

**WHEATLAND
ELEMENTARY
SCHOOL DISTRICT**



**ANNUAL
FINANCIAL
REPORT**

JUNE 30, 2022

WHEATLAND ELEMENTARY SCHOOL DISTRICT

WHEATLAND, CALIFORNIA

JUNE 30, 2022

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

ADMINISTRATION

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 4th-8th grade school, and one charter school, Wheatland Charter Academy. No changes in the boundaries.

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wheatland Elementary School District
Wheatland, California

REPORT ON THE FINANCIAL STATEMENTS

Opinions

We have audited 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, 2022, 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.

In our opinion, the accompanying financial statements 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wheatland Elementary School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

RT DENNIS
ACCOUNTANCY

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, and *Government Auditing Standards*, we:

- ❖ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Wheatland Elementary School District's internal control. Accordingly, no such opinion is expressed.⁵
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ❖ Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wheatland Elementary School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and other postemployment schedules on pages 5–13 and 55–60, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary 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, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") requires a Schedule of Expenditures of Federal Awards ("SEFA").

2021-22 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires:

- ❖ LEA Organization Structure
- ❖ Schedule of ADA
- ❖ 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the above mentioned schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Financial Report

Management is responsible for the other information in the Annual Financial Report. The other information comprises the Combining Statements of Non-Major Governmental Funds but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 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 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.



December 13, 2022



MANAGEMENT’S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of Wheatland Elementary School District’s (“the District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the District’s financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The District’s financial status improved.

- ▶ Net position increased by \$3.6 million.
- ▶ Overall revenues were \$24.4 million, and expenses were \$21.2 million.
- ▶ The net cost of basic programs decreased to \$13.9 million. As a result of more one-time federal and state funding as well as increase in Grants
- ▶ Total governmental fund balance increased to \$16.5 million from \$14,3 million, as result of same reason as above.

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:

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

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

- The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- The *proprietary funds* statements offer short- and long-term financial information about the activities the district operates like businesses, such as self-insurance of the OPEB plan.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

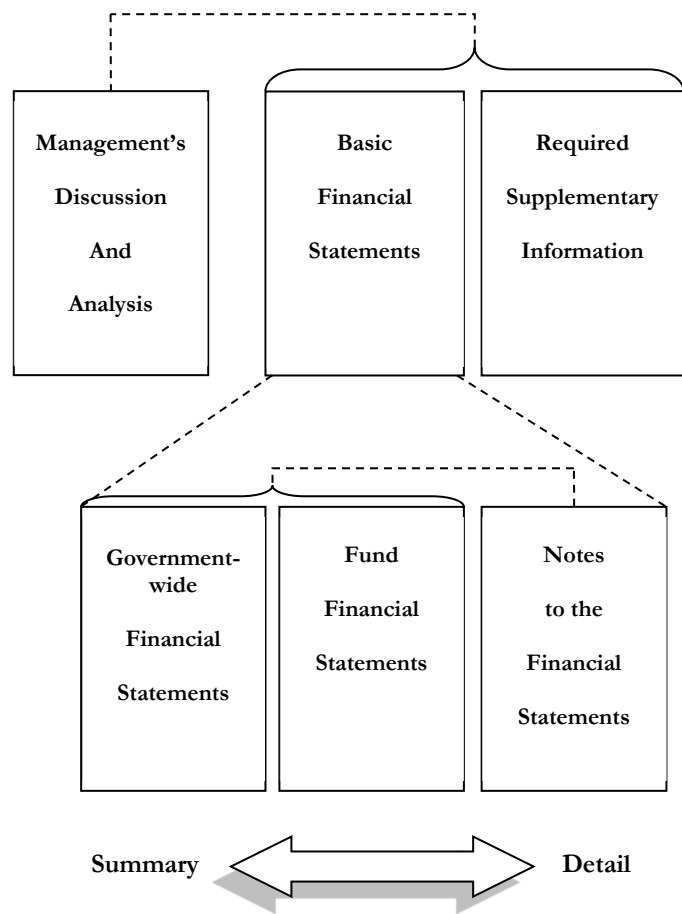


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2022

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

Figure A-2
 Major Features of Wheatland Elementary School District’s Government-wide and Fund Financial Statements
Fund Statements

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
<i>Scope</i>	Entire District government	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: self-insurance.
<i>Required financial statements</i>	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
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Statement of cash flows Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	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
<i>Type of inflow/outflow information</i>	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 the 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, 2022

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 self-insurance fund for OPEB.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The net position had the following changes:

(\$ Amounts in millions)	2022	2021	\$ Change	% Change
Current and other assets	\$ 19.9	\$ 16.6	\$ 3.3	20%
Capital assets	19.8	20.6	(0.8)	-4%
Total Assets	39.7	37.2	2.5	7%
Deferred outflows of resources	4.1	4.8	(0.7)	-15%
Current liabilities	2.6	1.4	1.2	86%
Non-current liabilities	11.7	22.0	(10.3)	-47%
Total Liabilities	14.3	23.4	(9.1)	-39%
Deferred inflows of resources	8.0	0.7	7.3	1043%
Net position				
Net investment in capital assets	19.8	20.6	(0.8)	-4%
Restricted	2.5	1.8	0.7	39%
Unrestricted (Deficit)	(0.8)	(4.5)	3.7	-82%
Total Net Position	\$ 21.5	\$ 17.9	\$ 3.6	20%

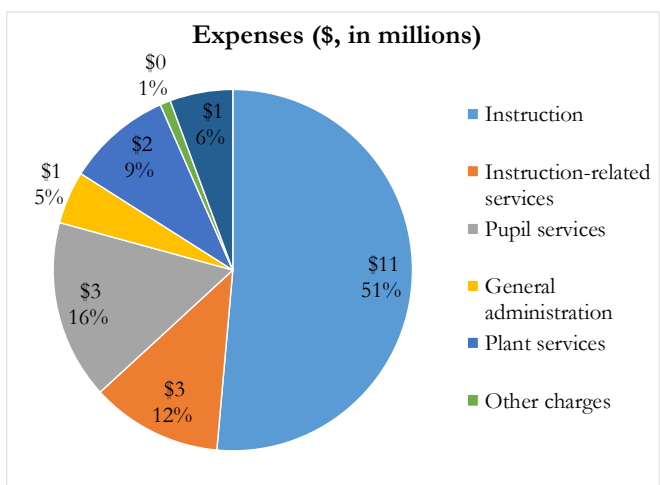
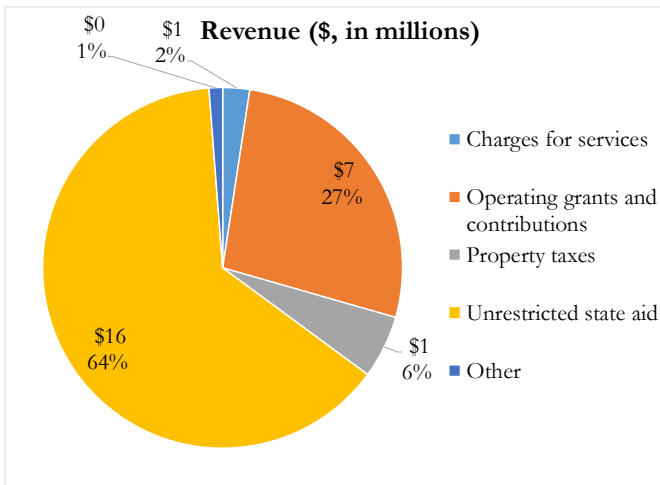
WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2022

Changes in net position. The District’s total revenues and expenses and changes were as follows:

Table 2 - Activities

(\$ Amounts in millions)	2022	2021	\$ Change	% Change
Program revenue				
Charges for services	\$ 0.6	\$ 0.1	\$ 0.5	500%
Operating grants and contributions	6.7	5.7	1.0	18%
General revenue				
Property taxes	1.4	1.2	0.2	17%
Unrestricted state aid	15.8	15.3	0.5	3%
Other	0.3	1.2	(0.9)	-75%
Total Revenue	24.8	23.5	1.3	6%
Expenses				
Instruction	10.9	11.3	(0.4)	-4%
Instruction-related services	2.5	2.9	(0.4)	-14%
Pupil services	3.4	3.7	(0.3)	-8%
General administration	1.0	1.2	(0.2)	-17%
Plant services	2.0	2.3	(0.3)	-13%
Other charges	0.2	0.7	(0.5)	-71%
Depreciation (unallocated)	1.2	1.1	0.1	9%
Total Expenses	21.2	23.2	(2.0)	-9%
Increase in net position	\$ 3.6	\$ 0.3	\$ 3.3	1100%



WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2022

Governmental Activities

Table 3 presents the costs of five major District activities: instruction, instruction-related services, pupil services, general administration, and plant services. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District’s taxpayers and state by each of these functions.

- ❖ The net cost of all *governmental* activities this year was \$13.9 million.
- ❖ Some of the cost was paid by:
 - Those who directly benefited from the programs (\$0.6 million).
 - Other governments and organizations that subsidized certain programs with grants and contributions (\$6.7 million).
- ❖ The District paid for the \$17.4 million “public benefit” portion with \$17.5 million in unrestricted federal and state aid (including LCFF and Impact Aid), and with other revenues such as property taxes.

Table 3 - Net Cost of Governmental Activity

<i>(\$ Amounts in millions)</i>	Total Cost of Services		Net Cost of Services		
	2022	2021	2022	2021	% Change
Instruction	\$ 10.9	\$ 11.3	\$ 7.2	\$ 8.8	-18%
Instruction-related services	2.5	2.9	2.0	2.4	-17%
Pupil services	3.4	3.7	0.6	1.7	-65%
General administration	1.0	1.2	0.9	1.1	-18%
Plant services	2.0	2.3	1.8	2.0	-10%
Other	1.4	1.8	1.4	1.4	0%
Total	\$ 21.2	\$ 23.2	\$ 13.9	\$ 17.4	-20%

WHEATLAND ELEMENTARY SCHOOL DISTRICT

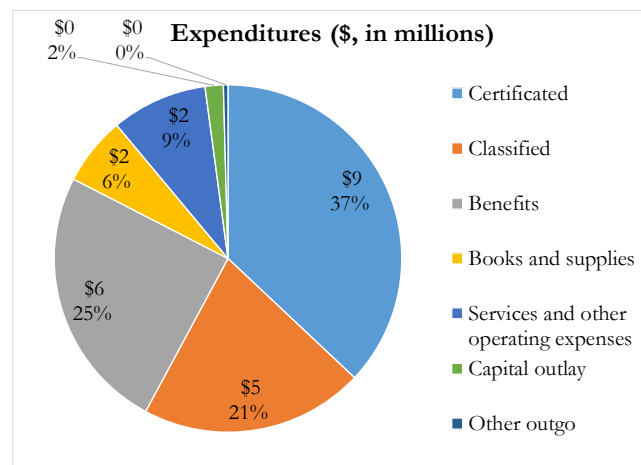
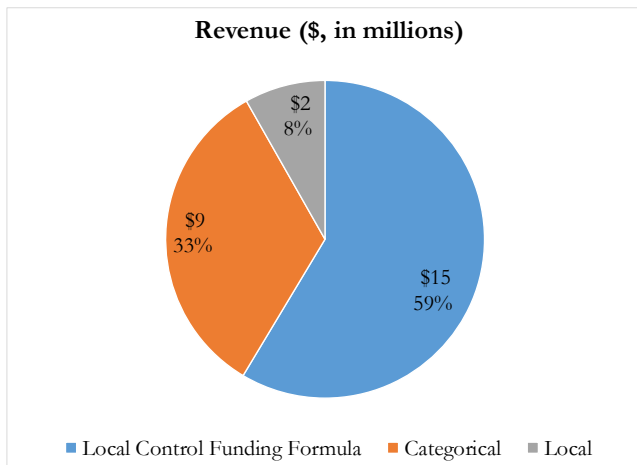
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The strong financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported *combined* fund balances of \$16.5 million, which was above last year’s ending fund balances of \$14.3 million.

Table 4 - Governmental Funds' Performance

	(\$ Amounts in millions)		2022	2021	% Change
REVENUES					
Local Control Funding Formula	\$	15.0	\$	14.1	6%
Categorical		8.5		8.1	5%
Local		2.1		1.3	62%
Total Revenues		25.6		23.5	9%
EXPENDITURES					
Certificated		8.7		7.7	13%
Classified		4.9		3.9	26%
Benefits		5.8		4.8	21%
Books and supplies		1.5		1.8	-17%
Services and other operating expenses		2.1		1.8	17%
Capital outlay		0.4		-	n/a
Other outgo		0.1		0.6	-83%
Total Expenditures		23.5		20.6	14%
NET CHANGE IN FUND BALANCE					
	\$	2.1	\$	2.9	-28%



WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2022

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget two times. These budget amendments fall into two categories:

- ❖ Amendments and supplemental appropriations approved in December (1st Interim) to reflect the actual beginning account balances (correcting the estimated amounts in the budget adopted in June 2021).
- ❖ Increases in appropriations to prevent budget overruns which is contained in the 2nd Interim Financial Report, which is in March.

Table 5 - General Fund and Budget Performance

	General Fund Activity			General Fund Budget		
	2022	2021	% Difference	Original Budget	Final Budget	% Difference
<i>(\$ Amounts in millions)</i>						
REVENUES						
Local Control Funding Formula	\$ 14.1	\$ 13.1	8%	\$ 12.6	\$ 13.9	10%
Categorical	6.8	6.5	5%	5.0	7.5	50%
Local	1.8	1.2	50%	1.1	1.8	64%
Total Revenues	22.7	20.8	9%	18.7	23.2	24%
EXPENDITURES						
Salaries and benefits	17.6	14.9	18%	16.4	18.7	14%
Supplies and services	2.8	2.9	-3%	2.4	4.0	67%
Other	0.4	0.5	-20%	0.3	0.7	133%
Total Expenditures	20.8	18.3	14%	19.1	23.4	23%
NET CHANGE IN						
FUND BALANCE	\$ 1.9	\$ 2.5	-24%	\$ (0.4)	\$ (0.2)	-50%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. By the end of 2022, the District had invested \$19.8 million in a broad range of capital assets, including buildings, building improvements, and equipment. A new bus was added in 21-22 (See Table 6.) This amount represents a net decrease of \$0.8 million assets over last year.

Table 6 - Capital Assets

	Governmental Activities			
	2022	2021	\$ Change	% Change
<i>(\$ Amounts in millions)</i>				
Land and construction in progress	\$ 0.5	\$ 0.5	\$ -	0%
Buildings and equipment	38.0	37.6	0.4	1%
Accumulated depreciation	(18.7)	(17.5)	(1.2)	7%
Total Capital Assets	\$ 19.8	\$ 20.6	\$ (0.8)	-4%

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2022

Long-term Debt. The District had \$11.7 million in pension, OPEB, capital leases, and compensated absences—as shown in Table 7.

Table 7 - Long-Term Liabilities

	Governmental Activities			
	2022	2021	\$ Change	% Change
<i>(\$ Amounts in millions)</i>				
Net pension liabilities	\$ 10.7	\$ 21.1	\$ (10.4)	-49%
Net OPEB	0.7	0.7	-	0%
Compensated absences	0.2	0.1	0.1	100%
Other long-term liabilities	0.2	0.2	-	0%
Less current portion	(0.1)	(0.1)	-	0%
Total Long-term Liabilities	\$ 11.7	\$ 22.0	\$ (10.3)	-47%

FACTORS BEARING ON THE DISTRICT'S FUTURE

Annual retirement increases in both the STRS and PERS systems are significant through 21-22. Employer rates will reach an estimated 19.10% for STRS by 2023, an increase from 2021. PERS is estimated to reach 25.37% by 2023.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Office, Wheatland Elementary School District, 111 Main Street, Wheatland, CA 95692.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATEMENT OF NET POSITION
 JUNE 30, 2022

	Governmental
	Activities
	<i>(\$ Amounts in thousands)</i>
ASSETS	
Cash and equivalents	\$ 17,626
Accrued receivables	2,280
Stores	4
Non-depreciable capital assets	508
Depreciable capital assets	19,316
Total Assets	39,734
DEFERRED OUTFLOWS OF RESOURCES	4,081
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 43,815
LIABILITIES	
Accrued liabilities	\$ 1,208
Unearned revenue	1,369
Non-current liabilities, current portion	64
Non-current liabilities, non-current portion	11,674
Total Liabilities	14,315
DEFERRED INFLOWS OF RESOURCES	8,041
NET POSITION	
Net investment in capital assets	19,824
Restricted for	
Capital projects	300
Educational programs	2,157
Unrestricted (Deficit)	(822)
Total Net Position	21,459
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 43,815

The accompanying notes are an integral part of these financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Function/Programs	Expenses	Program Revenues		Net
		Charges for Services	Operating Grants and Contribution	Govt. Activities
Instruction	\$ 10,942	\$ 212	\$ 3,489	\$ (7,241)
Instruction - Related services				
Supervision of instruction and administration	139	1	83	(55)
Instructional library, media, and technology	895	-	238	(657)
School administration	1,434	14	143	(1,277)
Pupil Services				
Transportation	612	221	293	(98)
Food services	789	2	942	155
All other pupil services	1,969	136	1,174	(659)
General Administration				
All other general administration	1,045	-	116	(929)
Plant services	2,004	32	123	(1,849)
Ancillary services	20	21	25	26
Enterprise services	78			(78)
Transfers to other agencies	55	4	26	(25)
Depreciation (Unallocated)	1,191	-	-	(1,191)
Total Governmental Activities	\$ 21,173	\$ 643	\$ 6,652	(13,878)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				1,370
Federal and state aid not restricted for specific purposes				15,763
Interest and investment earnings				94
Interagency revenues				44
Miscellaneous				194
Subtotal, General Revenue				17,465
CHANGE IN NET POSITION				3,587
Net Position - Beginning				17,872
Net Position - Ending				\$ 21,459

The accompanying notes are an integral part of these financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

GOVERNMENTAL FUNDS'
BALANCE SHEETS
JUNE 30, 2022

	General Fund	Charter Schools Special Revenue Fund	Special Reserve Fund for Capital Outlay Projects
ASSETS			
Cash and equivalents	\$ 12,516,967	\$ 714,871	\$ 2,692,088
Accrued receivables	2,063,706	8,067	9,874
Due from other funds	120,118	27,131	-
Stores	-	-	-
TOTAL ASSETS	\$ 14,700,791	\$ 750,069	\$ 2,701,962
LIABILITIES			
Accrued liabilities	\$ 1,144,017	\$ 60,791	\$ -
Due to other funds	52,131	78,432	-
Unearned revenue	1,328,703	40,238	-
Total Liabilities	2,524,851	179,461	-
FUND BALANCE			
Nonspendable	13,450	-	-
Restricted	1,660,298	112,904	-
Committed	-	-	-
Assigned	6,257,835	457,704	2,701,962
Unassigned	4,244,357	-	-
Total Fund Balance	12,175,940	570,608	2,701,962
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,700,791	\$ 750,069	\$ 2,701,962

The accompanying notes are an integral part of these financial statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 877,802	\$ 16,801,728
195,555	2,277,202
90,600	237,849
4,163	4,163
<hr/>	<hr/>
\$ 1,168,120	\$ 19,320,942
<hr/>	<hr/>
\$ 2,973	\$ 1,207,781
107,286	237,849
-	1,368,941
<hr/>	<hr/>
110,259	2,814,571
<hr/>	<hr/>
4,163	17,613
683,164	2,456,366
257,141	257,141
113,393	9,530,894
-	4,244,357
<hr/>	<hr/>
1,057,861	16,506,371
<hr/>	<hr/>
\$ 1,168,120	\$ 19,320,942
<hr/>	<hr/>

WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2022

(\$ Amounts in thousands)

Total Fund Balance - Governmental Funds \$ 16,506

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 relating to governmental activities, at historical cost:	\$ 38,552	
Accumulated depreciation:	(18,728)	19,824

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 (Asset)	10,743	
Net OPEB Obligation	81	
Compensated absences payable	168	
Other general long-term debt	162	(11,154)

The accompanying notes are an integral part of these financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION, Continued
JUNE 30, 2022

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	4,081
Deferred inflows of resources relating to pensions	(8,041)

Internal service funds:

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, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

243

Total Net Position - Governmental Activities:	\$	21,459
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The accompanying notes are an integral part of these financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Charter Schools Special Revenue Fund	Special Reserve Fund for Capital Outlay Projects
REVENUES			
LCFF sources	\$ 14,086,582	\$ 885,517	\$ -
Federal sources	3,583,693	-	-
Other state sources	3,182,816	132,199	-
Other local sources	1,812,380	5,133	19,329
Total Revenues	22,665,471	1,022,849	19,329
EXPENDITURES			
Current			
Instruction	11,796,869	547,691	-
Instruction - Related services			
Supervision of instruction and administration	72,790	-	-
Instructional library, media, and technology	976,322	-	-
School administration	1,500,682	178,469	-
Pupil Services			
Transportation	1,087,559	20,000	-
Food services	-	-	-
All other pupil services	2,267,786	36,860	-
General Administration			
All other general administration	1,116,142	6,780	-
Plant services	2,012,950	76,201	24,925
Ancillary services	20,357	-	-
Transfers to other agencies	4,078	34,638	-
Total Expenditures	20,855,535	900,639	24,925
Excess (Deficiency) of Revenues Over Expenditures	1,809,936	122,210	(5,596)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(25,000)	-	-
Net Financing Sources (Uses)	(25,000)	-	-
NET CHANGE IN FUND BALANCE	1,784,936	122,210	(5,596)
Beginning balance	10,391,004	448,398	2,707,558
Ending balance	\$ 12,175,940	\$ 570,608	\$ 2,701,962

The accompanying notes are an integral part of these financial statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 14,972,099
907,713	4,491,406
704,985	4,020,000
305,112	2,141,954
<hr/> 1,917,810	<hr/> 25,625,459
581,716	12,926,276
94,709	167,499
-	976,322
-	1,679,151
-	1,107,559
858,801	858,801
16,845	2,321,491
25,125	1,148,047
76,309	2,190,385
2,059	22,416
16,595	55,311
<hr/> 1,672,159	<hr/> 23,453,258
<hr/> 245,651	<hr/> 2,172,201
25,000	25,000
-	(25,000)
<hr/> 25,000	<hr/> -
270,651	2,172,201
787,210	14,334,170
<hr/> \$ 1,057,861	<hr/> \$ 16,506,371

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, 2022**

(\$ Amounts in thousands)

Net Change in Fund Balances - Governmental Funds \$ 2,172

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:

Expenditures for capital outlay:	\$ 425	
Depreciation expense:	(1,191)	(766)

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:

2,301

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:

(7)

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:

65

Internal Service Funds:

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:

(137)

Change in net position of Governmental Activities \$ 3,587

The accompanying notes are an integral part of these financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
	<u>Self-Insurance</u>
ASSETS	
Current assets	
Cash and equivalents	\$ 824,638
Accrued receivables	2,668
TOTAL ASSETS	\$ 827,306
LIABILITIES	
OPEB	\$ 584,000
NET POSITION	
Unrestricted	243,306
TOTAL LIABILITIES AND NET POSITION	\$ 827,306

The accompanying notes are an integral part of these financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
	<u>Self-Insurance</u>
OPERATING EXPENSE	
Benefits	\$ 11,139
Services and other operating expenditures	131,717
Total operating expenses	<u>142,856</u>
OPERATING GAIN/(LOSS)	(142,856)
NON-OPERATING REVENUES/(EXPENSES)	
Revenue from the use of money	<u>5,921</u>
CHANGE IN NET POSITION	(136,935)
Beginning balance	<u>380,241</u>
Ending balance	<u>\$ 243,306</u>

The accompanying notes are an integral part of these financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
	<u>Self-Insurance</u>
Cash flows from operating activities	
Cash payments for benefits	\$ (11,139)
Cash payments for insurance claims	(124,717)
Net cash used by operating activities	<u>(135,856)</u>
Cash flows from investing activities	
Interest received	6,022
NET INCREASE/(DECREASE) IN CASH	(129,834)
CASH	
Beginning of year	954,472
End of year	\$ 824,638
Reconciliation of operating loss to cash used in operating activities	
Operating Loss	\$ (142,856)
Increase in claims liabilities	7,000
Net cash used by operating activities	<u>\$ (135,856)</u>

The accompanying notes are an integral part of these financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 - A. Description of Financial Statements

The accompanying financial statements of the Wheatland Elementary School District have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), as prescribed by the Governmental Accounting Standards Board (“GASB”). The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Education Code §41010 requires local educational agencies (“LEAs”) to follow the definitions, instructions, and procedures in the California School Accounting Manual. The manual provides accounting policies and procedures, as well as guidance in implementing those policies and procedures, which include basis of accounting, revenue and expenditure recognition, fund types, types of transactions, methods of posting transactions, including adjusting entries, documentation required to substantiate certain transactions, year-end closing process, including the recording of accruals and deferrals.

1 - B. Financial Reporting Entity

The Wheatland Elementary School 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.

Joint Powers Authority (“JPA”). 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.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2022

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.

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental and proprietary* – 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 Schools Special Revenue 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 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, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2022

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 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).

Cafeteria Special Revenue 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 fund 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.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2022

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 ("LCFF"), 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.

Eliminating Internal Activity. Transactions between funds that would be treated as revenues, expenditures, or expenses if they involve entities external to the District are accounted for as revenues, expenditures, or expenses in the funds. At year-end, outstanding balances between funds are reported in the fund financial statements. Amounts reported in the funds as Due to or Due from Other Funds are eliminated in the governmental column.

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.

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 - E. Assets, Liabilities, and Net Position and Fund Balances

Deposits and Investments. The cash balances of substantially all funds are pooled and invested by the Yuba County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2022, based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash in County." Earnings on cash in county are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

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.

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

Inventories. Inventories such as school supplies are recorded at cost and valued using the weighted-average cost method. They then become expenditures/expenses of the funds when consumed.

Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. 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. 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.

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.

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.

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.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net positions of both the California State Teacher's Retirement System ("CalSTRS") and California Public Employee Retirement System ("CalPERS") and additions to/deductions from CalSTRS' and CalPERS' fiduciary net positions have been determined on the same basis as they are reported by CalSTRS and CalPERS, respectively. 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.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

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 revolving account or 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.

Net Position. Net Position represents the difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources. 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, 2022. Net Position are 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 first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The district-wide financial statements report \$2.457 million of restricted net position.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

1 - F. Revenues, Expenditures/Expense

Revenues – Exchange and Non-Exchange Transactions. The 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.

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.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

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.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS

2 - A. Summary of Deposit and Investment Balances

Cash and investments as of June 30, 2022 consist of the following:

	Governmental Activities
Cash on hand	\$ 700
Deposits in financial institutions	66,341
Cash in county	17,559,325
Total Cash and Cash Equivalents	\$ 17,626,366

2 - B. Policies and Practices

INVESTMENT TYPE	MAX. MATURITY	MAX % OF PORTFOLIO	MIN QUALITY	GOV'T CODE §s
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% ^{oE}	None	53601(g)
Commercial Paper— Non-Pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)
Commercial Paper— Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^{oJ}	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% ^{oK}	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% ^{oK}	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund ("LAIF")	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

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.

2 - C. Cash Deposits

Credit Risk. As of June 30, 2022:

<u>Investment Type:</u>	<u>S & P Rating</u>	<u>Maturity (Days)</u>	<u>Reported Value</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Cash in county	A - AA+	357	\$ 17,559,325	2	\$ 17,045,030

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the District's deposits may not be returned. The District's deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation ("FDIC") or are collateralized as required by Statutes of the State. As of June 30, 2022, the District's bank deposits was \$68,702 all of which was insured through the FDIC.

NOTE 3 – ACCRUED RECEIVABLES

Receivables at June 30, 2022, were as follows:

	<u>General Fund</u>	<u>Charter Schools Special Revenue Fund</u>	<u>Special Reserve Fund for Capital Outlay Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Self-Insurance</u>	<u>Total Governmental Activities</u>
Federal Government						
Categorical aid	\$ 1,735,119	\$ -	\$ -	\$ 132,079	\$ -	\$ 1,867,198
State Government						
Categorical aid	234,605	-	-	60,508	-	295,113
Lottery	71,776	4,753	-	-	-	76,529
Local Government						
Interest	22,206	3,007	9,874	2,968	2,668	40,723
Other Local Sources	-	307	-	-	-	307
Total	\$ 2,063,706	\$ 8,067	\$ 9,874	\$ 195,555	\$ 2,668	\$ 2,279,870

All receivables are considered by management collectible in full.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

(\$ Amounts in thousands)	Balance July 01, 2021	Additions	Balance June 30, 2022
Capital assets not being depreciated			
Land	\$ 508	\$ -	\$ 508
Capital assets being depreciated			
Land improvements			-
Buildings & improvements	\$ 35,412	\$ -	\$ 35,412
Furniture & equipment	2,207	425	2,632
Total Capital Assets Being Depreciated	37,619	425	38,044
Less Accumulated Depreciation			
Buildings & improvements	15,731	1,105	16,836
Furniture & equipment	1,806	86	1,892
Total Accumulated Depreciation	17,537	1,191	18,728
Depreciable Capital Assets, net	20,082	(766)	19,316
Total Capital Assets, net	\$ 20,590	\$ (766)	\$ 19,824

NOTE 5 – INTERFUND BALANCES AND ACTIVITY

5 - A. Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2022, consist of the following:

	Due From Other Funds				Total
	General Fund	Charter School Fund	Non-Major Governmental Funds		
Due To Other Funds	General Fund	Charter School Fund	Non-Major Governmental Funds	Total	Total
General Fund	\$ -	\$ 27,131	\$ 25,000	\$ 52,131	\$ 52,131
Charter School Fund	78,432	-	-	78,432	78,432
Non-Major Governmental Funds	41,686	-	65,600	107,286	107,286
Total	\$ 120,118	\$ 27,131	\$ 90,600	\$ 237,849	\$ 237,849

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

The Charter School Fund owes the General Fund for special education excess costs and other A	\$ 78,432
The Child Development Fund owes the General Fund for indirect and other costs	11,715
The Cafeteria Fund owes the General Fund for a negative cash balance	29,971
The General Fund owes the Charter School Fund for in-lieu of property taxes	27,131
The General Fund owes the Child Development Fund for program support	25,000
The Cafeteria Fund owes the Child Development Fund as a result of a transfer error	65,600
Total	\$ 237,849

5 - B. Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2022, consist of the following:

Transfers Out to Other Funds	Transfers In From Other Funds Non-Major Governmental Funds
General Fund	\$ 25,000
The General Fund transferred program support to the Child Development Fund	\$ 25,000

NOTE 6 – ACCRUED PAYABLES

Payables at June 30, 2022, were as follows:

	General Fund	Charter Schools Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Activities
Payroll	\$ 28,489	\$ -	\$ -	\$ 28,489
LCFF	839,401	60,536	-	899,937
Vendors payable	257,107	255	2,773	260,135
Special education	19,020	-	-	19,020
Interest payable	-	-	-	-
Other liabilities	-	-	200	200
Total	\$ 1,144,017	\$ 60,791	\$ 2,973	\$ 1,207,781

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

NOTE 7 – UNEARNED REVENUES

Unearned revenue at June 30, 2022, were as follows:

	General Fund	Charter Schools Special Revenue Fund	Total Governmental Activities
Federal sources	\$ 121,694	\$ -	\$ 121,694
State sources	1,207,009	40,238	1,247,247
Total	\$ 1,328,703	\$ 40,238	\$ 1,368,941

NOTE 8 – LONG-TERM LIABILITIES

8 - A. Long-Term Liabilities Summary

Long-term liability activity for the year ended June 30, 2022 was as follows:

<i>(\$ Amounts in thousands)</i>	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Balance Due in One Year
Net Pension Liability (Asset)	\$ 21,094	\$ -	\$ 10,351	\$ 10,743	-
Net OPEB Obligation	651	14	-	665	-
Compensated absences payable	127	41	-	168	-
Early retirement incentive	227	-	65	162	64
Total	\$ 22,099	\$ 55	\$ 10,416	\$ 11,738	\$ 64

8 - B. Pension Liabilities

The District's pension activities between the District and Cal STRS and Cal PERS for the year ended June 30, 2022, resulted in net pension obligations and other related balances as follows:

<i>(\$ Amounts in thousands)</i>	Cal STRS	Cal PERS	Total
District's proportionate share of the net pension liability	\$ (6,153)	\$ (4,590)	\$ (10,743)
Deferred Outflows of Resources	2,890	1,191	4,081
Deferred Inflows of Resources	(5,506)	(2,535)	(8,041)
Effect on Net Position	\$ (8,769)	\$ (5,934)	\$ (14,703)

8 - 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, 2022, the District reported \$665,000 in combined OPEB liabilities. See Note 10 for additional information regarding the OPEB obligations and the postemployment benefit plan.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

8 - D. Compensated Absences

The expense and accrued liability is recognized when the annual leave is earned. As of June 30, 2022, the District’s long-term portion of the compensated absences balance is \$168,000. The General Fund and Child Development Fund is where any liability would be paid out.

8 - 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, 2022, the District reported a liability of \$162,000. The imputed interest rate is 4.09%, and the amortization of the liability is as follows:

(\$ Amounts in thousands)

Year Ending June 30,	Retiree Payments
2023	\$ 64
2024	64
2025	48
2026	13
	Total \$ 189
	Less: Amount representing interest 27
	Present value of minimum payments \$ 162

NOTE 9 – DEFINED BENEFIT PENSIONS

9 - A. 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.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

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%

Employer’s Contribution Rates:

Effective date	Pre-AB 1469 rate	Increase per funding plan	SB 90 and AB 84 impact ¹	Total
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
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		

¹ 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.

² 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%.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

State’s Contribution Rates:

Effective date	Base rate	AB 1469 increase for 1990 benefit structure	SBMA funding ¹	Total
July 1, 2021	2.017%	6.311%	2.500%	10.828% ²
July 1, 2021 – June 30, 2046	2.017%	2	2.500%	2
July 1, 2046	2.017%	3	2.500%	3

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

² The board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, supplemental contribution rate imposed would be reduced to 0%.

³ From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

Contributions to the pension plan from the District was \$1,382,608 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability 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	\$	6,153
State's proportionate share of the net pension liability associated with the District		2,060
Total	\$	8,213

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. At June 30, 2022, the District’s proportion was as follows:

	<u>Jun. 30, 2021</u>	<u>Jun. 30, 2020</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0001352	0.0001366	-0.0000014

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

For the year ended June 30, 2022, the District recognized pension expense of \$256,000 and revenue of \$869,000 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<i>(\$ Amounts in thousands)</i>	
Differences between expected and actual experience	\$ -	\$ 639
Changes of assumptions	872	-
Net difference between projected and actual earnings on pension plan investments	-	4,867
Changes in proportion and differences between District contributions and proportionate share of contributions	635	-
District contributions subsequent to the measurement date	1,383	-
Total	\$ 2,890	\$ 5,506

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<i>(\$ Amounts in thousands)</i>	
Year ended June 30:		
2023	1,878	1,374
2024	495	1,243
2025	192	1,280
2026	169	1,461
2027	176	83
2028	(20)	65
Total	\$ 2,890	\$ 5,506

Actuarial Assumptions and Discount Rate Information

Actuarial Assumptions. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability as of June 30, 2021, include:

Valuation Date	June 30, 2020
Experience Study	July 1, 2015 – June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return ³	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

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

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

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 previously. 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, 2021, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return ¹
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%)

¹ 20-years average

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	\$ 12,524	\$ 6,153	\$ 864

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	\$355,801
Less: STRP Fiduciary Net Position	310,293
NPL of Employers and the State of California	\$ 45,508
STRP Fiduciary Net Position as a % of the Total Pension Liability	87.2%

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

9 - B. Cal PERS

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>.

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. PEPRAs 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 PEPRAs 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. PEPRAs 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.
- ❖ 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 PEPRAs members, the final compensation is not offset.

Contributions. CalPERS required employer contributions to be 22.91% of payroll. The report also reported an employee contribution rate of 7.0% for classic and PEPRAs. Contributions to the pension plan from the District was \$1,065,542 for the year ended June 30, 2022.

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

The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. At June 30, 2022, the District reported a liability of \$4,590,000 for its proportionate share of the net pension liability. At June 30, 2022, the District's proportion was as follows:

	<u>Jun. 30, 2021</u>	<u>Jun. 30, 2020</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0002257	0.0002562	-0.0000304

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

For the year ended June 30, 2022, the District recognized pension expense of (\$109,000). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<i>(\$ Amounts in thousands)</i>	
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	126	-
Net difference between projected and actual earnings on pension plan investments	-	1,762
Changes in proportion and differences between District contributions and proportionate share of contributions	-	773
District contributions subsequent to the measurement date	1,065	-
Total	\$ 1,191	\$ 2,535

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<i>(\$ Amounts in thousands)</i>	
Year ended June 30:	1,163	760
2023	29	630
2024	(1)	654
2025	-	491
Total	\$ 1,191	\$ 2,535

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. 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 ¹	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	2.0% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter

¹The 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.

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.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

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 ¹	Assumed Asset Allocation	Real Return Years 1 – 10 ²	Real Return Years 11+ ^{3,4}
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%)

¹ 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.

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

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

⁴ Figures are based on the previous ALM of 2017.

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:

(\$ Amounts in thousands)	Current		
	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	\$ 7,740	\$ 4,590	\$ 1,975

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, 2021 (\$ in thousands):

Total pension liability	\$106,857,488
Less:	
Plan fiduciary net position	86,523,056
Net Pension Liability of Employers	\$ 20,334,432

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 10 – POSTEMPLOYMENT HEALTHCARE 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 2020-21 was \$27.0 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, 2021, 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 calculations contained in this analysis have been performed using the results of the June 30, 2020 Medicare Premium Payment (MPP) Program actuarial funding, with certain revisions to assumptions as required by GASB 74 and 75 and described later in this report. The liabilities have been projected to June 30, 2021 and combined with the actual Teachers’ Health Benefit Fund (THBF) assets of June 30, 2021.

At June 30, 2022, the District reported a liability of \$81,000 for its proportionate share of the net OPEB liability. The District’s proportion was as follows:

	<u>Jun. 30, 2021</u>	<u>Jun. 30, 2020</u>	<u>Difference</u>
Net OPEB Liability Allocation Basis	0.0002032	0.0002070	-0.0000037

For the year ended June 30, 2022, the District recognized pension expense of \$7,000.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The total OPEB liability for the MPP Program as of June 30, 2021, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total OPEB liability to June 30, 2021. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total OPEB liability as of June 30, 2021, include:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry age normal
Inflation	2.75%
Discount Rate	2.16
Medicare Part A and B Premium Costs Trend Rate	See Medicare Costs Trend Rate

Discount Rate. The plan's fiduciary net position was not projected to be sufficient to make more than one month of future benefit payments. Therefore, the municipal bond rate is applied to all future benefit payments. The long-term expected rate of return has been set to the discount rate due to the fact that the liabilities of the fund exceed the assets leading to a negative fiduciary net position.

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 ¹	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%

¹ Trend rates indicate medical inflation in the specific year and therefore affect the premiums for the following year. For example, the projected 2020-2021 premium is the 2019-2020 premium increased by the assumed 2019-2020 trend rate.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rates. 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
	(1.16%)	(2.16%)	(3.16%)
District's proportionate share of the net OPEB liability	\$ 89	\$ 81	\$ 74

(\$ Amounts in thousands)

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Medicare Cost 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:

<i>(\$ Amounts in thousands)</i>	Medicare Costs		
	1% Decrease (4.5%)	Trend Rate (5.5%)	1% Increase (6.5%)
District's proportionate share of the net OPEB liability	\$ 75	\$ 81	\$ 91

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, 2021, are as follows (*\$ in millions*):

Total OPEB liability	\$396
Less: MPP Program fiduciary net position	(3)
Net OPEB liability of employers	\$399
MPP Program fiduciary net position as a % of the total OPEB liability	(0.80%)

10 - B. District

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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	117
Total	129

Total OPEB Liability. The District’s total OPEB liability of \$584,000 was measured as of November 30, 2020 and rolled-forward as of June 30, 2022.

Measurement Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022 valuation was determined using a discount rate of 4.09%.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

Balances at July 01, 2021	\$	577,000
Changes for the year:		
Service cost		45,000
Interest		23,000
Benefit payments		(61,000)
Net changes		7,000
Balances at June 30, 2022	\$	584,000

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-percentage-point lower or 1-percentage-point higher than the current discount rate:

<i>(\$ Amounts in thousands)</i>	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
District's proportionate share of the OPEB liability	\$ 578	\$ 584	\$ 590

OPEB Expense. For the year ended June 30, 2022, the District recognized an OPEB expense of \$7,000.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

NOTE 11 – FUND BALANCE

Fund balance components at June 30, 2022, were as follows:

	General Fund	Charter Schools Special Revenue Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Non-restricted					
Reserve for revolving cash	\$ 13,450	\$ -	\$ -	\$ -	\$ 13,450
Reserve for stores inventory	-	-	-	4,163	4,163
Total Nonspendable	13,450	-	-	4,163	17,613
Spendable					
Restricted					
Educational programs					
Federal	-	-	-	59,637	59,637
State	1,143,655	112,904	-	116,037	1,372,596
Local	516,643	-	-	81,141	597,784
ASBs	-	-	-	126,630	126,630
Capital projects	-	-	-	299,719	299,719
Total Restricted	1,660,298	112,904	-	683,164	2,456,366
Committed	-	-	-	257,141	257,141
Assigned					
Accrued vacation	168,143	-	-	-	168,143
Site carryovers	260,316	-	-	-	260,316
Salaries and benefits	4,252,979	-	-	-	4,252,979
Textbooks	1,576,397	-	-	-	1,576,397
Capital projects	-	-	2,701,962	-	2,701,962
Charter school	-	457,704	-	-	457,704
Child development	-	-	-	54,132	54,132
Cafeteria	-	-	-	59,261	59,261
Total Assigned	6,257,835	457,704	2,701,962	113,393	9,530,894
Unassigned					
Reserve for econ. uncertainty	1,051,796	-	-	-	1,051,796
Unassigned	3,192,561	-	-	-	3,192,561
Total Unassigned	4,244,357	-	-	-	4,244,357
Total	\$ 12,175,940	\$ 570,608	\$ 2,701,962	\$ 1,057,861	\$ 16,506,371

School District. The District’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than two months of general fund operating expenditures, or 17 percent of General Fund expenditures and other financing uses.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 12 – PARTICIPATION IN A JOINT POWERS AUTHORITY

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, 2022, the District made the following payments to each JPA:

<u>Joint Powers Authority</u>	<u>2022 Payments</u>
TCSIG	\$ 574,748
CVT	2,325,939
SPURR	42,106

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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, 2022

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive / (Negative) Final to Actual
REVENUES				
LCFF sources				
Principal apportionment	\$ 11,589,334	\$ 12,869,157	\$ 12,801,555	\$ (67,602)
County & district taxes	1,114,721	1,213,272	1,370,215	156,943
LCFF transfers	(138,330)	(145,687)	(85,188)	60,499
Federal revenue	2,240,394	3,104,678	3,583,693	479,015
Other state revenue	2,726,359	4,373,440	3,182,816	(1,190,624)
Other local revenue	1,084,918	1,740,598	1,812,380	71,782
Total Revenues	18,617,396	23,155,458	22,665,471	(489,987)
EXPENDITURES				
Certificated salaries	8,028,880	8,499,128	8,024,096	475,032
Classified salaries	3,707,582	4,469,487	4,226,112	243,375
Benefits	4,676,225	5,732,837	5,378,145	354,692
Supplies	1,039,813	1,710,447	1,006,405	704,042
Services and other operating expenditures	1,360,294	2,251,915	1,817,217	434,698
Capital outlay	-	434,607	424,607	10,000
Other outgo (excluding Transfers of Indirect Costs)	324,179	338,222	4,078	334,144
Other outgo - Transfers of Indirect Costs	-	(26,709)	(25,125)	(1,584)
Total Expenditures	19,136,973	23,409,934	20,855,535	2,554,399
Excess (Deficiency) of Revenues				
Over Expenditures	(519,577)	(254,476)	1,809,936	2,064,412
OTHER FINANCING SOURCES (USES)				
Transfers out	(35,000)	(35,000)	(25,000)	10,000
NET CHANGE IN FUND BALANCE	(554,577)	(289,476)	1,784,936	2,074,412
Beginning balance	10,391,004	10,391,004	10,391,004	
Ending Balance	\$ 9,836,427	\$ 10,101,528	\$ 12,175,940	\$ 2,074,412

WHEATLAND ELEMENTARY SCHOOL DISTRICT

CHARTER SCHOOL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive / (Negative) Final to Actual
REVENUES				
LCFF sources				
Principal apportionment	\$ 755,761	\$ 913,347	\$ 800,329	\$ (113,018)
LCFF transfers	73,160	80,517	85,188	4,671
Other state revenue	99,182	178,014	132,199	(45,815)
Other local revenue	3,500	2,000	5,133	3,133
Total Revenues	931,603	1,173,878	1,022,849	(151,029)
EXPENDITURES				
Certificated salaries	382,354	417,192	396,609	20,583
Classified salaries	106,259	80,106	107,170	(27,064)
Benefits	212,923	219,161	203,776	15,385
Supplies	57,782	96,459	32,301	64,158
Services and other operating expenditures	112,681	140,807	126,145	14,662
Other outgo (excluding Transfers of Indirect Costs)	29,500	29,500	34,638	(5,138)
Total Expenditures	901,499	983,225	900,639	82,586
NET CHANGE IN FUND BALANCE	30,104	190,653	122,210	(68,443)
Beginning balance	448,398	448,398	448,398	
Ending Balance	\$ 478,502	\$ 639,051	\$ 570,608	\$ (68,443)

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(\$ Amounts in thousands)

Cal STRS	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
District's proportionate share of the net pension liability	\$ 6,153	\$ 13,235	\$ 11,097	\$ 11,361	\$ 11,259	\$ 10,441	\$ 8,695	\$ 7,280
State's proportionate share of the net pension liability associated with the District	2,060	4,502	3,917	4,136	4,185	4,918	3,088	2,755
Total	\$ 8,213	\$ 17,737	\$ 15,014	\$ 15,497	\$ 15,444	\$ 15,359	\$ 11,783	\$ 10,035
District's covered payroll	7,334	\$ 7,382	\$ 6,748	\$ 6,602	\$ 6,639	\$ 6,489	\$ 6,052	\$ 5,500
District's proportionate share of the net pension liability as a percentage of its covered payroll	84%	179%	164%	172%	170%	161%	144%	132%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%	65%	70%	74%	77%
Cal PERS	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
District's proportionate share of the net pension liability	\$ 4,590	\$ 7,859	\$ 7,358	\$ 7,193	\$ 6,501	\$ 5,490	\$ 4,127	\$ 3,040
District's covered payroll	\$ 3,239	\$ 3,817	\$ 3,496	\$ 3,572	\$ 3,471	\$ 3,341	\$ 3,104	\$ 2,817
District's proportionate share of the net pension liability as a percentage of its covered payroll	142%	206%	210%	201%	187%	164%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	81%	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

(\$ Amounts in thousands)

Cal STRS	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,383	\$ 1,184	\$ 1,262	\$ 1,099	\$ 946	\$ 835	\$ 696	\$ 455
Contributions in relation to the contractually required contribution	(1,383)	(1,184)	(1,262)	(1,099)	(946)	(835)	(696)	(455)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 8,171	\$ 7,334	\$ 7,382	\$ 6,748	\$ 6,602	\$ 6,639	\$ 6,489	\$ 6,052
Contributions as a percentage of covered payroll	17%	16%	17%	16%	14%	13%	11%	8%
Cal PERS	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,066	\$ 670	\$ 753	\$ 631	\$ 555	\$ 482	\$ 396	\$ 365
Contributions in relation to the contractually required contribution	(1,066)	(670)	(753)	(631)	(555)	(482)	(396)	(365)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 4,651	\$ 3,239	\$ 3,817	\$ 3,496	\$ 3,572	\$ 3,471	\$ 3,341	\$ 3,104
Contributions as a percentage of covered payroll	23%	21%	20%	18%	16%	14%	12%	12%

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB-STRS LIABILITY AND RELATED RATIOS

<i>(\$ Amounts in thousands)</i>	2022	2021	2020	2019	2018
District's Proportion of the collective net OPEB liability	\$ 81	\$ 74	\$ 71	\$ 75	\$ 82
District's proportionate share of the collective net OPEB liability	0.020%	0.021%	0.019%	0.020%	0.019%
Covered Payroll ¹	\$ -	\$ -	\$ -	\$ -	\$ -
Total OPEB liability as a percentage of covered payroll	0%	0%	0%	0%	0%
District Has No Assets Accumulated in a Trust to Pay Related Benefits					

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

Covered Payroll¹

Total OPEB liability as a percentage of covered payroll

¹ **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

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB-DISTRICT LIABILITY AND RELATED RATIOS

<i>(\$ Amounts in thousands)</i>	2022	2021	2020	2019	2018
Changes for the year:					
Service cost	\$ 45	\$ 44	\$ 43	\$ 42	\$ 38
Interest	23	13	16	9	4
Differences between expected and actual experience	-	-	139	-	-
Changes in assumptions or other inputs	-	(10)	(128)	371	-
Benefit payments	(61)	(92)	(19)	(19)	(17)
Net Changes in Total OPEB Liability	7	(45)	51	403	25
Total OPEB Liability - Beginning	577	622	571	168	143
Total OPEB Liability - Ending	\$ 584	\$ 577	\$ 622	\$ 571	\$ 168
 Covered Payroll	 \$ 10,573	 \$ 10,572	 \$ 11,200	 \$ 10,244	 \$ 10,111
 Total OPEB liability as a percentage of covered payroll	 6%	 5%	 6%	 6%	 2%

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

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

SUPPLEMENTARY INFORMATION

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing ("AL") Number	Pass- Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Federal Impact Aid (ESEA, Title VIII)	84.041	DF	\$ 1,832,573
Passed through California Department of Education (CDE):			
Every Student Succeeds Act ("ESSA"):			
Title I, Basic Grants Low-Income and Neglected	84.010	14329	190,699
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	27,526
Title III, English Learner Student Program	84.365	14346	8,307
Education Stabilization Fund (ESF):			
Elementary and Secondary School Emergency Relief (ESSER)			
Fund [1]	84.425	15536	5,652
ESSER II Fund [1]	84.425	15547	580,725
ESSER III Fund [1]	84.425	15559	440,773
ESSER III Fund: Learning Loss [1]	84.425U	10155	22,561
Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation [1]	84.425C	15517	4,926
Total ESF			1,054,637
Special Ed: IDEA			
Sec. 619, Preschool Grants	84.173	15639	6,475
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	265,115
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	16,494
Preschool Capacity Building, Part B, Sec 619	84.173A	13839	23,432
Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	15,819
Preschool Staff Development, Part B, Sec 619	84.173A	13431	87
Special Ed: IDEA Subtotal			327,422
Total U. S. Department of Education			3,441,164

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
 FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing ("AL") Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE:			
Commodities	10.565	DF	35,237
Passed through CDE:			
Child Nutrition: School Programs			
NSL Sec 4 [1]	10.555	13523	53,989
NSL Sec 11 [1]	10.555	13524	516,594
School Breakfast Needy [1]	10.553	13526	196,755
Meal Supplements [1]	10.555	13755	36,066
Total Child Nutrition			803,404
Pandemic EBT Local Administrative Grant	10.649	15644	614
Total U. S. Department of Agriculture			839,255
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through CDE:			
Coronavirus Response and Relief			
Supplemental Appropriations Act- One-time Stipend	93.575	15555	44,268
Medi-Cal			
Administrative Activities (MAA)	93.778	10060	15,016
Total U. S. Department of Health & Human Services			59,284
U. S. DEPARTMENT OF DEFENSE:			
Promoting K-12 Student Achievement at Military-Connected Schools	12.556	DF	127,512
Total Federal Expenditures			\$ 4,467,215

[1] - Major Program

DF - Direct Funded

No amount provided to subrecipients

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE (“ADA”) FOR THE YEAR ENDED JUNE 30, 2022

District:

	Second Period Attendance Report	Annual Attendance Report
Regular ADA		
TK / K -3	540	535
Grades 4 - 6	382	377
Grades 7-8	243	240
Total Regular ADA	1,165	1,152
Extended Year Special Education		
TK / K -3	1	1
Grades 4 - 6	0	0
Total Extended Year Special Education	1	1
Total ADA	1,166	1,153

Wheatland Charter Academy:

	Second Period Attendance Report	Annual Attendance Report
Regular ADA		
Total TK / K -3	75	73
Total Grades 4 - 6	8	8
Total Regular ADA	83	81
Classroom- Based ADA		
Classroom-Based TK / K -3	75	73
Classroom-Based Grades 4 - 6	8	8
Total Classroom-Based ADA	83	81

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2022

District:

Grade Level	Education Code	Current Year	Number of	Status
	§ 46207(a)			
	Minutes'	Minutes	Days Offered	
	Requirements			
Kindergarten	36,000	53,760	180	Complied
Grade 1	50,400	51,060	180	Complied
Grade 2	50,400	51,060	180	Complied
Grade 3	50,400	51,060	180	Complied
Grade 4	54,000	54,660	180	Complied
Grade 5	54,000	54,660	180	Complied
Grade 6	54,000	61,356	180	Complied
Grade 7	54,000	61,356	180	Complied
Grade 8	54,000	61,356	180	Complied

No Form J-13A

Wheatland Charter Academy:

Grade Level	Education Code	Current Year	Current Year	Status
	§ 47612.5			
	Minutes'	Minutes		
	Requirements			
Kindergarten	36,000	53,760	180	Complied
Grade 1	50,400	51,060	180	Complied
Grade 2	50,400	51,060	180	Complied
Grade 3	50,400	51,060	180	Complied
Grade 4	54,000	54,660	180	Complied

No Form J-13A

WHEATLAND ELEMENTARY SCHOOL DISTRICT

**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

	2023 (Budget)	2022	2021	2020
GENERAL FUND:				
Revenues	\$ 19,075,322	\$ 22,665,471	\$ 20,767,436	\$ 16,368,037
Expenditures	20,309,473	20,855,535	18,330,941	17,900,259
Other uses and transfers out	36,000	25,000	34,000	17,022
Total	20,345,473	20,880,535	18,364,941	17,917,281
INCREASE/(DECREASE)				
IN FUND BALANCE	\$ (1,270,151)	\$ 1,784,936	\$ 2,402,495	\$ (1,549,244)
ENDING FUND BALANCE	\$ 10,905,789	\$ 12,175,940	\$ 10,391,004	\$ 7,988,509
AVAILABLE RESERVES	\$ 1,220,728	\$ 4,244,357	\$ 4,031,881	\$ 4,022,450
AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO	6%	20%	22%	22%
LONG-TERM DEBT	NA	\$ 11,738,000	\$ 22,099,000	\$ 19,731,000
AVERAGE DAILY ATTENDANCE AT P-2	1,153	1,166	1,247	1,247

The General Fund balance has increased by \$4,187,431 over the past two years. The fiscal year 2022-23 budget projects a decrease of \$1,270,151 (ten 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 surpluses in two of the past three years and anticipates incurring an operating deficit during the 2022-23 fiscal year. Total long term obligations have decreased by \$7,993,000 over the past two years.

Average daily attendance has decreased by eighty-one ADA over the past two years. A further decrease of thirteen ADA is anticipated during fiscal year 2022-23.

¹ 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, 2022

FUND BALANCE	General Fund	Student Activity Special Revenue Fund	Special Reserve for Other Than Capital Outlay Projects
Balance, June 30, 2022, Unaudited Actuals:	\$ 9,184,415	\$ 177,272	\$ 2,991,525
Increase in:			
Cash in county	2,980,577	-	-
Accounts receivable	10,948	-	-
Accounts payable	-	(2,059)	-
Decrease in:			
Cash in county	-	-	(2,980,577)
Cash in banks	-	(48,583)	-
Accounts receivable	-	-	(10,948)
Audited financial statement	\$ 12,175,940	\$ 126,630	\$ -

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2022

Charter School Number	Charter School	Status	Included in Audit Report
0370	Wheatland Charter Academy	Active	Yes

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

COMBINING BALANCE SHEET
 JUNE 30, 2022

	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Capital Facilities Fund	Non-Major Governmental Funds
ASSETS						
Cash and equivalents	\$ 128,689	\$ 194,960	\$ -	\$ 256,306	\$ 297,847	\$ 877,802
Accrued receivables	-	52,598	140,250	835	1,872	195,555
Due from other funds	-	25,000	65,600	-	-	90,600
Stores	-	-	4,163	-	-	4,163
TOTAL ASSETS	\$ 128,689	\$ 272,558	\$ 210,013	\$ 257,141	\$ 299,719	\$ 1,168,120
LIABILITIES						
Accrued liabilities	\$ 2,059	\$ 333	\$ 581	\$ -	\$ -	\$ 2,973
Due to other funds	-	77,315	29,971	-	-	107,286
Total Liabilities	2,059	77,648	30,552	-	-	110,259
FUND BALANCE						
Nonspendable	-	-	4,163	-	-	4,163
Restricted	126,630	140,778	116,037	-	299,719	683,164
Committed	-	-	-	257,141	-	257,141
Assigned	-	54,132	59,261	-	-	113,393
Total Fund Balance	126,630	194,910	179,461	257,141	299,719	1,057,861
TOTAL LIABILITIES AND FUND BALANCE	\$ 128,689	\$ 272,558	\$ 210,013	\$ 257,141	\$ 299,719	\$ 1,168,120

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, 2022

	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Capital Facilities Fund	Non-Major Governmental Funds
REVENUES						
Federal sources	\$ -	\$ 57,600	\$ 850,113	\$ -	\$ -	\$ 907,713
Other state sources	-	648,274	56,711	-	-	704,985
Other local sources	26,515	39,748	1,601	1,840	235,408	305,112
Total Revenues	26,515	745,622	908,425	1,840	235,408	1,917,810
EXPENDITURES						
Current						
Instruction	-	581,716	-	-	-	581,716
Instruction - Related services						
Supervision of instruction and administration	-	94,709	-	-	-	94,709
Pupil Services						
Food services	-	-	858,801	-	-	858,801
All other pupil services	-	16,845	-	-	-	16,845
General Administration						
All other general administration	-	25,125	-	-	-	25,125
Plant services	-	35,782	-	34,727	5,800	76,309
Ancillary services	2,059	-	-	-	-	2,059
Transfers to other agencies	-	16,595	-	-	-	16,595
Total Expenditures	2,059	770,772	858,801	34,727	5,800	1,672,159
Excess (Deficiency) of Revenues Over Expenditures	24,456	(25,150)	49,624	(32,887)	229,608	245,651
OTHER FINANCING SOURCES (USES)						
Transfers in	-	25,000	-	-	-	25,000
NET CHANGE IN FUND BALANCE	24,456	(150)	49,624	(32,887)	229,608	270,651
Beginning balance	102,174	195,060	129,837	290,028	70,111	787,210
Ending balance	\$ 126,630	\$ 194,910	\$ 179,461	\$ 257,141	\$ 299,719	\$ 1,057,861

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION JUNE 30, 2022

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 ADA

Displays ADA data for both the Second Period and Annual reports, by grade span and program as appropriate; and separately for each charter school, shows the total ADA and the ADA generated through classroom-based instruction by grade span, as appropriate; and if there are any ADA adjustments due to audit findings, displays additional columns for the Second Period and Annual reports reflecting the final ADA after audit finding adjustments, shown by grade span.

Schedule of Instructional Time

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

- 1) The number(s) of instructional minutes specified in Education Code section 46207(a);
- 2) For all districts, the instructional minutes offered during the year audited showing the school with the lowest number of minutes offered at each grade level;
- 3) 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 minutes and day’s provisions.
- 4) For charter schools, data that show whether the charter school complied with Education Code sections 47612 and 47612.5; showing by grade level the number(s) of instructional minutes specified in Education Code section 47612.5; the instructional minutes offered during the year audited showing the school location with the lowest number of minutes offered at each grade level; 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 minutes and days provisions.
- 5) For school districts and charter schools that received a Form J-13A approval, list the actual minutes and days in the instructional minutes and days offered columns, add columns that list the credited minutes and days per the approved Form J-13A and the total minutes and days offered, adding the actual offering to the amount of minutes and 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 number or days and minutes approved.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION, Continued JUNE 30, 2022

Schedule of Financial Trends and Analysis

Displays 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.

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 REPORT

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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*

The 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, 2022, 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 December 13, 2022.

REPORT ON 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 or significant deficiencies may exist that were not identified.

REPORT ON 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.

December 13, 2022

RT DENNIS
ACCOUNTANCY

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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

Opinion on Each Major Federal Program

We have audited Wheatland Elementary School District's compliance with the types of compliance requirements¹ identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect² on each of Wheatland Elementary School District's major federal programs for the year ended June 30, 2022. 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.

In our opinion, Wheatland Elementary School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Wheatland Elementary School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Wheatland Elementary School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

RT DENNIS
ACCOUNTANCY

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Wheatland Elementary School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Wheatland Elementary School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- ❖ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ❖ Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Wheatland Elementary School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ❖ Obtain an understanding of Wheatland Elementary School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Wheatland Elementary School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of 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.

A handwritten signature in blue ink that reads "K. J. Dennis Accountancy". The signature is written in a cursive style and is underlined with a single blue line.

December 13, 2022

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Wheatland Elementary School District
Wheatland, California

REPORT ON STATE COMPLIANCE

Opinion on State Compliance

We have examined Wheatland Elementary School District's compliance with the 2021-22 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* ("the State Audit Guide"), prescribed by the *California Code of Regulation*, Title 5 §19810, et seq., applicable to Wheatland Elementary School District's state compliance requirements as listed on the next pages for the year ended June 30, 2022..

In our opinion, Wheatland Elementary School District complied, in all material respects, with the applicable programs from the State Audit Guide, as listed on the next page during the year-ended June 30, 2022.

Basis for Opinion on State Compliance

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Wheatland Elementary School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Wheatland Elementary School District complied with the specified requirements.

Responsibilities of Management for State Compliance

Management of Wheatland Elementary School District is responsible for Wheatland Elementary School District's compliance with the specified requirements.

Auditor's Responsibilities for the Examination of State Compliance

Our responsibility is to express an opinion on Wheatland Elementary School District's compliance with the specified requirements based on our examination. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on Wheatland Elementary School District's compliance with specified requirements.

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 following items:


PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
A. Attendance and Distance Learning	Yes
B. Teacher Certification And Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Not Applicable ¹
E. Continuation Education	Not Applicable ¹
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 ¹
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable ¹
N. Middle or Early College High Schools	Not Applicable ¹
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable ¹
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable ¹

¹ District does not have this program or is otherwise not applicable to the District.

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices Of Education, And Charter Schools	
T. California Clean Energy Jobs Act	Not Applicable ¹
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure Of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not Applicable ¹
Z. Immunizations	Not Applicable ¹
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. In Person Instruction Grant	Yes
Charter Schools	
AA. Attendance	Yes
BB. Mode Of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study	Not Applicable ¹
DD. Determination Of Funding For Nonclassroom-Based Instruction	Not Applicable ¹
EE. Annual Instructional Minutes - Classroom Based	Yes
FF. Charter School Facility Grant Program	Not Applicable ¹

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.



December 13, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	<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(s):	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>AL Number</u>	<u>Name of Federal Program of Cluster</u>
84.425	Education Stabilization Fund (ESF)
10.553 & 10.555	Child Nutrition: School Programs

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

Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>
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WHEATLAND ELEMENTARY SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

No Financial Statement Findings were noted in the current year.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

No Federal Award Findings were noted in the current year.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

No State Award Findings were noted in the current year.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

No Findings were noted in the prior year.

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