the District made the following payments to each JPA:

<u>Joint Powers Authority</u>	<u>2021 Payments</u>
TCSIG	\$ 497,344.76
CVT	2,110,206.26
SPURR	\$32,982.59

**NOTE 13 – RESTATEMENT**

Due to the implementation of GASB Statement Nos. 84, *Fiduciary Activities* and 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, ASB activity was moved to the Student Activity Special Revenue Fund and the prior period adjustments of fund balance consist of the following:

	<u>Student Activity Special Revenue Fund</u>
Fund Balance, June 30, 2020	\$ -
Increase in:	
Cash	75,270
<b>Restated Fund Balance</b>	<b>\$ 75,270</b>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variances - Positive / (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Local Control Funding				
Formula ("LCFF") Sources				
State aid	\$ 10,124,296	\$ 11,034,213	\$ 12,005,881	\$ 971,668
Local sources	1,056,361	1,114,722	1,230,257	115,535
Transfers	(135,121)	(138,986)	(146,697)	(7,711)
Federal sources	2,055,183	3,940,050	3,696,905	(243,145)
Other State sources	958,020	2,060,220	2,810,831	750,611
Other local sources	1,308,031	1,348,868	1,170,259	(178,609)
<b>Total Revenues</b>	<b>15,366,770</b>	<b>19,359,087</b>	<b>20,767,436</b>	<b>1,408,349</b>
<b>EXPENDITURES</b>				
Certificated salaries	7,177,053	7,096,212	7,112,649	(16,437)
Classified salaries	3,397,298	3,607,985	3,418,806	189,179
Employee benefits	3,990,176	4,523,445	4,404,028	119,417
Books and supplies	715,259	1,732,850	1,432,512	300,338
Services and other operating expenditures	853,862	1,787,763	1,469,819	317,944
Other outgo				
Excluding transfers of indirect costs	1,007,705	1,016,328	517,172	499,156
Transfers of indirect costs	(26,642)	(26,583)	(24,045)	(2,538)
<b>Total Expenditures</b>	<b>17,114,711</b>	<b>19,738,000</b>	<b>18,330,941</b>	<b>1,407,059</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(1,747,941)	(378,913)	2,436,495	2,815,408
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(34,000)	(34,000)	(34,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,781,941)</b>	<b>(412,913)</b>	<b>2,402,495</b>	<b>2,815,408</b>
<b>Fund Balance - Beginning</b>	<b>7,988,509</b>	<b>7,988,509</b>	<b>7,988,509</b>	
<b>Fund Balance - Ending</b>	<b>\$ 6,206,568</b>	<b>\$ 7,575,596</b>	<b>\$ 10,391,004</b>	<b>\$ 2,815,408</b>

WHEATLAND ELEMENTARY SCHOOL DISTRICT

CHARTER SCHOOL FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variances - Positive / (Negative) Final to Actual
	Original	Final	Actual	Actual
<b>REVENUES</b>				
Local Control Funding				
Formula ("LCFF") Sources				
State aid	\$ 677,623	\$ 738,304	\$ 822,593	\$ 84,289
Transfers	69,951	73,816	81,527	7,711
Federal sources	-	41,461	38,288	(3,173)
Other State sources	19,666	58,861	110,869	52,008
Other local sources	8,000	8,000	4,154	(3,846)
<b>Total Revenues</b>	<b>775,240</b>	<b>920,442</b>	<b>1,057,431</b>	<b>136,989</b>
<b>EXPENDITURES</b>				
Certificated salaries	348,397	370,119	380,187	(10,068)
Classified salaries	101,189	66,232	79,034	(12,802)
Employee benefits	166,026	188,048	184,786	3,262
Books and supplies	55,400	68,047	25,156	42,891
Services and other operating expenditures	112,500	141,695	141,042	653
Other outgo				
Excluding transfers of indirect costs	29,500	29,500	62,906	(33,406)
<b>Total Expenditures</b>	<b>813,012</b>	<b>863,641</b>	<b>873,111</b>	<b>(9,470)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(37,772)</b>	<b>56,801</b>	<b>184,320</b>	<b>127,519</b>
<b>Fund Balance - Beginning</b>	<b>264,078</b>	<b>264,078</b>	<b>264,078</b>	
<b>Fund Balance - Ending</b>	<b>\$ 226,306</b>	<b>\$ 320,879</b>	<b>\$ 448,398</b>	<b>\$ 127,519</b>

**WHEATLAND ELEMENTARY SCHOOL DISTRICT**

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

<b>Cal STRS</b>	<i>(\$ Amounts in thousands)</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability		0.014%	0.012%	0.012%	0.012%	0.013%	0.013%	0.012%
District's proportionate share of the net pension liability	\$	13,235	\$ 11,097	\$ 11,361	\$ 11,259	\$ 10,441	\$ 8,695	\$ 7,280
State's proportionate share of the net pension liability (asset) associated with the District		4,502	3,917	4,136	4,185	4,918	3,088	2,755
<b>Total</b>	\$	17,737	\$ 15,014	\$ 15,497	\$ 15,444	\$ 15,359	\$ 11,783	\$ 10,035
District's covered payroll		7,382	6,748	6,602	6,639	6,489	6,052	5,500
District's proportionate share of the net pension liability (asset) as a		179%	164%	172%	170%	161%	144%	132%
Plan fiduciary net position as a percentage of the total pension		72%	73%	71%	65%	70%	74%	77%
<b>Cal PERS</b>	<i>(\$ Amounts in thousands)</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability		0.026%	0.025%	0.027%	0.027%	0.028%	0.03%	0.03%
District's proportionate share of the net pension liability	\$	7,859	\$ 7,358	\$ 7,193	\$ 6,501	\$ 5,490	\$ 4,127	\$ 3,040
District's covered payroll	\$	3,817	\$ 3,496	\$ 3,572	\$ 3,471	\$ 3,341	\$ 3,104	2,817
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		206%	210%	201%	187%	164%	133%	108%
Plan fiduciary net position as a percentage of the total pension		70%	70%	71%	72%	74%	79%	83%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

**WHEATLAND ELEMENTARY SCHOOL DISTRICT**

**SCHEDULE OF CONTRIBUTIONS**

<b>Cal STRS</b>	<i>(\$ Amounts in thousands)</i>		<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$		1,184	\$ 1,262	\$ 1,099	\$ 946	\$ 835	\$ 696	\$ 455
Contributions in relation to the contractually required contrib.			(1,184)	(1,262)	(1,099)	(946)	(835)	(696)	(455)
Contribution deficiency (excess)	\$		-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$		7,334	\$ 7,382	\$ 6,748	\$ 6,602	\$ 6,639	\$ 6,489	\$ 6,052
Contributions as a percentage of covered payroll			16%	17%	16%	14%	13%	11%	8%
<b>Cal PERS</b>	<i>(\$ Amounts in thousands)</i>		<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$		670	\$ 753	\$ 631	\$ 555	\$ 482	\$ 396	\$ 365
Contributions in relation to the contractually required contrib.			(670)	(753)	(631)	(555)	(482)	(396)	(365)
Contribution deficiency (excess)	\$		-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$		3,239	\$ 3,817	\$ 3,496	\$ 3,572	\$ 3,471	\$ 3,341	\$ 3,104
Contributions as a percentage of covered payroll			21%	20%	18%	16%	14%	12%	12%

The amounts presented for each fiscal year were determined as of June 30 of the current fiscal year



WHEATLAND ELEMENTARY SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

**CalSTRS OPEB**

<i>(\$ Amounts in thousands)</i>	2021	2020	2019	2018
District's Proportion of the collective net OPEB liability	\$ 74	\$ 71	\$ 75	\$ 82
District's proportionate share of the collective net OPEB liability	0.021%	0.019%	0.020%	0.019%
Covered Payroll <sup>1</sup>	\$ -	\$ -	\$ -	\$ -
Total OPEB liability as a percentage of covered payroll	0.000%	0.000%	0.000%	0.000%

The District makes no contributions to the plan. Rather, CalSTRS siphons benefit payments from all the school district regular pension contributions.

<sup>1</sup> **Defined as the payroll on which contributions to a pension plan are based, but for CalSTRS OPEB there are no contributions based on payroll**

**District Has No Material Assets Accumulated in a Trust to Pay Related Benefits**

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

**District OPEB**

<i>(\$ Amounts in thousands)</i>	2021	2020	2019	2018
<b>Changes for the year:</b>				
Service cost	\$ 44	\$ 43	\$ 42	\$ 38
Interest	13	16	9	4
Differences between expected and actual experience	-	139	-	-
Changes in assumptions or other inputs	(10)	(128)	371	-
Benefit payments	(92)	(19)	(19)	(17)
<b>Net Changes in Total OPEB Liability</b>	(45)	51	403	25
<b>Total OPEB Liability - Beginning</b>	622	571	168	143
<b>Total OPEB Liability - Ending</b>	\$ 577	\$ 622	\$ 571	\$ 168
Covered Payroll	\$ 10,572	\$ 11,200	\$ 10,244	\$ 10,111
Total OPEB liability as a percentage of covered payroll	5%	6%	6%	2%

**District Has No Assets Accumulated in a Trust to Pay Related Benefits**

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**SUPPLEMENTARY INFORMATION**

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass- Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Federal Impact Aid	84.041	*	\$ 2,224,175
Passed through California Department of Education ("CDE"):			
Every Student Succeeds Act ("ESSA"):			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	194,767
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	21,139
Title III, English Learner Student Program	84.365	14346	9,152
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	16,000
Special Ed Cluster: IDEA			
Basic Local Assistance Entitlement, Part B, Sec 611 [1]	84.027	13379	259,996
Preschool Capacity Building, Part B, Sec 619 [1]	84.173	13839	5,659
Mental Health ADA Allocation, Part B, Sec 611 [1]	84.027	15197	15,819
Total Special Education Cluster			281,474
Coronavirus Aid, Relief, and Economic Security ("CARES") Act:			
Learning Loss Mitigation	84.425C	15517	64,809
Elementary and Secondary School Emergency Relief ("ESSER") Fund	84.425D	15536	146,644
ESSER II	84.425	15547	13,566
Total CARES			225,019
<b>Total U. S. Department of Education</b>			<b>2,971,726</b>

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued  
 FOR THE YEAR ENDED JUNE 30, 2021

U. S. DEPARTMENT OF AGRICULTURE:			
Passed through CDE:			
Child Nutrition Cluster			
Child Nutrition SL-4 L/A FF	10.555	13523	41,099
Child Nutrition SL-11 L/A FF	10.555	13524	311,180
Child Nutrition SB-Basic L/A FF	10.553	13525	3,640
Child Nutrition SB-Needy L/A FF	10.553	13526	256,670
After School Meal Supplements	10.555	13755	26,683
Total Child Nutrition Cluster			639,272
Commodity Supplemental Food Program	10.565	*	26,456
<b>Total U. S. Department of Agriculture</b>			<b>665,728</b>
U. S. DEPARTMENT OF THE TREASURY			
Passed through CDE:			
Coronavirus Relief Fund ("CRF"): Learning Loss Mitigation [1]	21.019	25516	625,720
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through CDE:			
Child Dev: Coronavirus Response and Relief Supplemental App. (CRRS)	93.575	15555	46,305
Medi-Cal Administrative Activities (MAA)	93.778	10060	26,175
<b>Total U. S. Department of Health &amp; Human Services</b>			<b>72,480</b>
U. S. DEPARTMENT OF DEFENSE:			
Promoting K-12 Student Achievement at Military-Connected Schools	12.556	*	111,570
<b>Total U. S. Department of Defense</b>			<b>111,570</b>
<b>Total Federal Expenditures</b>			<b>\$ 4,447,224</b>

[1] - Major Program

No amount provided to subrecipients

\* - Direct funded

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2021

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Wheatland Elementary:

<b>Grade Level</b>	<b>Number of Instructional Days Offered</b>	<b>Form J-13A Approval</b>	<b>Total Days Offered</b>	<b>Status</b>
Kindergarten	180	-	180	Complied
Grade 1	180	-	180	Complied
Grade 2	180	-	180	Complied
Grade 3	180	-	180	Complied
Grade 4	180	-	180	Complied
Grade 5	180	-	180	Complied
Grade 6	180	-	180	Complied
Grade 7	180	-	180	Complied
Grade 8	180	-	180	Complied

Wheatland Charter Academy:

<b>Grade Level</b>	<b>Number of Instructional Days Offered</b>	<b>Form J-13A Approval</b>	<b>Total Days Offered</b>	<b>Status</b>
Kindergarten	180	-	180	Complied
Grade 1	180	-	180	Complied
Grade 2	180	-	180	Complied
Grade 3	180	-	180	Complied
Grade 4	180	-	180	Complied
Grade 5	180	-	180	Complied

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021

	2022 (Budget)	2021	2020	2019
<b>GENERAL FUND:</b>				
Revenues	\$ 15,315,770	\$ 20,767,436	\$ 16,368,037	\$ 17,547,311
Transfers in	-	-	-	136,922
<b>Total</b>	<b>15,315,770</b>	<b>20,767,436</b>	<b>16,368,037</b>	<b>17,684,233</b>
Expenditures	17,114,712	18,330,941	17,900,259	16,932,059
Other uses and transfers out	34,000	34,000	17,022	30,982
<b>Total</b>	<b>17,148,712</b>	<b>18,364,941</b>	<b>17,917,281</b>	<b>16,963,041</b>
<b>INCREASE/(DECREASE)</b>				
<b>IN FUND BALANCE</b>	<b>\$ (1,832,942)</b>	<b>\$ 2,402,495</b>	<b>\$ (1,549,244)</b>	<b>\$ 721,192</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 8,558,062</b>	<b>10,391,004</b>	<b>7,988,509</b>	<b>9,537,753</b>
<b>AVAILABLE RESERVES<sup>1</sup></b>	<b>\$ 1,150,318</b>	<b>\$ 4,031,881</b>	<b>\$ 4,022,450</b>	<b>\$ 5,274,658</b>
<b>AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO</b>	<b>7%</b>	<b>22%</b>	<b>22%</b>	<b>31%</b>
<b>LONG-TERM DEBT</b>	<b>N/A</b>	<b>\$ 22,099,000</b>	<b>\$ 19,731,000</b>	<b>\$ 19,702,000</b>
<b>AVERAGE DAILY ATTENDANCE AT P-2</b>	<b>1,227</b>	<b>1,247</b>	<b>1,247</b>	<b>1,240</b>

The General Fund balance has increased by \$853,251 over the past two years. The fiscal year 2021-22 budget projects a decrease of \$1,832,942 (eighteen percent). For a district this size, the State recommends available reserves of at least three percent of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in one of the past three years and anticipates incurring an operating deficit during the 2021-22 fiscal year. Total long-term obligations have increased by \$2,397,000 over the past two years.

Average daily attendance has increased by seven ADA over the past two years. A decrease of twenty ADA is anticipated during fiscal year 2021-22.

<sup>1</sup> Available reserves consist of all unassigned fund balance within the General Fund



WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Reserve for Other Than Capital Outlay	Self- Insurance Fund	ASB Funds
<b>FUND BALANCE / NET POSITION</b>				
Balance, June 30, 2021,				
Unaudited Actuals:	\$ 7,420,880	\$ 2,970,124	\$ 345,241	\$ 75,270
Increase in:				
Cash in county	2,965,276	-	-	-
Cash in banks	-	-	-	26,904
Accrued receivables	4,848	-	-	-
Deferred outflow of resources	-	-	(127,000)	-
OPEB liability	-	-	45,000	-
Deferred inflow of resources	-	-	117,000	-
Decrease in:				
Cash in county	-	(2,965,276)	-	-
Accrued receivables	-	(4,848)	-	-
Audited financial statement	\$ 10,391,004	\$ -	\$ 380,241	\$ 102,174

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2021

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<u>Charter School Number</u>	<u>Charter School</u>	<u>Status</u>	<u>Included in Audit Report</u>
0370	Wheatland Charter Academy	Active	Yes

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
 JUNE 30, 2021

	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Non-Major Governmental Funds
<b>ASSETS</b>						
Deposits and investments	\$ 102,174	\$ 177,563	\$ 75,439	\$ 224,491	\$ 69,997	\$ 649,664
Accrued receivables	-	14,202	33,463	367	114	48,146
Due from other funds	-	25,000	9,000	65,170	-	99,170
Stores inventory	-	-	15,718	-	-	15,718
<b>Total Assets</b>	<b>\$ 102,174</b>	<b>\$ 216,765</b>	<b>\$ 133,620</b>	<b>\$ 290,028</b>	<b>\$ 70,111</b>	<b>\$ 812,698</b>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ 295	\$ 744	\$ -	\$ -	\$ 1,039
Due to other funds	-	21,410	3,039	-	-	24,449
<b>Total Liabilities</b>	<b>-</b>	<b>21,705</b>	<b>3,783</b>	<b>-</b>	<b>-</b>	<b>25,488</b>
<b>FUND BALANCES</b>						
Non-spendable	-	-	15,718	-	-	15,718
Spendable						
Restricted	102,174	167,327	114,119	174,886	70,111	628,617
Committed	-	-	-	115,142	-	115,142
Assigned	-	27,733	-	-	-	27,733
<b>Total Fund Balances</b>	<b>102,174</b>	<b>195,060</b>	<b>129,837</b>	<b>290,028</b>	<b>70,111</b>	<b>787,210</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 102,174</b>	<b>\$ 216,765</b>	<b>\$ 133,620</b>	<b>\$ 290,028</b>	<b>\$ 70,111</b>	<b>\$ 812,698</b>

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2021

	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Non-Major Governmental Funds
<b>REVENUES</b>						
LCFF Transfers	- \$	- \$	- \$	65,170 \$	- \$	65,170 \$
Federal sources	-	46,305	720,256	-	-	766,561
Other State sources	-	623,793	101,135	-	-	724,928
Other local sources	37,022	30,127	(61)	2,604	21,526	91,218
<b>Total Revenues</b>	37,022	700,225	821,330	67,774	21,526	1,647,877
<b>EXPENDITURES</b>						
Current						
Instruction	-	434,525	-	-	-	434,525
Instructional supervision and administration	-	91,006	-	-	-	91,006
Pupil services						
Food services	-	-	767,151	-	-	767,151
All other pupil services	-	15,160	-	-	-	15,160
All other gen. admin.	-	24,045	-	-	-	24,045
Plant services	-	61,179	-	85,890	-	147,069
Ancillary services	10,118	-	-	-	-	10,118
<b>Total Expenditures</b>	10,118	625,915	767,151	85,890	-	1,489,074
<b>Excess (Deficiency) of Revenues Over Expenditures</b>						
	26,904	74,310	54,179	(18,116)	21,526	158,803
<b>OTHER FINANCING SOURCES</b>						
Transfers In	-	25,000	9,000	-	-	34,000
<b>NET CHANGE IN FUND BALANCE</b>	26,904	99,310	63,179	(18,116)	21,526	192,803
<b>Fund Balance - Beginning (Restated)</b>	75,270	95,750	66,658	308,144	48,585	594,407
<b>Fund Balance - Ending</b>	\$ 102,174	\$ 195,060	\$ 129,837	\$ 290,028	\$ 70,111	\$ 787,210

See accompanying note to supplementary information

## WHEATLAND ELEMENTARY SCHOOL DISTRICT

### NOTES TO SUPPLEMENTARY INFORMATION JUNE 30, 2021

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#### **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 the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as applicable.

There are no balances of loan or loan guarantee programs (“loans”) outstanding at the end of the audit period. The District has not elected to use the 10% de minimis cost rate.

#### **Schedule of Instructional Time**

Displaying, for school districts, including basic aid districts, data that show whether the district complied with article 8 (commencing with §46200) of chapter 2 of part 26 of the *Education Code*; showing by grade level:

- 1) For all districts, the number of instructional days offered during the year audited on the traditional calendar and on any multitrack year-round calendars; and whether the district complied with the instructional day’s provisions.
- 2) For charter schools, data that show whether the charter school complied with *Education Code* §47612 the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendars; and whether the charter school complied with the instructional days provisions.
- 3) For school districts and charter schools that received a Form J-13A approval, list the actual days in the instructional days offered columns, add columns that list the credited days per the approved Form J-13A and the total days offered, adding the actual offering to the amount of days credited per the approved Form J-13A. Include a footnote stating that the school district or charter school received an approved J-13A identifying the number of days approved.

#### **Schedule of Financial Trends and Analysis**

Displaying information regarding the auditee's financial position and going concern status, in the form of actual financial and attendance figures for at least the most recent three-year period (ending with the audit year), plus the current year's budget, for the following items: general fund financial activity, including total revenue, expenditures, and other sources and uses; general fund balance; available reserve balances (funds designated for economic uncertainty, and any other remaining undesignated fund balance) within the general fund or special reserve fund; available reserve balances expressed as a percentage of total general fund outgo (expenditures, transfers out, and other uses), including a comparison to the applicable state-recommended available reserve percentage; total long-term debt; and elementary and secondary second principal ADA; and, when the auditee's percentage of available reserves to total general fund outgo is below the state-recommended percentage, management's plans for increasing the auditee's available reserve percentage.

## WHEATLAND ELEMENTARY SCHOOL DISTRICT

### NOTES TO SUPPLEMENTARY INFORMATION, Continued JUNE 30, 2021

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#### **Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

Displays the differences between the ending fund balance(s) from the audited financial statements and the unaudited ending fund balance(s) from the annual financial and budget report for each fund in which a variance occurred.

#### **Schedule of Charter Schools**

Listing all charter schools chartered by the school district or county office of education. For each charter school, include the charter school number and indicate whether or not the charter school is included in the school district or county office of education audit.

#### **Combining Statements – Non-Major Governmental Funds**

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

#### **Local Education Agency Organization Structure**

*LEA Organization Structure*, setting forth the following information, at a minimum:

- 1) The date on which the LEA was established, and for charter schools the date and granting authority of each charter;
- 2) The date and a general description of any change during the year audited in a school district's boundaries;
- 3) The numbers by type of schools in the LEA;
- 4) The names, titles, terms, and term expiration dates of all members of the governing board; and
- 5) The names, with their titles, of the superintendent, chief business official, and deputy/associate/assistant superintendents.

**This schedule is located in the front of the report.**

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**OTHER INDEPENDENT AUDITOR'S REPORTS**

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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  
Wheatland Elementary School District  
Wheatland, California

We 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 Wheatland Elementary School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Wheatland Elementary School District's basic financial statements, and have issued our report thereon dated January 27, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Wheatland 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wheatland Elementary School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Wheatland Elementary School District's internal control.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Wheatland Elementary School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*. Those instances of noncompliance were audit adjustments, which are noted in the accompanying Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



January 27, 2022

RT DENNIS  
ACCOUNTANCY

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Trustees  
Wheatland Elementary School District  
Wheatland, California

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Wheatland Elementary School District's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget ("OMB") Compliance Supplement* that could have a direct and material effect on each of Wheatland Elementary School District's major federal programs for the year ended June 30, 2021. Wheatland 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wheatland Elementary School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Wheatland Elementary School District complied, in all material respects, with the types of compliance requirements referred to previously 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 Wheatland 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 our audit of compliance, we considered Wheatland 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, we do not express an opinion on the effectiveness of Wheatland 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 internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

**Purpose of this Report**

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



January 27, 2022

RT DENNIS  
ACCOUNTANCY

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees  
Wheatland Elementary School District  
Wheatland, California

### ***REPORT ON STATE COMPLIANCE***

We have audited Wheatland Elementary School District's compliance with the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* ("the State Audit Guide"), applicable to Wheatland Elementary School District's state compliance requirements as listed on the next page for the year ended June 30, 2021.

#### ***Management's Responsibility***

Compliance with the requirements referred to above is the responsibility of Wheatland Elementary School District's management.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on Wheatland Elementary School District's compliance based on our state compliance audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Audit Guide, prescribed by the *California Code of Regulation*, Title 5 §19810, et seq. Those standards and require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on referred to previously occurred. An audit includes examining, on a test basis, evidence about Wheatland Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Wheatland Elementary School District's compliance with those requirements.

#### ***Opinion***

In our opinion, Wheatland Elementary School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the compliance requirements listed on the next pages for the year ended June 30, 2021.

RT DENNIS  
ACCOUNTANCY

In connection with the audit referred to on the previous page, we selected and tested transactions and records to determine the Wheatland Elementary School District's compliance with the State laws and regulations applicable to the following items:

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>Local Education Agencies Other Than Charter Schools</b>	
A. Attendance and Distance Learning	Yes
B. Teacher Certification And Misassignments	Yes
C. Kindergarten Continuance	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio Of Administrative Employees To Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
O. K-3 Grade Span Adjustment	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>School Districts, County Offices Of Education, And Charter Schools</b>	
T. California Clean Energy Jobs Act	Not Applicable
V. Proper Expenditure Of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
<b>Charter Schools</b>	
Y. Independent Study Course Based	Not Applicable
AA. Attendance	Yes
BB. Mode Of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study For Charter Schools	Not Applicable <sup>1</sup>
DD. Determination Of Funding For Nonclassroom-Based Instruction	Not Applicable <sup>1</sup>
FF. Charter School Facility Grant Program	Not Applicable

<sup>1</sup>Classroom-based only, no independent study

**Purpose of this Report**

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the State Audit Guide. Accordingly, this report is not suitable for any other purpose.

January 27, 2022



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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**WHEATLAND ELEMENTARY SCHOOL DISTRICT**

**SUMMARY OF AUDITOR'S RESULTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**FINANCIAL STATEMENTS**

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>Yes</u>

**FEDERAL AWARDS**

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditor's report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.027 &amp; 84.173</u>	<u>Special Ed Cluster: IDEA</u>
<u>21.019</u>	<u>Coronavirus Relief Fund</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

WHEATLAND ELEMENTARY SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

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There were no Financial Statement Findings this year

**WHEATLAND ELEMENTARY SCHOOL DISTRICT**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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There were no Federal Award Findings this year.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021

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There were no State Award Findings this year.

**WHEATLAND ELEMENTARY SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**There were no Prior Audit Findings.**

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