



PINER-OLIVET UNION SCHOOL DISTRICT

REGULAR MEETING - GOVERNING BOARD

Wednesday, April 14, 2021

Meeting Opening 5:00 p.m.

Closed Session 5:02 p.m.

Public Session 6:00 p.m.

Adjournment 9:00 p.m.

**This meeting will be held virtually via Zoom.
The public may observe and address the meeting by going to:**

Join Zoom Meeting

<https://pousd-org.zoom.us/j/98924004524>

Meeting ID: 989 2400 4524

One tap mobile

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AGENDA

A copy of the agenda, complete with backup materials, may be reviewed in the District Office, 3450 Coffey Lane, Santa Rosa, beginning the Monday prior to the Wednesday Board Meeting. Office hours are from 8:00 a.m. to 4:00 p.m. Monday through Friday or as otherwise posted. Agendas are always posted at the District Office, and on our web site at www.pousd.org.
ADA Compliance: In compliance with Government Code § 54954.2(a), the Piner-Olivet Union School District, will, on request, make this agenda available in appropriate alternative formats to persons with a disability, as required by Section 202 of the American with Disabilities Acts of 1990 (42 U.S.C. § 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact Cathy Manno, Executive Secretary to the Superintendent, Piner-Olivet Union School District, 3450 Coffey Lane, Santa Rosa, CA 95403 (707) 522-3000 or send email to cmanno@pousd.org at least two days before the meeting date.

www.pousd.org

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PUBLIC COMMENT ON CLOSED SESSION AGENDA**
4. **ADJOURNMENT TO CLOSED SESSION**
5. **CLOSED SESSION**

Adjournment to Closed Session during this meeting to consider and/or take action upon any of the following items:

- 5.1 With respect to every item of business to be discussed in closed session pursuant to Gov. Code Section 54957:
 - 5.1.1 PUBLIC EMPLOYMENT DISCIPLINE/DISMISSAL/RELEASE
(No additional information required)
 - 5.1.2 PUBLIC EMPLOYMENT EMPLOYMENT/APPOINTMENT
Title: CBO
 - 5.1.3 PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Superintendent
- 5.2 With respect to every item of business to be discussed in closed session pursuant to Gov. Code Section 54957.6:
 - 5.2.1 CONFERENCE WITH LABOR NEGOTIATOR
Name of Agency Negotiator: Dr. Steve Charbonneau
Name of organization representing employees: Piner-Olivet Educators' Association, CTA Affiliate
 - 5.2.2 CONFERENCE WITH LABOR NEGOTIATOR
Name of Agency Negotiator: Dr. Steve Charbonneau
Name of organization representing employees: Piner-Olivet Classified Association, CSEA Affiliate.
 - 5.2.3 CONFERENCE WITH LABOR NEGOTIATOR
Name of Agency Negotiator: Dr. Steve Charbonneau
Name of organization representing employees: Confidential, Supervisory, Administrative Staff

- 6. RECONVENE TO PUBLIC MEETING
- 7. REPORT OF CLOSED SESSION ACTION, IF ANY
- 8. FLAG SALUTE (Suspended during virtual meetings)
- 9. AGENDA MODIFICATION
- 10. COMMUNICATIONS, PETITIONS AND DELEGATIONS

Persons addressing the Board without giving previous notice should realize that the action upon any request may be delayed. This is a time for members of the audience to address the Board regarding items not on the agenda. Individual speakers will be allowed three minutes to address the Board under this agenda item. The Board will not respond but may place the subject on a future Board Agenda. Anyone desiring an item to be placed on the prepared agenda shall notify the Secretary ten (10) working days prior to the meeting.

11. COMMENTS FROM THE GOVERNING BOARD

12. RECOGNITION OF EXCELLENCE

None

13. SUPERINTENDENT’S REPORT

13.1 Announcements

14. ASSOCIATION REPORTS

14.1 POEA

14.2 POCA

15. BOARD POLICIES

15.1 Review and Approval of BP/AR 5126 Awards for Achievement, BP 6146.1 – High School Graduation Requirements, BP/E 6146.2- Certificate of Proficiency/High School Equivalency. *(Attachment 1) (Pgs. 4-15)*

16. DISCUSSION/INFORMATION ITEMS

None

17. ACTION ITEMS

17.1 Acceptance of the 2019-2020 District Audit Report

The Board of Trustees will review, discuss, and consider acceptance of the 2019-2020 District Audit Report. *(Action 1) (Pgs. 16-109)*

17.2 Acceptance of the 2019-2020 Measure L General Obligation Bond Fund Financial Audit Report

The Board of Trustees will review, discuss, and consider acceptance of the 2019-2020 Measure L General Obligation Bond Fund Financial Audit Report. *(Action 2) (Pgs. 110-133)*

17.3 Acceptance of the 2019-2020 Measure L General Obligation Bond Fund Performance Audit Report

The Board of Trustees will review, discuss, and consider acceptance of the 2019-2020 Measure L General Obligation Bond Fund Performance Audit Report. *(Action 3) (Pgs. 134-157)*

17.4 Consideration of Approval of the 2020 Summer School Program

The Board of Trustees will review, discuss, and consider approval of the 2020 Summer School Program. *(Action 4) (Pg.158)*

17.5 Consideration of Approval of Declaration of Surplus Property with a Value of Less than \$2,500

The Board of Trustees will review, discuss, and consider approval of declaring outdated curriculum as surplus property with a value of less than \$2,500. *(Action 5) (Pg.159)*

17.6 Consideration of Public Session Meeting Time Change

The Board of Trustees will review, discuss, and consider of public session meeting time change. *(Action 6) (Pg.160)*

17.7 Approval of the Northwest Prep Charter School 2021-2022 Calendar

The Board of Trustees will review, discuss, and consider approval of 2021-2022 Calendar for Northwest Prep Charter School. *(Action 7) (Pgs.161-162)*

17.8 Approval of the Piner-Olivet Charter School 2021-2022 Calendar

The Board of Trustees will review, discuss, and consider approval of 2021-2022 Calendar for Piner-Olivet Charter School. *(Action 8) (Pgs.163-164)*

17.9 Consideration to Rescind the Reduction of Certificated Services (1 F.T.E.) Music Teacher for The 2021-2022 School Year

The Board of Trustees will review, discuss, and consider rescinding the reduction of certificated services (1 F.T.E.) music teacher for the 2021-2022 school year. *(Action 9) (Pg.165)*

- 17.10 Approval of Resolution # 549 A Commitment to Returning Students to In-Person Learning by The First Day of School Year 2021-2022**
 The Board of Trustees will review, discuss, and consider approval of Resolution # 549 A Commitment to Returning Students to In-Person Learning by the First Day of School Year 2021-2022. **(Action 10)** (Pgs.166-169)
- 17.11 Ratification of Closed Session Action for the Addendum to Memorandum of Understanding Dated April 1, 2021 between the District and Piner-Olivet Educators' Association Regarding The COVID-19 Pandemic and School Reopening During the 2020-2021 School Year**
 The Board of Trustees will consider ratifying action taken during closed session regarding the Addendum to the MOU (Dated April 1, 2021) between the District and Piner-Olivet Educators' Association. **(Action 11)** (Pgs.170-171)

18. CONSENT ITEMS

All matters listed under "consent items" are considered by the Board to be routine and will be enacted upon in one motion. The public has a right to comment on any consent item. At the request of any member of the Board, during "agenda modifications" any item on the consent agenda shall be removed and given individual consideration for action as a regular agenda item. Members of the public may request the Board to place a "consent item" on the regular agenda during "agenda modifications."

- 18.1 Approval of Minutes of Regular Board Meeting of March 10, 2021 (Consent 1) (Pgs.172-174)**
- 18.2 Approval of Minutes of Special Board Meeting of March 18, 2021(Consent 2) (Pg. 175)**
- 18.3 Approval of Personnel Action Report (Consent 3) (Pg. 176)**
- 18.4 Approval of Vendor Warrants (Consent 4) (Pgs. 177-183)**
- 18.5 Approval of Routine Budget Updates (Consent 5) (Pgs. 184-186)**
- 18.6 Approval of Williams Settlement Quarterly Uniform Complaint Report Summary. Reporting period from January 1, 2021 to March 31, 2021(Consent 6) (Pg. 187)**
- 18.7 Approval of Renaissance Cost Proposal for Product and Service by Renaissance from 8/1/2021 through 7/31/2024. (Consent 7) (Pg.188)**
- 18.8 Approval of MOU between Sonoma County Library, and Piner-Olivet Union School District for Participation in the Library's Student OneCard Program (Consent 8) (Pgs. 189-201)**
- 18.9 Approval of Retainer Agreement for Legal Services between Piner-Olivet Union School District and School and College Legal Services effective July 1, 2021 Legal Services (Consent 9) (Pgs. 202-204)**

19. ROUND TABLE COMMENTS FROM THE GOVERNING BOARD

20. DATES AND FUTURE AGENDA ITEMS

- 20.1 Next Regular Board Meeting – May 12, 2021

21. PUBLIC COMMENT ON CLOSED SESSION AGENDA

22. RECESS TO CLOSED SESSION (If Necessary)

23. RECONVENE TO PUBLIC MEETING

24. REPORT OF CLOSED SESSION ACTION NOT ON THE ACTION AGENDA

25. ADJOURNMENT

15.1

BOARD POLICIES

Review & Approval @ April 14, 2021 Board Meeting

- Board Policy /Administrative Regulation 5126 - Awards for Achievement
 - Board Policy 6146.1 - High School Graduation Requirements
- Board Policy /Exhibit 6146.2 - Certificate of Proficiency/High School Equivalency

**Policies are available for review at the
Piner-Olivet District Office
3450 Coffey Lane
Santa Rosa, CA 95403**

AWARDS FOR ACHIEVEMENT

The Governing Board encourages excellence as a goal for all students and wishes to publicly recognize students for exemplary achievement in academic, artistic, extracurricular, athletic, and community service activities.

(cf. 5121 - Grades/Evaluation of Student Achievement)
(cf. 5127 - Graduation Ceremonies and Activities)
(cf. 6142.4 - Service Learning/Community Service Classes)

District/School Awards

Student awards may include verbal recognition, a letter, a certificate, a Board resolution, public ceremony, trophy, gift, or plaque, ~~or monetary gift.~~

The Superintendent or designee shall develop criteria for the selection of student award recipients.

Golden State Seal Merit Diploma

At graduation from high school, students whose academic achievements in core curriculum areas have been outstanding shall receive special recognition.

The Superintendent or designee shall identify graduating high school students who have demonstrated mastery of the high school curriculum qualifying them for the Golden State Seal Merit Diploma. (Education Code 51454)

(cf. 6162.51 - State Academic Achievement Tests)

State Seal of Biliteracy

The district shall present the State Seal of Biliteracy to each graduating high school student who has attained a high level of proficiency in speaking, reading, and writing in one or more languages in addition to English. (Education Code 51460-51464)

(cf. 6142.2 - World Language Instruction)
(cf. 6174 - Education for English Learners)

In order to affirm the value of bilingualism and encourage students' enrollment in world language programs, the Superintendent or designee may present awards at appropriate grade levels to recognize the pursuit and/or attainment of grade-level proficiency in one or more languages in addition to English. The Superintendent or designee may also present awards to English learners who are reclassified as fluent English proficient to recognize proficiency in both English and the student's native language.

AWARDS FOR ACHIEVEMENT (continued)**State Seal of Civic Engagement**

The Superintendent or designee shall present the State Seal of Civic Engagement to each student who demonstrates excellence in civics education and participation and has demonstrated an understanding of the U.S. Constitution, the California Constitution, and the democratic system of government. (Education Code 51470-51474)

All district students shall be afforded the opportunity to earn the State Seal of Civic Engagement, regardless of their background, communities, or experiences. No student shall be denied such opportunity based on academic ability, alternative school setting, or unique or unconventional expression of civic engagement.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 0415 - Equity)

(cf. 6157 - Distance Learning)

(cf. 6158 - Independent Study)

(cf. 6159 - Individualized Education Program)

(cf. 6172 - Gifted and Talented Student Program)

(cf. 6181 - Alternative Schools/Programs of Choice)

(cf. 6183 - Home and Hospital Instruction)

(cf. 6184 - Continuation Education)

~~Scholarship and Loan Fund~~

~~The Board shall establish and maintain a scholarship and loan fund which shall be used to provide interest free loans for educational advancement, scholarship, and/or grants in aid to bona fide organizations, students, or graduates of district schools. (Education Code 35310, 35315)~~

~~*(cf. 1260 - Educational Foundation)*~~

~~*(cf. 3290 - Gifts, Grants and Bequests)*~~

~~The district's scholarship and loan fund shall be administered by a district committee composed of Board members, the Superintendent, and such other community, staff, administrative, and/or student representatives as determined by the Board. (Education Code 35310)~~

~~The Board shall select its own representatives to the committee. Staff, community, and/or student representatives shall be selected by the Superintendent. Members of this committee shall serve two year terms.~~

~~*(cf. 1220 - Citizen Advisory Committees)*~~

~~*(cf. 9140 - Board Representatives)*~~

~~AWARDS FOR ACHIEVEMENT (continued)~~

~~The committee may accept gifts, donations, and bequests made for the purposes of the fund and may prescribe conditions or restrictions on these gifts and bequests. If the donor imposes any conditions, the committee shall review the conditions and make a recommendation to the Board as to the compatibility of such conditions with the intent and purpose of the fund. The Board may prohibit the committee from accepting any donation under conditions it finds incompatible with the fund's intents and purposes. (Education Code 35313)~~

~~The Superintendent or designee shall report to the Board at least annually regarding the status and activity of the fund. (Education Code 35319)~~

Legal Reference:

EDUCATION CODE

220 Nondiscrimination

35160 Authority of governing boards

35310-35319 Scholarship and loan funds

44015 Awards to employees and students

51243-51245 Credit for private school foreign language instruction

51450-51455 Golden State Seal Merit Diploma

51460-51464 State Seal of Bilingualism

51470-51474 State Seal of Civic Engagement

52164.1 Assessment of English language skills of English learners

GOVERNMENT CODE

54950-54963 Brown Act open meeting laws

CODE OF REGULATIONS, TITLE 5

876 Golden State Seal Merit Diploma

1632 Credit for private school foreign language instruction

11517.6-11519.5 English Language Proficiency Assessments for California

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

SSCE Implementation Guidance

WEB SITES

CSBA: <http://www.csba.org>

California Department of Education: <http://www.cde.ca.gov>

Californians Together: <http://www.californianstogether.org>

AWARDS FOR ACHIEVEMENT

District/School Awards

The Superintendent or designee may appoint an awards committee at each school which may consist of school administrators, staff members, parents/guardians, community members, and student representatives. The committee shall submit recommendations for student awards to the Superintendent or designee for approval.

(cf. 1220 - Citizen Advisory Committees)

Individual awards in excess of \$200 must be expressly approved by the Governing Board. (Education Code 44015)

Golden State Seal Merit Diploma

To be eligible to receive the Golden State Seal Merit Diploma upon graduation from high school, a student shall complete all requirements for a high school diploma and shall demonstrate mastery of the curriculum in mathematics, English language arts, science, U.S. history, and two other subject matter areas selected by the student by meeting at least one of the following criteria for each subject: (Education Code 51451, 51452; 5 CCR 876)

1. Mathematics and English language arts
 - a. A grade of at least B+ or the numerical equivalent in a single course each semester completed in grade 9, 10, or 11
 - b. An achievement level of "Standard Met" or above for the high school Smarter Balanced Summative Assessment
2. Science
 - a. A grade of at least B+ or the numerical equivalent in a single course each semester completed in grade 9, 10, or 11
 - b. An achievement level of "Standard Met" or above for the high school California Science Test taken in grade 10 or 11
3. U.S. history
 - a. A grade of at least B or the numerical equivalent in the required U.S. history course each semester
 - b. A qualifying score that demonstrates mastery of the subject as determined by the district for an exam produced by a private provider or the district

AWARDS FOR ACHIEVEMENT (continued)

4. Two additional subject areas of the student's choosing
 - a. Any additional qualifying grade or score listed above, earned for the subject of English language arts, mathematics, science, or U.S. history not already used to meet eligibility
 - b. A grade of at least B or the numerical equivalent upon completion of high school courses in other subjects
 - c. A qualifying score that demonstrates mastery of other subjects, as determined by the district, for an exam produced by a private provider or the district

(cf. 6143 - Courses of Study)
(cf. 6146.1 - High School Graduation Requirements)
(cf. 6146.11 - Alternative Credits Toward Graduation)
(cf. 6162.51 - State Academic Achievement Tests)

The Superintendent or designee shall maintain appropriate records to identify students who have earned the Golden State Seal Merit Diploma and shall affix an insignia to the high school diploma and transcript of each such student. (Education Code 51454)

(cf. 5125 - Student Records)

The Superintendent or designee shall submit an insignia request form to the California Department of Education in sufficient time to allow for processing of the request prior to the high school graduation ceremony.

State Seal of Biliteracy

To be eligible to receive the State Seal of Biliteracy upon graduation, a student shall demonstrate a high level of proficiency in English and at least one other language, which may include American Sign Language, by meeting all of the following state-established criteria: (Education Code 51461)

1. Completion of all English language arts requirements for graduation with an overall grade point average of at least 2.0 in those classes
2. Passage of the California Assessment of Student Performance and Progress for English language arts or any successor test administered in grade 11 at or above the "Standard Met" achievement level
3. Proficiency in one or more languages other than English, demonstrated through one of the following methods:

AWARDS FOR ACHIEVEMENT (continued)

- a. Passage of a world language Advanced Placement (AP) exam with a score of 3 or higher or an International Baccalaureate (IB) exam with a score of 4 or higher
- b. Successful completion of a four-year high school course of study in a world language, attaining an overall grade point average of at least 3.0 in that course of study, and oral proficiency in the language comparable to that required on an AP or IB exam
- c. If no AP exam or off-the-shelf language test exists, passage of a district language exam that can be certified to meet the rigor of a four-year high school course of study in a given language and, at a minimum, assesses speaking, reading, and writing in a language other than English at the proficient level or higher
- d. If a language is not characterized by listening, speaking, or reading, or for which there is no written system, passage of an assessment on the modalities that characterize communication in that language at the proficient level or higher
- e. Passage of the SAT II world language exam with a score of 600 or higher

(cf. 6141.4 - International Baccalaureate Program)

(cf. 6141.5 - Advanced Placement)

(cf. 6142.2 - World Language Instruction)

To be eligible to receive the State Seal of Biliteracy, a student whose primary language is other than English shall also attain the level which demonstrates English language proficiency on the state's English Language Proficiency Assessments for California. (Education Code 51461)

(cf. 6174 - Education for English Learners)

The Superintendent or designee shall maintain appropriate records to identify high school students who have earned the State Seal of Biliteracy and shall affix the insignia to the high school diploma or transcript of each such student. (Education Code 51463)

State Seal of Civic Engagement

To be eligible to receive the State Seal of Civic Engagement, a student shall meet district requirements for all of the following state-established criteria:

1. Be engaged in academic work in a productive way

AWARDS FOR ACHIEVEMENT (continued)

2. Demonstrate a competent understanding of U.S. and California Constitutions, functions and governance of local governments, tribal government structures and organizations, the role of the citizen in a constitutional democracy, and democratic principles, concepts, and processes
3. Participate in one or more informed civic engagement project(s) that address real-world problems and require students to identify and inquire into civic needs or problems, consider varied responses, take action, and reflect on efforts
4. Demonstrate civic knowledge, skills, and dispositions through self-reflection
5. Exhibit character traits that reflect civic-mindedness and a commitment to positively impact the classroom, school, community and/or society

The Superintendent or designee shall maintain appropriate records to identify students who have earned the State Seal of Civic Engagement and shall affix the insignia to the high school diploma or transcript of each such student. (Education Code 51473)

~~Scholarship and Loan Fund~~

~~The Superintendent shall serve as chief executive officer of the scholarship and loan fund and as chairperson of the district committee established to administer the fund. The committee shall meet at least once each fiscal year and at other such times as it may be called into session by the Superintendent. (Education Code 35311, 35312)~~

~~Scholarship and loan funds shall be deposited, administered, and audited in accordance with Education Code 35314 and 35318.~~

~~(cf. 3400—Management of District Assets/Accounts)~~

~~(cf. 3460—Financial Reports and Accountability)~~

~~The Superintendent or designee shall establish criteria, procedures, and deadlines for student applications for scholarships and/or loans from the fund. As applicable, the Superintendent or designee may require the student to submit letters of recommendation or other supplementary materials providing evidence of the student's accomplishments and/or need.~~

~~(cf. 0410—Nondiscrimination in District Activities and Programs)~~

Notifications

The Superintendent or designee shall annually distribute information about eligibility requirements for the Golden State Seal Merit Diploma, State Seal of Biliteracy, State Seal of Civic Engagement, and/or any district awards programs to students at the applicable grade levels.

Regulation
approved:

CSBA MANUAL MAINTENANCE SERVICE
December 2020

CERTIFICATE OF PROFICIENCY/HIGH SCHOOL EQUIVALENCY

The Governing Board desires that every student have the opportunity to earn a high school diploma through successful completion of district graduation requirements. However, when a student is unable to do so, the Board encourages completion of an alternative program that allows the student to obtain an equivalent certificate.

(cf. 5147 - Dropout Prevention)

(cf. 6146.1 - High School Graduation Requirements)

(cf. 6200 - Adult Education)

Eligible persons who pass the California High School Proficiency Examination may obtain a certificate of proficiency from the State Board of Education (SBE). Eligible persons who pass a general educational development test designated by the SBE may obtain a high school equivalency certificate from the testing service.

The Superintendent or designee shall make information available to interested persons regarding the eligibility and examination requirements of each program.

(cf. 6164.2 - Guidance/Counseling Services)

Interested persons shall register for the test directly with the testing service and pay the applicable fee. However, the fee shall be waived for a homeless or foster youth who is under age 25 years, meets all other registration requirements, and submits certification of homeless or foster youth status. (Education Code 48412; 5 CCR 11524-11526, 11533-11534.1)

Legal Reference: (see next page)

CERTIFICATE OF PROFICIENCY/HIGH SCHOOL EQUIVALENCY (continued)

Legal Reference:

EDUCATION CODE

48400-48403 *Persons subject to compulsory continuation education*

48410 *Persons exempt from continuation classes*

48412 *Certificate of proficiency; examination fees*

48413 *Enrollment in continuation classes*

48414 *Reenrollment in district*

51420-51427 *High school equivalency certificate*

52052 *Accountability; numerically significant student subgroups*

CODE OF REGULATIONS, TITLE 5

11520-11523 *Proficiency examination and certificate*

11530-11532 *High school equivalency certificate*

Management Resources:

WEB SITES

California Department of Education, California High School Proficiency Examination:

<http://www.cde.ca.gov/ta/tg/sp>

California Department of Education, High School Equivalency Tests: <http://www.cde.ca.gov/ta/tg/gd>

California High School Proficiency Examination: <https://www.chspe.net>

General Educational Development Test: <https://ged.com>

High School Equivalency Test: <https://hiset.ets.org>

CERTIFICATE OF PROFICIENCY/HIGH SCHOOL EQUIVALENCY

**NOTICE AND CONSENT TO DISCONTINUE SCHOOL ATTENDANCE
FOR STUDENTS WITH A CERTIFICATE OF PROFICIENCY**

Notice of Student Rights: Students who pass the California High School Proficiency Examination (CHSPE) and receive a Certificate of Proficiency issued by the State Board of Education may continue to attend school, but upon request will be exempted from compulsory school attendance pursuant to Education Code 48410. If the student is under 18 years of age, the student's parent/guardian must also provide approval in order for the student to discontinue school attendance.

If the student leaves school after receiving a Certificate of Proficiency and is under 18 years of age, the student may later decide to re-enroll in the district with no adverse consequences. In this case, the student may be required to meet new or additional requirements established since the student was previously enrolled. If the student re-enrolls and then leaves school again, the student may be denied re-admittance until the beginning of the following semester.

For further information about leaving school after obtaining the Certificate of Proficiency, contact the principal or school guidance counselor.

Student's name: _____

School: _____

Date on which the Certificate of Proficiency was issued: _____

To be completed by student: I understand the rights granted to students who are awarded the Certificate of Proficiency to disenroll from school, and to re-enroll if desired before the age of 18. I hereby notify the school district of my intent to disenroll from school.

Student's signature: _____ Date: _____

To be completed by parent/guardian: I hereby grant consent for my minor child to disenroll from school.

Parent/guardian's name (please print): _____

Signature: _____ Date: _____

To be completed by school administrator: I hereby verify the parent/guardian's signature and date recorded above.

CERTIFICATE OF PROFICIENCY/HIGH SCHOOL EQUIVALENCY (continued)

Name of school administrator (please print): _____

Position: _____

Signature: _____ Date: _____

Agenda Item Summary

Action Item: 17.1 <i>Acceptance of the 2019-2020 District Audit Report</i>
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Regular Meeting of: April 14, 2021	Action Item	Report Format:
Attachment: Audit Report		

Presented by: Dr. Kay Vang, CBO

Background

Districts are required to have an outside audit performed each year.

Plan/Discussion/Detail

The 2019-2020 audit report has been reviewed by the CBO and the Superintendent. The 2019-2020 audit report resulted in an unmodified opinion or “clean opinion” and presents fairly the financial status of the District, including all charter schools. The audit report has a finding related to the Cafeteria Clearing Bank Account, in which deposits were not transferred to the County Treasurer in a timely manner. The second finding around cash disbursements noted that purchase orders were dated after the invoice date and reimbursements were missing itemized receipts.

The District is reviewing internal processes and procedures related to the audit findings to incorporate audit recommendations and follow business best practices.

Recommendation

Accept the audit report as presented.

**PINER-OLIVET UNION ELEMENTARY SCHOOL
DISTRICT**

**AUDIT REPORT
JUNE 30, 2020**



PINER-OLIVET
UNION SCHOOL DISTRICT

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
Piner-Olivet Union Elementary School District
Santa Rosa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Piner-Olivet Union Elementary School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Piner-Olivet Union Elementary School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Piner-Olivet Union Elementary School District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of District contributions for pensions be presented to supplement the basic financial statements. Such information, although not 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 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 the Piner-Olivet Union Elementary School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2021 on our consideration of Piner-Olivet Union 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 Piner-Olivet Union Elementary School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Piner-Olivet Union Elementary School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
March 23, 2021

PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

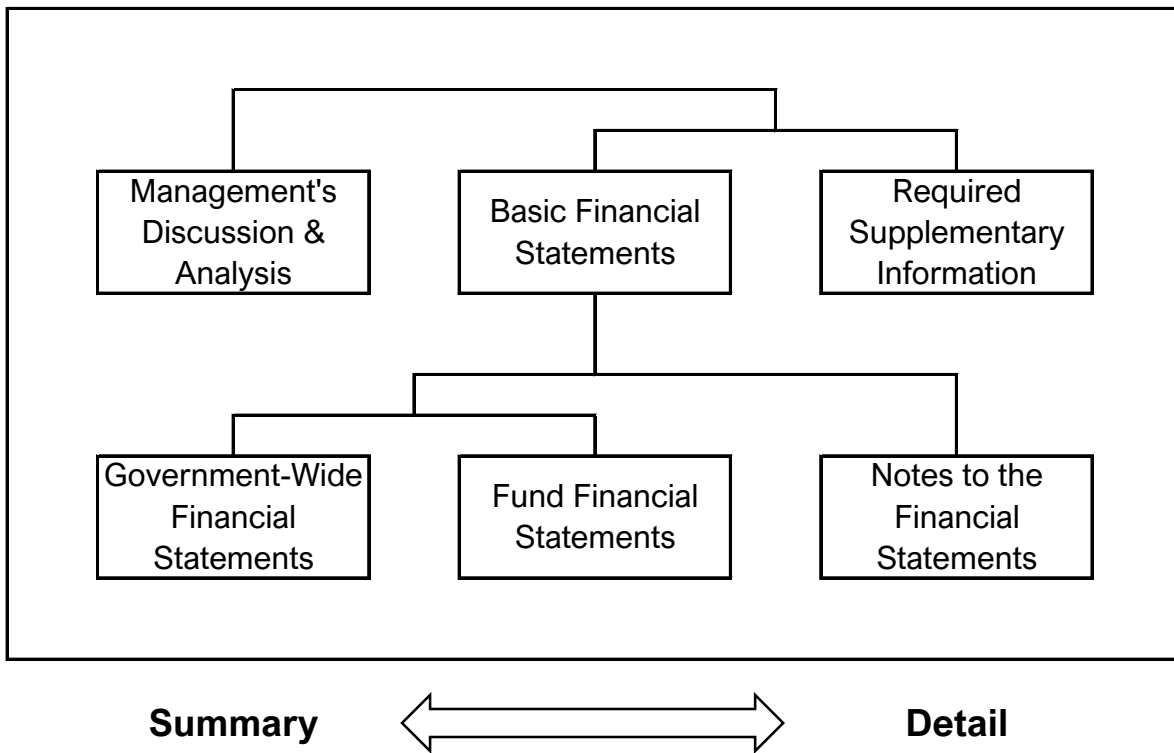
Our discussion and analysis of Piner-Olivet Union Elementary School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ The District's total net position was \$10,363,711 at June 30, 2020. This was an increase of \$810,208 from the prior year.
- ▶ Overall revenues were \$20,176,648 which exceeded expenses of \$19,366,440.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** 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.

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

Government-Wide Statements

The government-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 government'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 government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was \$10,363,711 at June 30, 2020, as reflected in the table below. Of this amount, \$(12,436,466) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2020	2019	Net Change
ASSETS			
Current and other assets	\$ 13,896,554	\$ 13,202,182	\$ 694,372
Capital assets	28,203,856	28,083,745	120,111
Total Assets	42,100,410	41,285,927	814,483
DEFERRED OUTFLOWS OF RESOURCES	3,596,075	4,031,567	(435,492)
LIABILITIES			
Current liabilities	4,490,576	4,850,199	(359,623)
Long-term liabilities	29,066,295	29,302,753	(236,458)
Total Liabilities	33,556,871	34,152,952	(596,081)
DEFERRED INFLOWS OF RESOURCES	1,775,903	1,611,039	164,864
NET POSITION			
Net investment in capital assets	18,908,744	18,144,450	764,294
Restricted	3,891,433	(1,253,189)	5,144,622
Unrestricted	(12,436,466)	(7,337,758)	(5,098,708)
Total Net Position	\$ 10,363,711	\$ 9,553,503	\$ 810,208

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues, expenses, and special items for the year.

	Governmental Activities		
	2020	2019	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 87,544	\$ 114,359	\$ (26,815)
Operating grants and contributions	1,498,804	2,525,986	(1,027,182)
General revenues			
Property taxes	8,603,239	7,845,678	757,561
Unrestricted federal and state aid	8,828,575	8,949,565	(120,990)
Other	1,158,486	1,032,150	126,336
Total Revenues	20,176,648	20,467,738	(291,090)
EXPENSES			
Instruction	12,186,204	12,554,938	(368,734)
Instruction-related services	2,023,824	2,050,271	(26,447)
Pupil services	1,421,864	1,573,255	(151,391)
General administration	1,312,627	1,249,802	62,825
Plant services	1,583,903	1,686,659	(102,756)
Debt service	838,018	914,339	(76,321)
Total Expenses	19,366,440	20,029,264	(662,824)
Transfers & special items	-	(13,539)	13,539
Change in net position	810,208	424,935	385,273
Net Position - Beginning	9,553,503	9,128,568	424,935
Net Position - Ending	\$ 10,363,711	\$ 9,553,503	\$ 810,208

The cost of all our governmental activities this year was \$19,366,440 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only \$8,603,239 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions, charges for services, property taxes, unrestricted federal and state aid, and other general revenues.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District’s functions. Net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2020	2019
Instruction	\$ 10,994,444	\$ 10,600,992
Instruction-related services	1,974,655	1,899,730
Pupil services	1,175,007	1,185,764
General administration	1,269,512	1,167,861
Plant services	1,581,458	1,652,780
Debt service	838,018	914,339
Transfers to other agencies	(53,002)	(32,547)
Total Expenses	\$ 17,780,092	\$ 17,388,919

FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$10,265,971, which is less than last year’s ending fund balance of \$10,549,239. The District’s General Fund had \$526,382 more in operating revenues than expenditures for the year ended June 30, 2020. The District’s Bond Interest and Redemption Fund had \$389,330 more in operating revenues than expenditures for the year ended June 30, 2020.

CURRENT YEAR BUDGET 2019-2020

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District’s financial projections and current budget based on State and local financial information.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2019-2020 the District had invested \$28,203,856 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2020	2019	Net Change
CAPITAL ASSETS			
Land	\$ 2,692,200	\$ 2,692,200	\$ -
Construction in progress	1,310,384	7,588	1,302,796
Land improvements	6,758,281	6,758,281	-
Buildings & improvements	34,833,337	34,833,337	-
Furniture & equipment	985,342	948,611	36,731
Accumulated depreciation	(18,375,688)	(17,156,272)	(1,219,416)
Total Capital Assets	\$ 28,203,856	\$ 28,083,745	\$ 120,111

Long-Term Liabilities

At year-end, the District had \$29,066,295 in long-term liabilities, a decrease of 1% from last year – as shown in the table below. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

	Governmental Activities		
	2020	2019	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	\$ 14,451,713	\$ 15,988,573	\$ (1,536,860)
Early retirement incentive	-	30,000	(30,000)
Compensated absences	100,708	18,045	82,663
Total OPEB liability	1,102,120	1,095,667	6,453
Net pension liability	14,109,507	14,204,987	(95,480)
Less: current portion of long-term liabilities	(697,753)	(1,986,474)	1,288,721
Total Long-term Liabilities	\$ 29,066,295	\$ 29,350,798	\$ (284,503)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

According to the UCLA Anderson Forecast, the U.S. economy is in a "depression-like crisis" and it will take at least three years before its GDP and unemployment rate return to the levels it saw before the COVID-19 pandemic struck. Between February 2020 and April 2020, California lost 2.56 million nonfarm payroll jobs, a 15% drop that is nearly double the job loss during the Great Recession in 2008 and 2009.

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. Governor Gavin Newsom and the State Legislature provided resources and support beyond the Proposition 98 requirement in 2020–21, giving one-time federal resources and pension rate relief and promising more than the minimum guarantee in 2021–22.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (continued)

Landmark legislation passed in Year 2013 reformed California school district finance by creating the Local Control Funding Formula (LCFF). The LCFF is designed to provide a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per-pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low income brackets, those that are English language learners and foster youth.

Factors related to LCFF that the District is monitoring include: (1) estimates of funding in the next budget year and beyond; (2) the Local Control and Accountability Plan (LCAP) that aims to link student accountability measurements to funding allocations; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADs); and, (4) meeting annual compliance and audit requirements.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2020. The amount of the liability is material to the financial position of the District. In response to the ongoing pandemic, the 2020-21 State Budget reduced employer contribution rates in 2020-21 and 2021-22. This will reduce the CalSTRS employer rate from 18.4% to approximately 16.15% in 2020-21 and from 18.2% to 16.0% in 2021-22. The CalPERS employer contribution rate will be reduced from CalPERS recently set rate for 2020-21 of 22.68% to 20.7% and 2021-22 estimated rate of 24.6% to 23.0%. Despite this reduction in the planned rate increases, the projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act provides California K-12 education with \$1.65 billion in Elementary and Secondary School Emergency Relief (ESSER) Funds, \$355 million in Governor's Emergency Education Relief (GEER) Funds, and \$4.4 billion in Coronavirus Relief Funds (CRF). Collectively, GEER Funds, CRF, and \$540 million in state General Fund (GF) contributions are known as Learning Loss Mitigation Funding (LLMF). CARES Act funds will be apportioned in 2020-21, however, ESSER and GEER are to be used on eligible expenditures beginning March 13, 2020 through September 30, 2022, GF is to be used on eligible expenditures beginning March 1, 2020 through June 30, 2021, and CRF is to be used on eligible expenditures beginning March 1, 2020 through December 30, 2020. On December 27, 2020, the President signed the Consolidated Appropriations Act which extended the CRF spending deadline to December 30, 2021.

All of these factors were considered in preparing the District's budget for the 2020-21 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Piner-Olivet Union Elementary School District, 3450 Coffey Lane, Santa Rosa, California, 95403.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities
ASSETS	
Cash and investments	\$ 10,396,462
Accounts receivable	3,500,092
Capital assets, not depreciated	4,002,584
Capital assets, net of accumulated depreciation	24,201,272
Total Assets	42,100,410
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	3,532,982
Deferred outflows related to OPEB	63,093
Total Deferred Outflows of Resources	3,596,075
LIABILITIES	
Accrued liabilities	3,698,323
Unearned revenue	94,500
Long-term liabilities, current portion	697,753
Long-term liabilities, non-current portion	29,066,295
Total Liabilities	33,556,871
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,726,857
Deferred inflows related to OPEB	49,046
Total Deferred Inflows of Resources	1,775,903
NET POSITION	
Net investment in capital assets	18,908,744
Restricted:	
Capital projects	768,256
Debt service	2,679,057
Educational programs	443,531
Food service	589
Unrestricted	(12,436,466)
Total Net Position	\$ 10,363,711

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Function/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 12,186,204	\$ 39,812	\$ 1,151,948	\$ (10,994,444)
Instruction-related services				
Instructional supervision and administration	458,666	-	22,692	(435,974)
Instructional library, media, and technology	119,084	-	-	(119,084)
School site administration	1,446,074	23	26,454	(1,419,597)
Pupil services				
Home-to-school transportation	379,919	-	-	(379,919)
Food services	336,478	35,161	122,223	(179,094)
All other pupil services	705,467	-	89,473	(615,994)
General administration				
Centralized data processing	4,715	-	-	(4,715)
All other general administration	1,307,912	707	42,408	(1,264,797)
Plant services	1,583,903	-	2,445	(1,581,458)
Interest on long-term debt	838,018	-	-	(838,018)
Other outgo	-	11,841	41,161	53,002
Total Governmental Activities	\$ 19,366,440	\$ 87,544	\$ 1,498,804	(17,780,092)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				5,865,389
Property taxes, levied for debt service				2,737,848
Property taxes, levied for other specific purposes				2
Federal and state aid not restricted for specific purposes				8,828,575
Interest and investment earnings				165,599
Interagency revenues				638,730
Miscellaneous				354,157
Subtotal, General Revenue				18,590,300
CHANGE IN NET POSITION				810,208
Net Position - Beginning				9,553,503
Net Position - Ending				\$ 10,363,711

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020**

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 5,189,400	\$ 2,841,297	\$ 2,365,765	\$ 10,396,462
Accounts receivable	3,092,859	-	407,233	3,500,092
Due from other funds	455,385	-	119,061	574,446
Total Assets	\$ 8,737,644	\$ 2,841,297	\$ 2,892,059	\$ 14,471,000
LIABILITIES				
Accrued liabilities	\$ 3,003,143	\$ -	\$ 532,940	\$ 3,536,083
Due to other funds	109,059	-	465,387	574,446
Unearned revenue	92,609	-	1,891	94,500
Total Liabilities	3,204,811	-	1,000,218	4,205,029
FUND BALANCES				
Nonspendable	3,000	-	6,969	9,969
Restricted	155,526	2,841,297	1,057,783	4,054,606
Committed	1,535,980	-	327,600	1,863,580
Assigned	3,250,797	-	310,427	3,561,224
Unassigned	587,530	-	189,062	776,592
Total Fund Balances	5,532,833	2,841,297	1,891,841	10,265,971
Total Liabilities and Fund Balances	\$ 8,737,644	\$ 2,841,297	\$ 2,892,059	\$ 14,471,000

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2020**

Total Fund Balance - Governmental Funds \$ 10,265,971

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

Capital assets:

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

Capital assets	\$ 46,579,544	
Accumulated depreciation	<u>(18,375,688)</u>	28,203,856

Unmatured interest on long-term debt:

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

(162,240)

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:

Total general obligation bonds	\$ 14,451,713	
Compensated absences	100,708	
Total OPEB liability	1,102,120	
Net pension liability	<u>14,109,507</u>	(29,764,048)

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 related to pensions	\$ 3,532,982	
Deferred inflows of resources related to pensions	<u>(1,726,857)</u>	1,806,125

Deferred outflows and inflows of resources relating to OPEB:

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

Deferred outflows of resources related to OPEB	\$ 63,093	
Deferred inflows of resources related to OPEB	<u>(49,046)</u>	14,047

Total Net Position - Governmental Activities \$ 10,363,711

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	\$ 11,400,544	\$ -	\$ 2,810,034	\$ 14,210,578
Federal sources	670,422	-	246,173	916,595
Other state sources	1,065,930	20,005	254,334	1,340,269
Other local sources	1,392,843	2,744,700	174,164	4,311,707
Total Revenues	14,529,739	2,764,705	3,484,705	20,779,149
EXPENDITURES				
Current				
Instruction	9,565,374	-	2,165,976	11,731,350
Instruction-related services				
Instructional supervision and administration	348,847	-	-	348,847
Instructional library, media, and technology	101,070	-	-	101,070
School site administration	834,345	-	624,103	1,458,448
Pupil services				
Home-to-school transportation	379,919	-	-	379,919
Food services	-	-	317,217	317,217
All other pupil services	523,802	-	80,907	604,709
General administration				
Centralized data processing	4,715	-	-	4,715
All other general administration	1,041,102	-	25,036	1,066,138
Plant services				
Plant services	1,164,283	-	206,088	1,370,371
Facilities acquisition and maintenance	39,900	-	1,264,358	1,304,258
Debt service				
Principal	-	1,980,000	-	1,980,000
Interest and other	-	395,375	-	395,375
Total Expenditures	14,003,357	2,375,375	4,683,685	21,062,417
Excess (Deficiency) of Revenues				
Over Expenditures	526,382	389,330	(1,198,980)	(283,268)
Other Financing Sources (Uses)				
Transfers in	-	-	116,830	116,830
Transfers out	(106,830)	-	(10,000)	(116,830)
Net Financing Sources (Uses)	(106,830)	-	106,830	-
NET CHANGE IN FUND BALANCE	419,552	389,330	(1,092,150)	(283,268)
Fund Balance - Beginning	5,113,281	2,451,967	2,983,991	10,549,239
Fund Balance - Ending	\$ 5,532,833	\$ 2,841,297	\$ 1,891,841	\$ 10,265,971

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Governmental Funds \$ (283,268)

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:	\$	1,339,527	
Depreciation expense:		(1,219,416)	120,111

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 1,980,000

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: 497

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. (449,614)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (82,663)

Other expenditures relating to prior periods:

Certain expenditures recognized in governmental funds relate to prior periods. Typical examples are payments on structured legal settlements or retirement incentives paid over time. These expenditures are recognized in the government-wide statement of activities in the period in which the obligations were first incurred, so they must not be recognized again in the current period. Expenditures relating to prior periods for early retirement incentives were: 30,000

(continued on next page)

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2020**

Postemployment benefits other than pensions (OPEB):

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

28,709

Pensions:

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

(540,038)

Amortization of debt issuance premium or discount:

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

6,474

Change in Net Position of Governmental Activities

\$ 810,208

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Piner-Olivet Union Elementary School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has approved charters for Piner-Olivet Charter School and Northwest Prep Charter School, which are both operated by the District. Since the District is financially accountable for these charter schools, which are both fiscally dependent and share a financial benefit/burden relationship with the District, the charter schools meet the criteria for inclusion within its financial reporting entity. Accordingly, the financial activities of Piner-Olivet Charter School and Northwest Prep Charter School are presented separately in the Piner-Olivet Charter School Fund and Northwest Prep at Piner-Olivet Fund, respectively, using the blended component unit method.

The District has also approved charters for Olivet Elementary Charter School and Morrice Schaefer Charter School, which the District does not consider to be separate legal entities for the financial reporting purposes. Accordingly, the financial activities of each of these charter schools are included in the General Fund of the District.

The District has also reviewed criteria to determine whether other organizations, for which the District is not financially accountable, should be reported within its financial reporting entity, based on the nature and significance of its relationship with the District. The District has determined that there are no organizations, for which the District is not financially accountable, which should be reported within its financial reporting entity.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

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

Fund Financial Statements. The fund financial statements provide information about the District's funds. Separate statements for governmental funds 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.

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Northwest Prep at Piner-Olivet Fund: This fund is used to account for the revenues and expenditures of Northwest Prep Charter School.

Piner-Olivet Charter School Fund: This fund is used to account for the revenues and expenditures of Piner-Olivet Charter School.

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

Deferred Maintenance Fund: This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code Sections 17582–17587*). In addition, whenever the state funds provided pursuant to *Education Code Sections 17584 and 17585* (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the District (*Education Code Sections 17582 and 17583*).

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).

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

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 Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements

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

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets 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 net position should be reported as restricted when constraints placed on its 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 results from special revenue funds and the restrictions on their use.

Governmental Funds

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

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 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 a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. 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 capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Sites and Improvements	10 to 50 Years
Buildings and Improvements	10 to 50 Years
Furniture and Equipment	5 to 20 Years

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.

Compensated Absences

Accumulated unpaid employee vacation 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 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 resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

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.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Postemployment Benefits Other Than Pensions (OPEB)

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

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

Valuation Date	July 1, 2018
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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

Premiums and Discounts

In the government-wide financial statements, long-term obligations are reported as liabilities in statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. 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.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

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 nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

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.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Activity

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

G. Estimates

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

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

J. New Accounting Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard's primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2019. The District has not yet determined the impact on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

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

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard’s primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. A portion of this statement was effective upon issuance, while the majority of this statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

GASB Statement No. 95 – In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This standard’s primary objective is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The statement is effective immediately. The District has implemented GASB Statement No. 95.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities
Investment in county treasury	\$ 10,360,680
Cash in revolving fund	9,969
Cash collections awaiting deposit	25,813
Total	\$ 10,396,462

B. Policies and Practices

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

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

B. Policies and Practices (continued)

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Sonoma County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is 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.

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker’s Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$10,421,808 and an amortized book value of \$10,360,680. The average weighted maturity for this pool is 787 days.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2020, the pooled investments in the County Treasury were not rated.

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District's bank balance was not exposed to custodial credit risk.

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Sonoma County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2020 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 10,421,808
Total	<u>\$ 10,421,808</u>

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 consisted of the following:

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government			
Categorical aid	\$ 382,424	\$ 74,906	\$ 457,330
State Government			
Apportionment	1,263,937	315,460	1,579,397
Categorical aid	176,240	820	177,060
Lottery	48,187	16,047	64,234
Local Government			
Other local sources	1,222,071	-	1,222,071
Total	\$ 3,092,859	\$ 407,233	\$ 3,500,092

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 01, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,692,200	\$ -	\$ -	\$ 2,692,200
Construction in progress	7,588	1,302,796	-	1,310,384
Total Capital Assets not Being Depreciated	2,699,788	1,302,796	-	4,002,584
Capital assets being depreciated				
Land improvements	6,758,281	-	-	6,758,281
Buildings & improvements	34,833,337	-	-	34,833,337
Furniture & equipment	948,611	36,731	-	985,342
Total Capital Assets Being Depreciated	42,540,229	36,731	-	42,576,960
Less Accumulated Depreciation				
Land improvements	2,518,938	217,252	-	2,736,190
Buildings & improvements	14,032,480	933,516	-	14,965,996
Furniture & equipment	604,854	68,648	-	673,502
Total Accumulated Depreciation	17,156,272	1,219,416	-	18,375,688
Governmental Activities				
Capital Assets, net	\$ 28,083,745	\$ 120,111	\$ -	\$ 28,203,856

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 791,395
Instructional supervision and administration	133,774
All other pupil services	102,652
All other general administration	81,545
Plant services	110,050
Total	\$ 1,219,416

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances at June 30, 2020 were as follows:

<u>Due To Other Funds</u>	<u>Due From Other Funds</u>		
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 109,059	\$ 109,059
Non-Major Governmental Funds	455,385	10,002	465,387
Total	\$ 455,385	\$ 119,061	\$ 574,446

Due from Northwest Prep at Piner-Olivet to the General Fund for costs related to the independent study program.	\$ 202,931
Due from the Cafeteria Fund to the General Fund for a temporary loan.	250,000
Due from the Capital Facilities Fund to the General Fund for cost of fee collection.	2,454
Due from the General Fund to Northwest Prep at Piner-Olivet for outreach.	2,229
Due from the General Fund to the Cafeteria Fund for contribution to the fund.	106,830
Due from Northwest Prep at Piner-Olivet to the Capital Facilities Fund to repay loan.	10,002
Total	\$ 574,446

B. Operating Transfers

Interfund transfers for the year ended June 30, 2020 consisted of the following:

<u>Interfund Transfers Out</u>	<u>Interfund Transfers In</u>	
	<u>Non-Major Governmental Funds</u>	<u>Total</u>
General Fund	\$ 106,830	\$ 106,830
Non-Major Governmental Funds	10,000	10,000
Total	\$ 116,830	\$ 116,830

Transfer from the General Fund to the Cafeteria Fund for a contribution to the fund.	\$ 106,830
Transfer from Northwest Prep at Piner-Olivet to the Capital Facilities Fund to repay loan.	10,000
Total	\$ 116,830

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2020 consisted of the following:

	General Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	\$ 12,483	\$ 159	\$ -	\$ 12,642
Vendors payable	2,093,726	483,637	-	2,577,363
Unmatured interest	-	-	162,240	162,240
Due to grantor government	896,934	49,144	-	946,078
Total	\$ 3,003,143	\$ 532,940	\$ 162,240	\$ 3,698,323

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2020 consisted of the following:

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal sources	\$ 92,609	\$ 1,891	\$ 94,500
Total	\$ 92,609	\$ 1,891	\$ 94,500

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2020 consisted of the following:

	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020	Balance Due In One Year
Governmental Activities					
General obligation bonds	\$ 15,865,034	\$ 449,614	\$ 1,980,000	\$ 14,334,648	\$ 691,279
Unamortized premium	123,539	-	6,474	117,065	6,474
Total general obligation bonds	15,988,573	449,614	1,986,474	14,451,713	697,753
Early retirement incentive	30,000	-	30,000	-	-
Compensated absences	18,045	82,663	-	100,708	-
Total OPEB liability	1,095,667	6,453	-	1,102,120	-
Net pension liability	14,204,987	-	95,480	14,109,507	-
Total	\$ 31,337,272	\$ 538,730	\$ 2,111,954	\$ 29,764,048	\$ 697,753

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for early retirement incentive are made in the General Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 8 – LONG-TERM LIABILITIES (continued)

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2020 amounted to \$100,708. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. General Obligation Bonds

The outstanding general obligation bonds of the District as of June 30, 2020 were as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2020
				Outstanding July 01, 2019	Additions	Deductions	
1995	2021	4.40 - 6.15%	\$ 990,764	\$ 1,654,997	\$ 55,621	\$ 835,000	\$ 875,618
1997	2023	4.40 - 5.65%	4,382,647	6,060,849	295,099	995,000	5,360,948
2011	2039	2.30 - 12.00%	8,033,225	8,149,188	98,894	150,000	8,098,082
				\$ 15,865,034	\$ 449,614	\$ 1,980,000	\$ 14,334,648

Future payments on the outstanding general obligation bonds as of June 30, 2020 were as follows:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 691,279	\$ 1,884,396	\$ 2,575,675
2022	792,694	2,008,906	2,801,600
2023	854,838	2,180,650	3,035,488
2024	290,000	352,863	642,863
2025	330,000	337,725	667,725
2026 - 2030	2,465,000	1,349,163	3,814,163
2031 - 2035	962,271	3,842,192	4,804,463
2036 - 2039	2,792,898	1,059,927	3,852,825
Accretion	5,155,668	(5,155,668)	-
Total	\$ 14,334,648	\$ 7,860,154	\$ 22,194,802

C. Early Retirement Incentive

During fiscal year 2016-17, the District signed a memorandum of understanding with the Piner-Olivet Teacher’s Association as a means of encouraging early retirement. To be eligible, certificated employees must have at least ten (10) years of service with the District preceding their resignation/retirement and must be at least 55 years of age at the time of resignation/retirement. Eight (8) certificated employees chose to participate in the program. The final payment on the early retirement incentive was made during the year ended June 30, 2020.

D. Other Postemployment Benefits

The District’s beginning total OPEB liability was \$1,095,667 and increased by \$6,453 during the year ended June 30, 2020. The ending total OPEB liability at June 30, 2020 was \$1,102,120. See Note 10 for additional information regarding the total OPEB liability.

E. Net Pension Liability

The District’s beginning net pension liability was \$14,204,987 and decreased by \$95,480 during the year ended June 30, 2020. The ending net pension liability at June 30, 2020 was \$14,109,507. See Note 11 for additional information regarding the net pension liability.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2020:

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	\$ 3,000	\$ -	\$ 6,969	\$ 9,969
Total non-spendable	3,000	-	6,969	9,969
Restricted				
Educational programs	155,526	-	288,005	443,531
Capital projects	-	-	769,189	769,189
Debt service	-	2,841,297	-	2,841,297
Food service	-	-	589	589
Total restricted	155,526	2,841,297	1,057,783	4,054,606
Committed				
Other commitments	1,535,980	-	327,600	1,863,580
Total committed	1,535,980	-	327,600	1,863,580
Assigned				
Other assignments	3,250,797	-	310,427	3,561,224
Total assigned	3,250,797	-	310,427	3,561,224
Unassigned	587,530	-	189,062	776,592
Total Fund Balance	\$ 5,532,833	\$ 2,841,297	\$ 1,891,841	\$ 10,265,971

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District’s Minimum Fund Balance Policy states that the District intends to maintain a Reserve for Economic Uncertainties as required by law with an additional reserve, the Cash Flow Reserve, which will be increased each year until it reaches 11%.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Piner-Olivet Union Elementary School District’s defined benefit OPEB plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

Certificated and Certificated Management:

Upon attainment of age 55 and completion of at least 14 years of service credit with the District, a certificated employee may retire under CalSTRS and receive a District contribution towards health care (medical, prescription drug and behavioral health) coverage equal to a percentage of the District cap according to the age at retirement. Employees receive 100% of the District cap if age at retirement is 55 but less than 58, 90% of the District cap if age at retirement is 58 but less than 61, and 75% of the District cap if age at retirement is 61 but less than 65.

The District cap for the 2018-19 fiscal year is currently \$700 per month (\$8,400 annually) and is frozen in the year of retirement. District benefits end at age 65. The District contribution may not be used toward coverage for spouses or other dependents.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

B. Benefits Provided (continued)

Classified, Classified Management and Classified Confidential:

These groups receive the same retiree benefits as certificated employees with the exception that they are required to have 15 rather than 14 years of service, and retirement is under CalPERS.

Employees who work at least 50% but less than 100% full-time receive a pro-rata share of the District-paid retiree benefits described above. There is one current retiree who receives 50% District-paid lifetime benefits under a special arrangement for non-Medicare-eligible certificated retirees aged 65 and over.

C. Contributions

For fiscal year 2019-20, the District contributed \$135,665 to the Plan, all of which was used for current premiums on a pay-as-you-go basis.

D. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	18
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>102</u>
Total number of participants**	<u>120</u>

*Information not provided

**As of the July 1, 2018 valuation date

E. Total OPEB Liability

The Piner-Olivet Union Elementary School District’s total OPEB liability of \$1,102,120 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2018. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of July 1, 2018 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Economic assumptions:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.45%
Healthcare cost trend rates	5.80%

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

F. Actuarial Assumptions and Other Inputs (continued)

Non-economic assumptions:

<i>Mortality:</i>	
Certificated	RP-2014 Employee Mortality Table, without projection
Classified	RP-2014 Employee Mortality Table, without projection
Management	100% at 5 years of service

The actuarial assumptions used in the July 1, 2018 valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2018.

The discount rate was based on the Fidelity GO AA 20 Years Municipal Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

G. Changes in Total OPEB Liability

	<u>June 30, 2020</u>
Total OPEB Liability	
Service cost	\$ 70,534
Interest on total OPEB liability	34,395
Changes of assumptions	37,189
Benefits payments	<u>(135,665)</u>
Net change in total OPEB liability	6,453
Total OPEB liability - beginning	<u>1,095,667</u>
Total OPEB liability - ending	<u>\$ 1,102,120</u>
Covered-employee payroll	\$ 8,517,547
District's total OPEB liability as a percentage of covered-employee payroll	12.94%

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

The following presents the total OPEB liability of the Piner-Olivet Union Elementary School District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.45 percent) or one percentage point higher (3.45 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Valuation</u>	<u>1% Increase</u>
	<u>(1.45%)</u>	<u>Discount Rate</u>	<u>(3.45%)</u>
		<u>(2.45%)</u>	
Total OPEB liability	\$ 1,157,801	\$ 1,102,120	\$ 1,047,675

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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

The following presents the total OPEB liability of the Piner-Olivet Union Elementary School District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (4.80 percent) or one percentage point higher (6.80 percent) than the current healthcare cost trend rate:

	1% Decrease	Valuation Trend	1% Increase
	(4.80%)	Rate	(6.80%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB liability	\$ 1,050,424	\$ 1,102,120	\$ 1,162,393

J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Piner-Olivet Union Elementary School District recognized OPEB expense of \$106,956. At June 30, 2020, the Piner-Olivet Union Elementary School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 34,614
Changes in assumptions	63,093	14,432
Total	<u>\$ 63,093</u>	<u>\$ 49,046</u>

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

Year Ended June 30,	Deferred Outflows	Deferred Inflows
<u> </u>	of Resources	of Resources
<u> </u>	<u> </u>	<u> </u>
2021	\$ 11,910	\$ 9,883
2022	11,910	9,883
2023	11,910	9,883
2024	11,910	9,883
2025	10,604	8,442
2026	4,849	1,072
Total	<u>\$ 63,093</u>	<u>\$ 49,046</u>

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
STRS Pension	\$ 9,848,324	\$ 2,475,148	\$ 1,594,208	\$ 1,054,091
PERS Pension	4,261,183	1,057,834	132,649	963,421
Total	<u>\$ 14,109,507</u>	<u>\$ 3,532,982</u>	<u>\$ 1,726,857</u>	<u>\$ 2,017,512</u>

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. 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 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2020, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2020 was 18.13% of annual payroll reduced to 17.10% pursuant to California Senate Bill 90 (SB 90). The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$1,047,207 for the year ended June 30, 2020.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$749,503 to CalSTRS.

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

At June 30, 2020, 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:

District's proportionate share of the net pension liability	\$ 9,848,324
State's proportionate share of the net pension liability associated with the District	<u>5,372,962</u>
Total	<u>\$ 15,221,286</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District’s proportion was 0.011 percent, which did not change from its proportion measured as of June 30, 2018.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

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

For the year ended June 30, 2020, the District recognized pension expense of \$1,054,091. In addition, the District recognized pension expense and revenue of \$147,002 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 379,360
Differences between expected and actual experience	24,862	277,515
Changes in assumptions	1,245,597	-
Changes in proportion and differences between District contributions and proportionate share of contributions	157,482	937,333
District contributions subsequent to the measurement date	1,047,207	-
Total	<u>\$ 2,475,148</u>	<u>\$ 1,594,208</u>

The \$1,047,207 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 396,274	\$ 355,891
2022	396,274	619,262
2023	317,533	359,610
2024	317,860	109,129
2025	-	85,612
2026	-	64,704
Total	<u>\$ 1,427,941</u>	<u>\$ 1,594,208</u>

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

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

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Global Equity	47%	4.80%
Fixed Income	12%	1.30%
Real Estate	13%	3.60%
Private Equity	13%	6.30%
Risk Mitigating Strategies	9%	1.80%
Inflation Sensitive	4%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

*20-year geometric average

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’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.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 14,664,970	\$ 9,848,324	\$ 5,854,408

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2020 was 20.733% of annual payroll reduced to 19.721% pursuant to California Senate Bill 90 (SB 90). Contributions to the plan from the District were \$430,267 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$4,261,183 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District's proportion was 0.015 percent, which was an increase of 0.001 percent from its proportion measured as of June 30, 2018.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

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

For the year ended June 30, 2020, the District recognized pension expense of \$963,421. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 39,523
Differences between expected and actual experience	309,533	-
Changes in assumptions	202,846	-
Changes in proportion and differences between District contributions and proportionate share of contributions	115,188	93,126
District contributions subsequent to the measurement date	430,267	-
Total	<u>\$ 1,057,834</u>	<u>\$ 132,649</u>

The \$430,267 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 379,761	\$ 88,028
2022	167,313	(33,817)
2023	75,505	(11,809)
2024	4,988	90,247
Total	<u>\$ 627,567</u>	<u>\$ 132,649</u>

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	100.0%		

*An expected inflation of 2.00% used for this period.

**An expected inflation of 2.92% used for this period.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	<u>1% Decrease (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
District's proportionate share of the net pension liability	\$ 6,142,215	\$ 4,261,183	\$ 2,700,737

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in two joint ventures under joint powers authorities (JPAs), the Redwood Empire Schools' Insurance Group, and the West County Transportation Agency. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs 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 JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2020, total deferred outflows related to pensions was \$3,532,982 and total deferred inflows related to pensions was \$1,726,857.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2020, total deferred outflows related to other postemployment benefits was \$63,093 and total deferred inflows related to other postemployment benefits was \$49,046.

NOTE 15 – SUBSEQUENT EVENT

On January 6, 2021, the District issued \$5,998,988 of General Obligation Election of 2010, Series 2021 Bonds to finance specific projects approved by voters of the District. The bonds bear interest rates ranging from 2.45% to 6.00% with maturities through August 1, 2045.

REQUIRED SUPPLEMENTARY INFORMATION

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 10,221,167	\$ 10,632,217	\$ 11,400,544	\$ 768,327
Federal sources	516,553	811,277	703,940	(107,337)
Other state sources	571,423	925,141	1,065,930	140,789
Other local sources	954,908	879,792	1,346,390	466,598
Total Revenues	12,264,051	13,248,427	14,516,804	1,268,377
EXPENDITURES				
Certificated salaries	4,766,886	4,796,533	4,875,539	(79,006)
Classified salaries	1,822,891	1,847,300	1,912,765	(65,465)
Employee benefits	2,801,301	2,941,789	3,063,602	(121,813)
Books and supplies	368,330	957,846	984,646	(26,800)
Services and other operating expenditures	2,527,197	3,339,957	3,126,905	213,052
Capital outlay	732,546	732,546	39,900	692,646
Total Expenditures	13,019,151	14,615,971	14,003,357	612,614
Excess (Deficiency) of Revenues Over Expenditures	(755,100)	(1,367,544)	513,447	1,880,991
Other Financing Sources (Uses)				
Transfers in	675,000	675,000	578,030	(96,970)
Transfers out	(728,200)	(727,764)	(684,860)	42,904
Net Financing Sources (Uses)	(53,200)	(52,764)	(106,830)	(54,066)
NET CHANGE IN FUND BALANCE	(808,300)	(1,420,308)	406,617	1,826,925
Fund Balance - Beginning	3,894,382	4,470,493	4,470,493	-
Fund Balance - Ending	\$ 3,086,082	\$ 3,050,185	\$ 4,877,110	\$ 1,826,925

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.
- Revenues for Medi-Cal Billing Option and Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability			
Service cost	\$ 70,534	\$ 65,768	\$ 66,091
Interest on total OPEB liability	34,395	38,291	37,078
Difference between expected and actual experience	-	(49,036)	-
Changes of assumptions	37,189	44,334	(22,448)
Benefits payments	<u>(135,665)</u>	<u>(181,620)</u>	<u>(173,454)</u>
Net change in total OPEB liability	6,453	(82,263)	(92,733)
Total OPEB liability - beginning	<u>1,095,667</u>	<u>1,177,930</u>	<u>1,270,663</u>
Total OPEB liability - ending	<u>\$ 1,102,120</u>	<u>\$ 1,095,667</u>	<u>\$ 1,177,930</u>
Covered-employee payroll	\$ 8,517,547	\$ 8,830,790	\$ 8,371,456
District's total OPEB liability as a percentage of covered-employee payroll	12.94%	12.41%	14.07%

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.011%	0.011%	0.012%	0.012%	0.013%	0.013%
District's proportionate share of the net pension liability	\$ 9,848,324	\$ 10,410,808	\$ 10,665,027	\$ 9,681,225	\$ 9,004,501	\$ 7,379,281
State's proportionate share of the net pension liability associated with the District	5,372,962	5,960,675	6,309,340	6,693,223	5,630,874	5,170,907
Total	\$ 15,221,286	\$ 16,371,483	\$ 16,974,367	\$ 16,374,448	\$ 14,635,375	\$ 12,550,188
District's covered payroll	\$ 6,093,120	\$ 6,227,270	\$ 6,179,221	\$ 6,074,483	\$ 6,063,851	\$ 5,624,436
District's proportionate share of the net pension liability as a percentage of its covered payroll	161.6%	167.2%	172.6%	159.4%	148.5%	131.2%
Plan fiduciary net position as a percentage of the total pension liability	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.015%	0.014%	0.014%	0.015%	0.014%	0.014%
District's proportionate share of the net pension liability	\$ 4,261,183	\$ 3,794,179	\$ 3,397,502	\$ 3,040,392	\$ 2,127,231	\$ 1,556,889
District's covered payroll	\$ 2,040,433	\$ 1,877,889	\$ 1,825,490	\$ 1,848,037	\$ 1,598,547	\$ 1,439,643
District's proportionate share of the net pension liability as a percentage of its covered payroll	208.8%	202.0%	186.1%	164.5%	133.1%	108.1%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 1,047,207	\$ 991,960	\$ 898,595	\$ 777,346	\$ 651,792	\$ 538,470
Contributions in relation to the contractually required contribution*	(1,047,207)	(991,960)	(898,595)	(777,346)	(651,792)	(538,470)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,139,060	\$ 6,093,120	\$ 6,227,270	\$ 6,179,221	\$ 6,074,483	\$ 6,063,851
Contributions as a percentage of covered payroll	17.06%	16.28%	14.43%	12.58%	10.73%	8.88%

*Amounts do not include on-behalf contributions

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 430,267	\$ 368,543	\$ 291,655	\$ 253,524	\$ 218,937	\$ 188,165
Contributions in relation to the contractually required contribution*	(430,267)	(368,543)	(291,655)	(253,524)	(218,937)	(188,165)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,206,689	\$ 2,040,433	\$ 1,877,889	\$ 1,825,490	\$ 1,848,037	\$ 1,598,547
Contributions as a percentage of covered payroll	19.50%	18.06%	15.53%	13.89%	11.85%	11.77%

*Amounts do not include on-behalf contributions

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Total OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation.

Changes in Assumptions

The discount rate changed from 3.13% to 2.45% since the previous measurement.

Schedule of the District's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
 FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2020, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 4,796,533	\$ 4,875,539	\$ 79,006
Classified salaries	\$ 1,847,300	\$ 1,912,765	\$ 65,465
Employee benefits	\$ 2,941,789	\$ 3,063,602	\$ 121,813
Books and supplies	\$ 957,846	\$ 984,646	\$ 26,800

SUPPLEMENTARY INFORMATION

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected Comprehensive Support and Improvement for LEAs	84.010	14329	\$ 313,142
	84.010	15438	88,254
Subtotal Title I, Part A			<u>401,396</u>
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	82,228
Title III, English Learner Student Program	84.365	14346	33,112
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	50,000
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	182,958
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	12,952
Subtotal Special Education Cluster			<u>195,910</u>
Total U. S. Department of Education			<u>762,646</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	27,542
National School Lunch Program	10.555	13391	110,310
USDA Commodities	10.555	*	16,097
Subtotal Child Nutrition Cluster			<u>153,949</u>
Total U. S. Department of Agriculture			<u>153,949</u>
U. S. DEPARTMENT OF THE TREASURY:			
<i>Passed through California Department of Education:</i>			
COVID-19 Emergency Acts Funding:			
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	10149	1,689
Total U. S. Department of the Treasury			<u>1,689</u>
Total Federal Expenditures			<u>\$ 918,284</u>

* - Pass-Through Entity Identifying Number not available or not applicable

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
 FOR THE YEAR ENDED JUNE 30, 2020**

	Second Period Report	Annual Report
	Certificate No. AF831597	Certificate No. 04D56B24
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	143.86	143.86
Special Education - Nonpublic Schools	0.55	0.55
Total TK/K through Third	144.41	144.41
Fourth through Sixth		
Regular ADA	119.60	119.60
Extended Year Special Education	0.55	0.55
Special Education - Nonpublic Schools	2.82	2.82
Extended Year Special Education - Nonpublic Schools	0.29	0.29
Total Fourth through Sixth	123.26	123.26
Seventh through Eighth		
Special Education - Nonpublic Schools	0.12	0.12
Extended Year Special Education - Nonpublic Schools	0.11	0.11
Total Seventh through Eighth	0.23	0.23
TOTAL SCHOOL DISTRICT	267.90	267.90
	Second Period Report	Annual Report
	Certificate No. F95237D2	Certificate No. 8E4C2D75
Morrice Schaefer Charter School		
TK/K through Third		
Regular ADA	184.43	184.43
Total TK/K through Third	184.43	184.43
Fourth through Sixth		
Regular ADA	142.55	142.55
Total Fourth through Sixth	142.55	142.55
TOTAL CHARTER SCHOOL	326.98	326.98
CLASSROOM-BASED CHARTER SCHOOL		
Classroom-based TK/K through Third		
Regular ADA	184.28	184.28
Total Classroom-based TK/K through Third	184.28	184.28
Classroom-based Fourth through Sixth		
Regular ADA	142.55	142.55
Total Classroom-based Fourth through Sixth	142.55	142.55
TOTAL CLASSROOM-BASED CHARTER SCHOOL	326.83	326.83

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA), continued
 FOR THE YEAR ENDED JUNE 30, 2020**

	Second Period Report	Annual Report
	Certificate No. F6863A2B	Certificate No. 07E853F1
Olivet Elementary Charter School		
TK/K through Third		
Regular ADA	196.93	196.93
Total TK/K through Third	196.93	196.93
Fourth through Sixth		
Regular ADA	118.76	118.76
Total Fourth through Sixth	118.76	118.76
TOTAL CHARTER SCHOOL	315.69	315.69
CLASSROOM-BASED CHARTER SCHOOL		
Classroom-based TK/K through Third		
Regular ADA	194.16	194.16
Total Classroom-based TK/K through Third	194.16	194.16
Classroom-based Fourth through Sixth		
Regular ADA	111.72	111.72
Total Classroom-based Fourth through Sixth	111.72	111.72
TOTAL CLASSROOM-BASED CHARTER SCHOOL	305.88	305.88
Piner-Olivet Charter School		
Seventh through Eighth		
Regular ADA	200.41	200.41
Total Seventh through Eighth	200.41	200.41
TOTAL CHARTER SCHOOL	200.41	200.41
CLASSROOM-BASED CHARTER SCHOOL		
Classroom-based Seventh through Eighth		
Regular ADA	199.15	199.15
Total Classroom-based Seventh through Eighth	199.15	199.15
TOTAL CLASSROOM-BASED CHARTER SCHOOL	199.15	199.15

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA), continued
 FOR THE YEAR ENDED JUNE 30, 2020**

	Second Period Report	Annual Report
	Certificate No. 5E452917	Certificate No. 0ECFD643
Northwest Prep Charter School		
Seventh through Eighth		
Regular ADA	40.96	40.96
Total Seventh through Eighth	40.96	40.96
Ninth through Twelfth		
Regular ADA	61.83	61.83
Total Ninth through Twelfth	61.83	61.83
TOTAL CHARTER SCHOOL	102.79	102.79
CLASSROOM-BASED CHARTER SCHOOL		
Classroom-based Seventh through Eighth		
Regular ADA	33.57	33.57
Total Classroom-based Seventh through Eighth	33.57	33.57
Classroom-based Ninth through Twelfth		
Regular ADA	39.52	39.52
Total Classroom-based Ninth through Twelfth	39.52	39.52
TOTAL CLASSROOM-BASED CHARTER SCHOOL	73.09	73.09

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2020**

School District

Grade Level	Minutes Requirement	2019-20 Actual Instructional Minutes*	2019-20 Planned Number of Days	2019-20 Actual Number of Days	Number of Days Certified Closed due to COVID-19*	Status
Kindergarten	36,000	50,415	180	132	48	Complied
Grade 1	50,400	54,240	180	132	48	Complied
Grade 2	50,400	54,240	180	132	48	Complied
Grade 3	50,400	54,240	180	132	48	Complied
Grade 4	54,000	54,240	180	132	48	Complied
Grade 5	54,000	54,240	180	132	48	Complied
Grade 6	54,000	54,240	180	132	48	Complied

*On July 8, 2020 the District certified that the district school site was closed from March 17, 2020 to May 28, 2020 for a total of 48 instructional days due to COVID-19. The planned minutes covered by the COVID-19 School Closure Certification were included in the actual minutes column but were not actually offered due to the COVID-19 school closure.

Morrice Schaefer Charter School

Grade Level	Minutes Requirement	2019-20 Actual Instructional Minutes*	2019-20 Planned Number of Days	2019-20 Actual Number of Days	Number of Days Certified Closed due to COVID-19*	Status
Kindergarten	36,000	50,415	180	132	48	Complied
Grade 1	50,400	54,240	180	132	48	Complied
Grade 2	50,400	54,240	180	132	48	Complied
Grade 3	50,400	54,240	180	132	48	Complied
Grade 4	54,000	54,240	180	132	48	Complied
Grade 5	54,000	54,240	180	132	48	Complied
Grade 6	54,000	54,240	180	132	48	Complied

*On July 2, 2020 the District certified that Morrice Schaefer Charter School was closed from March 17, 2020 to May 28, 2020 for a total of 48 instructional days due to COVID-19. The planned minutes covered by the COVID-19 School Closure Certification were included in the actual minutes column but were not actually offered due to the COVID-19 school closure.

Olivet Elementary Charter School

Grade Level	Minutes Requirement	2019-20 Actual Instructional Minutes*	2019-20 Planned Number of Days	2019-20 Actual Number of Days	Number of Days Certified Closed due to COVID-19*	Status
Kindergarten	36,000	50,415	180	132	48	Complied
Grade 1	50,400	54,240	180	132	48	Complied
Grade 2	50,400	54,240	180	132	48	Complied
Grade 3	50,400	54,240	180	132	48	Complied
Grade 4	54,000	54,240	180	132	48	Complied
Grade 5	54,000	54,240	180	132	48	Complied
Grade 6	54,000	54,240	180	132	48	Complied

*On July 8, 2020 the District certified that Olivet Elementary Charter School was closed from March 17, 2020 to May 28, 2020 for a total of 48 instructional days due to COVID-19. The planned minutes covered by the COVID-19 School Closure Certification were included in the actual minutes column but were not actually offered due to the COVID-19 school closure.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME, continued
 FOR THE YEAR ENDED JUNE 30, 2020**

Piner-Olivet Charter School

Grade Level	Minutes Requirement	2019-20 Actual Instructional Minutes*	2019-20 Planned Number of Days	2019-20 Actual Number of Days	Number of Days Certified Closed due to COVID-19*	Status
Grade 7	54,000	54,310	180	132	48	Complied
Grade 8	54,000	54,310	180	132	48	Complied

*On July 16, 2020 the District certified that Piner-Olivet Charter School was closed from March 17, 2020 to May 28, 2020 for a total of 48 instructional days due to COVID-19. The planned minutes covered by the COVID-19 School Closure Certification were included in the actual minutes column but were not actually offered due to the COVID-19 school closure.

Northwest Prep Charter School

Grade Level	Minutes Requirement	2019-20 Actual Instructional Minutes*	2019-20 Planned Number of Days	2019-20 Actual Number of Days	Number of Days Certified Closed due to COVID-19*	Status
Grade 7	54,000	65,300	180	132	48	Complied
Grade 8	54,000	65,300	180	132	48	Complied
Grade 9	64,800	65,300	180	132	48	Complied
Grade 10	64,800	65,300	180	132	48	Complied
Grade 11	64,800	65,300	180	132	48	Complied
Grade 12	64,800	65,300	180	132	48	Complied

*On July 8, 2020 the District certified that Northwest Prep Charter School was closed from March 17, 2020 to May 28, 2020 for a total of 48 instructional days due to COVID-19. The planned minutes covered by the COVID-19 School Closure Certification were included in the actual minutes column but were not actually offered due to the COVID-19 school closure.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2020**

	2021 (Budget)	2020	2019	2018
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 13,139,590	\$ 15,094,834	\$ 14,088,695	\$ 14,335,247
Expenditures And Other Financing Uses	13,765,663	14,688,217	14,117,944	13,432,399
Net change in Fund Balance	<u>\$ (626,073)</u>	<u>\$ 406,617</u>	<u>\$ (29,249)</u>	<u>\$ 902,848</u>
Ending Fund Balance	<u>\$ 4,251,037</u>	<u>\$ 4,877,110</u>	<u>\$ 5,113,281</u>	<u>\$ 5,142,530</u>
Available Reserves*	<u>\$ 550,627</u>	<u>\$ 587,530</u>	<u>\$ 1,698,446</u>	<u>\$ 2,499,529</u>
Available Reserves As A Percentage Of Outgo	<u>4.00%</u>	<u>4.00%</u>	<u>12.03%</u>	<u>18.61%</u>
Long-term Liabilities	<u>\$ 29,066,295</u>	<u>\$ 29,764,048</u>	<u>\$ 29,302,753</u>	<u>\$ 30,737,036</u>
Average Daily Attendance At P-2***	<u>902</u>	<u>911</u>	<u>903</u>	<u>1,008</u>

The General Fund ending fund balance has decreased by \$265,420 over the past two years. The fiscal year 2020-21 budget projects a further decrease of \$626,073. For a District this size, the State recommends available reserves of at least 4% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in two of the past three years and anticipates incurring an operating deficit during the 2020-21 fiscal year. Total long-term obligations have decreased by \$972,988 over the past two years.

Average daily attendance has decreased by 97 ADA over the past two years. A decrease of 9 ADA is anticipated during the 2020-21 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

**The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

***Includes Average Daily Attendance of all schools accounted for in the General Fund of the District and excludes Average Daily Attendance of Piner-Olivet and Northwest Prep Charter Schools, which are accounted for separately in special revenue funds.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Postemployment Benefits
June 30, 2020, annual financial and budget report fund balance	\$ 4,877,110	\$ 9,821	\$ 645,902
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Fund balance transfer (GASB 54)	655,723	(9,821)	(645,902)
Net adjustments and reclassifications	655,723	(9,821)	(645,902)
June 30, 2020, audited financial statement fund balance	<u>\$ 5,532,833</u>	<u>\$ -</u>	<u>\$ -</u>

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2020**

Charter #	Charter School	Status	Included in Audit Report
0098	Piner-Olivet Charter School	Active	Yes
0526	Northwest Prep Charter School	Active	Yes
1439	Morrice Schaefer Charter School	Active	Yes
1440	Olivet Elementary Charter School	Active	Yes

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Northwest Prep at Piner-Olivet	Piner-Olivet Charter School	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds
ASSETS							
Cash and investments	\$ 463,726	\$ 719,161	\$ 93,637	\$ 327,600	\$ 933	\$ 760,708	\$ 2,365,765
Accounts receivable	142,041	212,596	52,596	-	-	-	407,233
Due from other funds	2,229	-	106,830	-	-	10,002	119,061
Total Assets	\$ 607,996	\$ 931,757	\$ 253,063	\$ 327,600	\$ 933	\$ 770,710	\$ 2,892,059
LIABILITIES							
Accrued liabilities	\$ 47,795	\$ 484,671	\$ 474	\$ -	\$ -	\$ -	\$ 532,940
Due to other funds	212,933	-	250,000	-	-	2,454	465,387
Unearned revenue	-	1,891	-	-	-	-	1,891
Total Liabilities	260,728	486,562	250,474	-	-	2,454	1,000,218
FUND BALANCES							
Non-spendable	2,469	2,500	2,000	-	-	-	6,969
Restricted	84,619	203,386	589	-	933	768,256	1,057,783
Committed	-	-	-	327,600	-	-	327,600
Assigned	260,180	50,247	-	-	-	-	310,427
Unassigned	-	189,062	-	-	-	-	189,062
Total Fund Balances	347,268	445,195	2,589	327,600	933	768,256	1,891,841
Total Liabilities and Fund Balance	\$ 607,996	\$ 931,757	\$ 253,063	\$ 327,600	\$ 933	\$ 770,710	\$ 2,892,059

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	Northwest Prep at Piner-Olivet	Piner-Olivet Charter School	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds
REVENUES							
LCFF sources	\$ 1,011,262	\$ 1,798,772	\$ -	\$ -	\$ -	\$ -	\$ 2,810,034
Federal sources	36,492	55,733	153,948	-	-	-	246,173
Other state sources	87,303	156,556	10,475	-	-	-	254,334
Other local sources	8,568	41,353	45,963	6,462	18	71,800	174,164
Total Revenues	1,143,625	2,052,414	210,386	6,462	18	71,800	3,484,705
EXPENDITURES							
Current							
Instruction	755,834	1,410,142	-	-	-	-	2,165,976
Instruction-related services							
School site administration	221,768	402,335	-	-	-	-	624,103
Pupil services							
Food services	-	-	317,217	-	-	-	317,217
All other pupil services	66,768	14,139	-	-	-	-	80,907
General administration							
All other general administration	111	4,572	-	-	-	20,353	25,036
Plant services	79,046	127,042	-	-	-	-	206,088
Facilities acquisition and maintenance	71,712	-	-	-	-	1,192,646	1,264,358
Total Expenditures	1,195,239	1,958,230	317,217	-	-	1,212,999	4,683,685
Excess (Deficiency) of Revenues							
Over Expenditures	(51,614)	94,184	(106,831)	6,462	18	(1,141,199)	(1,198,980)
Other Financing Sources (Uses)							
Transfers in	-	-	106,830	-	-	10,000	116,830
Transfers out	(10,000)	-	-	-	-	-	(10,000)
Net Financing Sources (Uses)	(10,000)	-	106,830	-	-	10,000	106,830
NET CHANGE IN FUND BALANCE	(61,614)	94,184	(1)	6,462	18	(1,131,199)	(1,092,150)
Fund Balance - Beginning	408,882	351,011	2,590	321,138	915	1,899,455	2,983,991
Fund Balance - Ending	\$ 347,268	\$ 445,195	\$ 2,589	\$ 327,600	\$ 933	\$ 768,256	\$ 1,891,841

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2020**

The Piner-Olivet Union Elementary School District was established in 1959. The District is in Santa Rosa, California. There were no changes in the boundaries of the District during the current year. The District is operating one elementary school and four charter schools.

GOVERNING BOARD

Member	Office	Term Expires
Cindy Pryor	President	December, 2022
Mardi Hinton	Vice President	December, 2022
Mindy Mohr	Clerk	December, 2020
John Way	Member	December 2020
Janae Franicevic	Member	December, 2022

DISTRICT ADMINISTRATORS

Dr. Tina Rasori*
Interim Superintendent

Felicia Koha
Chief Business Official

*Subsequent to June 30, 2020, Dr. Steve Charbonneau became Superintendent of the District.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO SUPPLEMENTARY INFORMATION
 JUNE 30, 2020**

NOTE 1 – PURPOSE OF SCHEDULES

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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2020 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2020.

	CFDA Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 916,595
Coronavirus Relief Fund (CRF)	21.019	<u>1,689</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 918,284</u>

The District has not elected to use the 10 percent de minimis indirect cost rate.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code Sections 46200 through 46208*.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

Schedule of Charter Schools

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

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION, continued
JUNE 30, 2020**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Combining Statements – Non-Major Funds

These statements provide information on the District's non-major funds.

Local Education Agency Organization Structure

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

OTHER INDEPENDENT AUDITORS' REPORTS

**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**

Independent Auditors' Report

Governing Board
Piner-Olivet Union Elementary School District
Santa Rosa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Piner-Olivet Union Elementary School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Piner-Olivet Union Elementary School District's basic financial statements, and have issued our report thereon dated March 23, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings and Questioned Costs that we consider to be significant deficiencies. (Findings #2020-001 and #2020-002)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piner-Olivet Union 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Piner-Olivet Union Elementary School District's Response to Findings

Piner-Olivet Union Elementary School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Piner-Olivet Union Elementary School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Christy White, Inc.

San Diego, California
March 23, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board
Piner-Olivet Union Elementary School District
Santa Rosa, California

Report on Compliance for Each Major Federal Program

We have audited Piner-Olivet Union Elementary School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Piner-Olivet Union Elementary School District's major federal programs for the year ended June 30, 2020. Piner-Olivet Union Elementary School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Piner-Olivet Union Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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.

Christy White, Inc.

San Diego, California
March 23, 2021

REPORT ON STATE COMPLIANCEIndependent Auditors' Report

Governing Board
Piner-Olivet Union Elementary School District
Santa Rosa, California

Report on State Compliance

We have audited Piner-Olivet Union Elementary School District's compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Piner-Olivet Union Elementary School District's state programs for the fiscal year ended June 30, 2020, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Piner-Olivet Union Elementary School District's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Piner-Olivet Union Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Piner-Olivet Union Elementary School District's compliance with those requirements.

Opinion on State Compliance

In our opinion, Piner-Olivet Union Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2020.

Procedures Performed

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

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Charter Schools	
Attendance; for charter schools	Yes
Mode of Instruction; for charter schools	Yes
Nonclassroom-Based Instruction/Independent Study; for charter schools	Yes
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Yes
Annual Instructional Minutes – Classroom Based; for charter schools	Yes
Charter School Facility Grant Program	Not applicable

We did not perform testing for independent study because total reported ADA was not material.

Christy White, Inc.

San Diego, California
March 23, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Part A</u>

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

STATE AWARDS

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

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

FINDING #2020-001: CAFETERIA CLEARING/REVOLVING BANK ACCOUNTS (30000)

Criteria: Cash receipts should be deposited into an interest-bearing account in a timely manner to maximize interest earning and to safeguard District assets

Condition: Deposits made into the clearing and revolving bank accounts were not transferred to the County Treasury in a timely manner. The District only wrote two checks from the cafeteria clearing account to the County Treasury during fiscal year 2019-20 and had approximately \$29,000 in the clearing account as of June 30, 2020.

Cause: The District has not established appropriate procedures to ensure that deposits are cleared from the cafeteria clearing and revolving bank accounts to the County Treasury in a timely manner.

Effect: The District was not earning interest on deposits held in the non-interest-bearing clearing and revolving bank accounts.

Repeat Finding: This is a repeat of Finding #2019-001.

Recommendation: The District should develop policies and procedures that require clearing and revolving bank accounts deposits to be transferred to the County Treasury account on at least a monthly basis.

Corrective Action Plan: The District CBO will review and revise the bank reconciliation process and provide additional training to staff working on clearing account deposits to the County Treasury to ensure this is performed on a monthly basis at minimum.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2020-002: CASH DISBURSEMENTS (30000)

Criteria: Authorization for purchases should be obtained and documented prior to ordering goods or services. The District should establish appropriate accounting controls over cash disbursements to ensure that payment amounts agree to the amounts on the invoices and itemized receipts are maintained as support.

Condition: During testing of cash disbursements, it was noted that two items had purchase orders dated after the invoice date. Additionally, one item was missing an itemized receipt to support the reimbursement. Finally, internal controls over “red folder” teacher purchases should be strengthened to ensure that purchases made using these funds are reviewed.

Cause: The District has not always enforced the use of purchase orders to document pre-authorization of District expenditures. Detailed reviews by someone other than the individual who processed accounts payable do not appear to always be occurring.

Effect: Employees may commit the District to paying for goods or services, when funds are not available in the budget to cover such expenditures. When effective accounting controls are not in place, accounting errors and/or improprieties are more likely to occur and not be detected in a timely manner.

Repeat Finding: This is a repeat of Finding #2019-003.

Recommendation: Employees should not commit District funds prior to obtaining a properly authorized purchase order. If a purchase order is not prepared, the Chief Business Official or Superintendent should sign the invoice, prior to issuing payment, to document that it has been approved for payment. The District should establish procedures to ensure that all payments to vendors are processed and paid at the correct amounts. The accounting controls established should require a detailed review to be performed by someone other than the individual who is responsible for processing accounts payable.

Corrective Action Plan: This District will review and revise cash disbursement procedures to ensure they include controls for authorizing purchases and a detailed review by the CBO. Additional training will be provided to staff involved in the purchasing process. The District will notify staff that all procedures around cash disbursements will be adhered to.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2020.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental Instruction
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2020.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-001: CAFETERIA CLEARING/REVOLVING BANK ACCOUNTS – 30000

Criteria: Cash receipts should be deposited into an interest-bearing account in a timely manner to maximize interest earning and to safeguard District assets

Condition: Deposits made into the clearing and revolving bank accounts were not transferred to the County Treasury in a timely manner. The District only wrote two checks from the cafeteria clearing account to the County Treasury during fiscal year 2018-19 and had more than \$70,000 in the clearing account as of June 30, 2019.

Questioned Costs: None.

Cause: The District has not established appropriate procedures to ensure that deposits are cleared from the cafeteria clearing and revolving bank accounts to the County Treasury in a timely manner.

Effect: The District was not earning interest on deposits held in the non-interest-bearing clearing and revolving bank accounts.

Recommendation: The District should develop policies and procedures that require clearing and revolving bank accounts deposits to be transferred to the County Treasury account on at least a monthly basis.

District Response: The District CBO will create a procedure outlining a timeline for reviewing bank reconciliations with an emphasis on reviewing and signing off on monthly reconciliations showing deposits were cleared to the County Treasury.

Current Status: Not implemented, see Finding #2020-001.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-002: REVOLVING ACCOUNTS – 30000

Criteria: Revolving bank account register balances should be reconciled to imprest balances on a monthly basis.

Condition: Revolving bank account register balances were not reconciled to imprest balances during fiscal year 2018-19.

Questioned Costs: None.

Cause: The District did not implement the prior year recommendation.

Effect: Errors or irregularities may occur and not be detected in a timely manner.

Recommendation: Revolving bank account register balances should be reconciled to imprest balances on a monthly basis.

District Response: The District CBO will create a written procedure outlining a timeline for reviewing bank reconciliations monthly.

Current Status: Implemented.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-003: CASH DISBURSEMENTS – 30000

Criteria: 1.) Authorization for purchases should be obtained and documented prior to ordering goods or services.. 2.) Evidence of receipt of conforming goods or services should be obtained prior to processing invoices for payment. 3.) Reimbursement claims should be reviewed for accuracy to ensure that mileage amounts claimed are calculated correctly. 4.) All districts should establish appropriate accounting controls over cash disbursements to ensure that payment amounts agree to the amounts on the invoices.

Condition: 1.) Purchase orders were not prepared on a consistent basis to document the pre-authorization of District expenditures. 2.) Payments were issued prior to obtaining documented evidence that conforming goods or services had been received. 3.) The reimbursement amount paid to one employee was for the actual mileage and not the mileage multiplied by the reimbursement rate. 4.) The current accounting controls over cash disbursement transactions are inadequate and are not designed to detect and correct errors in a timely manner. As a result, one payment to a vendor was processed based on a credit amount, and thus no payment was required. Another payment on the District's credit card account was made for current charges but the District did not utilize a \$421 credit balance that has been carried forward for months.

Questioned Costs: 1-2.) None. 3.) \$263.76 (the difference between what was paid \$579.70 and 579.70 miles X .545 per mile). 4.) \$85.98 (credit invoice \$42.99 x 2).

Cause: 1.) The District has not enforced the use of purchase orders to document pre-authorization of District expenditures. 2.) Payments were issued prior to obtaining documented evidence that goods or services had been received. 3.) The reimbursement claim was not reviewed diligently by the account technician to ensure that the mileage reimbursement claimed was accurate. 4.) The current accounting controls do not appear to require a detailed review to be performed by someone other than the individual who processed accounts payable.

Effect: 1.) Employees may commit the District to paying for goods or services, when funds are not available in the budget to cover such expenditures. 2.) Payments may be issued for goods or services which have not been received or performed. 3.) The District overpaid the employee and the District's internal controls did not detect the overpayment. 4.) When effective accounting controls are not in place, accounting errors and/or improprieties are more likely to occur and not be detected in a timely manner.

Recommendation: 1.) Employees should not commit District funds prior to obtaining a properly authorized purchase order. If a purchase order is not prepared, the Chief Business Official or Superintendent should sign the invoice, prior to issuing payment, to document that it has been approved for payment. 2.) Invoices, receipts or packing slips should be signed and dated by the individual who verified receipt of conforming goods and services. Payments should not be processed prior to obtaining such documentation. 3.) Reimbursement claims should be reviewed carefully to ensure that mileage reimbursements are calculated accurately. 4.) The District should establish procedures to ensure that all payments to vendors are processed and paid at the correct amounts. The accounting controls established should require a detailed review to be performed by someone other than the individual who is responsible for processing accounts payable.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-003: CASH DISBURSEMENTS – 30000 (continued)

District Response: The District will provide additional training to staff on the purchasing procedures. The District CBO will review current purchasing procedures to ensure they include controls for authorizing purchases, confirming goods and services were received or performed, reviews for accuracy by the accounts payable technician, and reviews by the CBO.

Current Status: Not implemented, see Finding #2020-002.

FINDING #2019-004: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS – 40000

Criteria: Education Code Section 42238.02(b)(2) requires a school district or charter school to annually submit its enrolled free and reduced-price meal eligibility, foster youth, and English learner pupil-level records for enrolled pupils to the Superintendent using the California Longitudinal Pupil Achievement Data System (CALPADS). Education Code Section 42238.02(b)(3)(B) states that the Controller shall include instructions necessary to enforce paragraph (2) in the audit required by Education Code Section 14502.1 and that the instructions shall include, but are not necessarily limited to, procedures for determining if the English learner, foster youth, and free or reduced-price meal eligible pupil counts are consistent with the school district’s or charter school’s English learner, foster youth, and free or reduced-price meal eligible pupil records.

Condition: The District reported 96 students on the CALPADS “1.18 - FRPM/English Learner/Foster Youth - Student List” report, indicated as a “No” under the “Direct Certification” column, that were only free or reduced priced meal eligible (FRPM) identified under the “NSLP Program” column, without supporting documentation, such as a Free and Reduced Price Meal eligibility application under a federal nutrition program or an alternative household income data collection form that indicates the students were eligible for the designations.

Questioned Costs: The estimated fiscal impact is \$46,216 based on the FCMAT created LCFF calculation worksheet. A summary of certified enrollment, unduplicated pupil counts, pupil count adjustments, and audited unduplicated pupil counts is presented for the District’s schools, as follows:

Cause: The District did not reconcile the Free and Reduced Price Meal eligibility applications on hand as of October 31, 2018 to the counts reported on the CALPADS “1.18 - FRPM/English Learner/Foster Youth - Student List” report, to ensure accuracy and completeness.

Effect: The District overstated the certified unduplicated local control funding formula pupil counts to the California Department of Education (CDE).

Recommendation: The District should establish procedures to ensure that counts reported on the CALPADS “1.18 - FRPM/English Learner/Foster Youth - Student List” report are supported by appropriate documentation.

	Total Enrollment	Unduplicated Eligible Free/Reduced Meal Counts	EL Funding Eligible	Total Unduplicated FRPM/EL-Eligible Count
Jack London Elementary				
Certified Pupil Counts	279	116	66	143
Audit Adjustments	0	(14)		(14)
Audited Pupil Counts	279	102	66	129
Charter Schools				
Certified Pupil Counts:				
Morisco Schaefer Charter	345	109	89	224
Northwest Prep Charter	117	57	19	62
Olivet Elementary Charter	319	147	66	161
Piner-Olivet Charter	201	93	59	115
Totals	982	496	233	562
Audit Adjustments:				
Morisco Schaefer Charter		(37)		(37)
Northwest Prep Charter		(9)		(9)
Olivet Elementary Charter		(17)		(17)
Piner-Olivet Charter		(19)		(19)
Totals	0	(82)	0	(82)
Adjusted Pupil Counts:				
Morisco Schaefer Charter	345	102	89	187
Northwest Prep Charter	117	48	19	53
Olivet Elementary Charter	319	130	66	144
Piner-Olivet Charter	201	74	59	96
Totals	982	414	233	480

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-004: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS – 40000 (continued)

District Response: The District CBO will create a procedure to reconcile all free and reduced applications to counts reported on the CALPADS 1.18 – FRPM/English Learner/Foster Youth – Student List report.

Current Status: Implemented.

FINDING #2019-005: ATTENDANCE REPORTING – 10000

Criteria: In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.

Condition: Worksheets used to calculate average daily attendance (ADA) reported on the P-2 attendance report for fiscal year 2018-19 contained calculation errors. These errors were not detected during the District’s review process.

Questioned Costs: ADA reported on the P-2 attendance report was overstated by the following amounts:

The fiscal impact from the questioned ADA is estimated at \$12,502 based on the FCMAT created LCFF calculation worksheet.

	<u>Line</u>	<u>TK/K-3</u>	<u>Grades 4-6</u>	<u>Total</u>
Special Ed NPS / LCI	A-3	<u>0.60</u>	<u>0.71</u>	<u>1.31</u>

Cause: Information reported on the P-2 attendance report was not independently traced to supporting documentation and manual calculations were not independently verified by a second employee, prior to completing the P-2 attendance report.

Effect: Errors in attendance reporting to the state occurred and were not detected by the District.

Recommendation: The District should establish procedures to ensure that attendance worksheets and the attendance reports are independently reviewed for accuracy and completeness prior to submitting the attendance reports to the state. In addition, the District should submit a revised P-2 attendance report for fiscal year 2018-19 to reflect the audited ADA reported on page 72.

District Response: The District CBO will establish procedures to ensure that attendance worksheet and reports are reviewed for accuracy and completeness prior to submission by an individual other than one responsible for completing these worksheets and reports. The District will provide additional training to all individuals involved in attendance reporting.

Current Status: Implemented.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-006: ATTENDANCE – 10000

Criteria: In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.

Condition: Weekly verification forms, which are used by teachers to document the attendance of students, were not signed by teachers and submitted to the attendance office, on a consistent basis during fiscal year 2018-19.

Questioned Costs: None. Attendance is recorded on-line in the classrooms by the teachers.

Cause: The office managers did not maintain a weekly log, to ensure that a signed weekly teacher verification form was on hand for all teachers.

Effect: There is no documented evidence that attendance was taken by teachers if signed weekly verification forms are not submitted to the attendance office.

Recommendation: The District should establish policies and procedures that require the office managers to track whether teachers submit signed weekly verification forms, perform follow-up procedures on delinquent teachers, and report those delinquent teachers to the Principals.

District Response: The District will establish procedures to ensure office managers are tracking and receiving teacher signed weekly verification forms. The District will provide additional training on attendance reporting.

Current Status: Implemented.

Agenda Item Summary

Action Item: 17.2 <i>Acceptance of the 2019-20 Measure L General Obligation Bond Fund Financial Audit Report</i>
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Regular Meeting of: April 14, 2021	Action Item	Report Format:Written
Attachment : Financial Audit Report		

Background

On November 2, 2010, Measure L, General Obligation Bonds, was authorized at a general election of the registered voters of the District. Proposition 39 has two specific requirements that are applicable to the District's general obligation bond program. The first requirement is for school district boards to provide an annual, independent financial audit of the proceeds from the sale of the bonds until all of the funds have been expended for school facilities projects. The second requirement is for school district boards to provide for an annual, independent performance audit to ensure that the bond funds have been expended only on the specific projects listed in the ballot measure.

Plan/Discussion/Detail

The 2019-20 Measure L General Obligation Bond Building Fund Financial Audit Report has been reviewed by the CBO and the Superintendent. The audit report represents fairly the financial position of the Measure L General Obligation Bond Building Fund, as of June 30, 2020. The audit report has a finding related to the Citizens' Oversight Committee (COC), stating that the COC had only one member.

The District continues its efforts to recruit applicants for the Citizens' Oversight Committee via the District website and will proactively seek COC members via Parent Square and discussions with community groups.

Fiscal Impact

None

Recommendation

Accept the audit report as presented

**PINER-OLIVET UNION ELEMENTARY SCHOOL
DISTRICT
MEASURE L BOND BUILDING FUND**

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2020**

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
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JUNE 30, 2020**

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**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 MEASURE L BOND BUILDING FUND
 INTRODUCTION AND CITIZENS' OVERSIGHT COMMITTEE MEMBER LISTING
 JUNE 30, 2020**

The Piner-Olivet Union Elementary School District was established in 1959. The District is located in Santa Rosa, California. There were no changes in the boundaries of the District during the current year. The District operates one elementary school and four charter schools.

In an election held on November 2, 2010 the voters authorized the District to issue and sell not more than \$20 million principal amount of general obligation bonds. These bonds were issued to acquire, construct and improve classrooms and facilities, expand student access to computers and technology, and provide renewable energy and related improvements to better maintain schools and reduce annual operating costs of the District.

Election of 2010, Series 2011 was issued on February 24, 2011 for \$8,033,225 with interest rates ranging from 4.00% to 5.75% and accretion rates ranging from 2.30% - 12.00%. The original issuance consisted of current interest and capital appreciation bonds. The bonds have a final maturity date of August 1, 2039.

The Citizens' Oversight Committee had the following members as of June 30, 2020:

Name	Representation
Dani Foster	Community member at large
Open	Active in a senior citizens' organization
Open	Parent or guardian of a child enrolled in the District and active in PTO
Open	Active in a bona fide taxpayers' organization
Open	Active in a business organization community located within the District
Open	Parent or guardian of a child enrolled in the District
Open	Community member at large

INDEPENDENT AUDITORS' REPORT

Measure L Citizens' Oversight Committee and
Governing Board Members of the
Piner-Olivet Union Elementary School District
Santa Rosa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure L Bond Building Fund of Piner-Olivet Union Elementary School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure L Bond Building Fund of Piner-Olivet Union Elementary School District, as of June 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1A, the financial statements present only the Measure L Bond Building Fund and do not purport to, and do not present fairly the financial position of the Piner-Olivet Union Elementary School District, as of June 30, 2020, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2021, on our consideration of the 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 specific to the Measure L Bond Building Fund. 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 the Measure L Bond Building Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report of Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have issued our performance audit dated March 23, 2021, on our consideration of the District's compliance with the requirements of Proposition 39 as it directly relates to the Measure L Bond Building Fund. That report is an integral part of our audit of the Measure L Bond Building Fund of Piner-Olivet Union Elementary School District, as of and for the year ended June 30, 2020, and should be considered in assessing the results of our financial audit.

Christy White, Inc.

San Diego, California
March 23, 2021

FINANCIAL SECTION

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2020**

ASSETS

Cash and investments	\$	933
Total Assets	\$	933

FUND BALANCES

Restricted	\$	933
Total Fund Balances		933
Total Liabilities and Fund Balances	\$	933

The accompanying notes to financial statements are an integral part of this statement.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES		
Other local sources	\$	18
Total Revenues		<u>18</u>
NET CHANGE IN FUND BALANCE		18
Fund Balance - Beginning		<u>915</u>
Fund Balance - Ending	\$	<u>933</u>

The accompanying notes to financial statements are an integral part of this statement.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Piner-Olivet Union Elementary School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

An oversight committee to the District's Governing Board and Superintendent, called the Citizens' Oversight Committee (COC), was established pursuant to the requirements of state law and the provisions of the Measure L bond. The COC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The COC provides oversight and advises the public whether the District is spending the Measure L bond funds for school capital improvements within the scope of projects outlined in the Measure L bond project list. In fulfilling its duties, the COC reviews, among other things, the District's annual performance and financial audits of Measure L activity.

The statements presented are for the individual Measure L Bond Building Fund of the District, consisting of the net construction proceeds of the Election of 2010, Series 2011 bonds Measure L as issued by the District, through the County of Sonoma, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Available” means the resources will be collectible within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

C. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

D. Interfund Balances

Receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds."

E. Accrued Liabilities

In general, 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 fund.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fund Balance

Under GASB Statement No. 54, 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 fund balance in Measure L is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

G. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

H. 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.

I. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

NOTE 2 – CASH AND INVESTMENTS

Cash as of June 30, 2020 consisted of \$933 deposited in the Sonoma County Treasury Investment Pool.

A. Policies and Practices

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

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 MEASURE L BOND BUILDING FUND
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

A. Policies and Practices (continued)

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Sonoma County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is 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.

B. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker’s Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$939 and an amortized book value of \$933. The average weighted maturity for this pool is 787 days.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 MEASURE L BOND BUILDING FUND
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2020, the pooled investments in the County Treasury were not rated.

E. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Sonoma County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2020 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 939
Total	<u>\$ 939</u>

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 3 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

B. Construction Commitments

As of June 30, 2020, the District had no commitments with respect to unfinished capital projects.

NOTE 4 – SUBSEQUENT EVENTS

General Obligation Bonds

On January 6, 2021, the District issued \$5,998,988 of General Obligation Election 2010 Series 2021 Bonds to finance the acquisition and improvement of various capital facilities of the District.

OTHER INDEPENDENT AUDITORS' REPORTS

**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**Independent Auditors' Report

Measure L Citizens' Oversight Committee and
Governing Board Members of the
Piner-Olivet Union Elementary School District
Santa Rosa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure L Bond Building Fund of Piner-Olivet Union Elementary School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Piner-Olivet Union Elementary School District's basic financial statements of the Measure L Bond Building Fund, and have issued our report thereon dated March 23, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Piner-Olivet Union Elementary School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements of the Measure L Bond Building Fund, but not for the purpose of expressing an opinion on the effectiveness of Piner-Olivet Union Elementary School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Piner-Olivet Union Elementary School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies (Finding 2020-01).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piner-Olivet Union Elementary School District's financial statements of the Measure L Bond Building Fund 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

Piner Olivet Unified School District's response to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Piner Olivet Unified School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Christy White, Inc.

San Diego, California
March 23, 2021

REPORT ON PERFORMANCEIndependent Auditors' Report

Measure L Citizens' Oversight Committee and
Governing Board Members of the
Piner-Olivet Union Elementary School District
Santa Rosa, California

Report on Performance

We have audited Piner-Olivet Union Elementary School District's compliance with the performance audit procedures described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on Piner-Olivet Union Elementary School District's Measure L Bond Building Fund for the year ended June 30, 2020, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to local school construction bonds.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of Piner-Olivet Union Elementary School District's Measure L Bond Building Fund based on our performance audit of the types of compliance requirements referred to above. We conducted our performance audit in accordance with generally accepted government auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the performance audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. An audit includes examining, on a test basis, evidence about Piner-Olivet Union Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that the evidence obtained in our performance audit provides a reasonable basis for our findings and conclusions based on our audit objectives. However, our audit does not provide a legal determination of Piner-Olivet Union Elementary School District's compliance with those requirements.

Opinion on Performance

In our opinion, Piner-Olivet Union Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the Measure L Bond Building Fund noted below for the year ended June 30, 2020.

Procedures Performed

In connection with the performance audit referred to above, we selected and tested transactions and records to determine Piner-Olivet Union Elementary School District's compliance with the state laws and regulations applicable to the Financial Audit Procedures and Performance Audit Procedures over the Measure L Bond Building Fund. Additional agreed upon procedures relating the Measure L Bond Building Fund may also be included.

The results of the procedures performed and the related results are further described in the accompanying audit procedures and results section following this Report on Performance.

Christy White, Inc.

San Diego, California
March 23, 2021

AUDIT PROCEDURES AND RESULTS SECTION

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION I – FINANCIAL AUDIT PROCEDURES AND RESULTS

Financial Statements

As mentioned in the Report on Financial Statements, we have issued an unmodified opinion over the financial statements of the Measure L Bond Building Fund as of and for the year ended June 30, 2020.

Internal Control Evaluation

We tested internal controls over financial reporting and compliance with laws, regulations, or provisions of contracts or agreements and have determined through our inquiry of management and our evaluation of District processes that no significant deficiencies were noted.

SECTION II – PERFORMANCE AUDIT PROCEDURES AND RESULTS

Facility Project Expenditures

There were no facility project expenditures for the 2019-20 fiscal year.

Personnel Expenditures

Based on review of expenditure information, we noted that there were no salaries or benefits charged to the Measure L Bond Building Fund during the fiscal year ended June 30, 2020. Audit procedures over personnel expenditures were not applicable.

Contract and Bid Procedures

There were no contracts or bids awarded in the 2019-20 fiscal year. Audit procedures over bids were not applicable.

Based on our review of overall expenditures and projects by vendor, no instances or possible indications of bid-splitting were identified. The District appears to be properly reviewing projects and applying appropriate procedures over contract and bidding procedures.

Contracts and Change Orders

There were no contracts or bids awarded in the 2019-20 fiscal year. Audit procedures over change orders were not applicable

FINDINGS AND RECOMMENDATIONS SECTION

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 MEASURE L BOND BUILDING FUND
 SCHEDULE OF FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED JUNE 30, 2020**

PART I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Non-compliance material to the financial statements?	<u>No</u>

PERFORMANCE AUDIT

Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditor’s report issued on performance for local school construction bonds:	<u>Unmodified</u>

PART II – FINANCIAL STATEMENT FINDINGS

FINDING 2020-01: CITIZENS’ OVERSIGHT COMMITTEE

Criteria: In accordance with Education Code Section 15282(a), the citizen’s oversight committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms. While consisting of a minimum of at least seven members, the citizens’ oversight committee shall be comprised as follows:

- One member shall be active in a business organization representing the business community located within the school district.
- One member shall be active in a senior citizens’ organization.
- One member shall be active in a bona fide taxpayers’ organization.
- One member shall be the parent or guardian of a child enrolled in the school district.
- One member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher school-site council.

Condition: As of June 30, 2020, the citizen’s oversight committee had only one member.

Questioned Costs: None.

Recommendation: We recommend that the District continue its efforts to recruit applicants for the citizen’s oversight committee.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

PART II – FINANCIAL STATEMENT FINDINGS (continued)

FINDING 2020-01: CITIZENS' OVERSIGHT COMMITTEE (continued)

District Response: The District has been seeking volunteers for the Citizens' Oversight Committee via the District website and has been unable to find seven members representing the required categories. The District will more proactively seek Citizens' Oversight Committee Members via newspaper advertisements, parent newsletters, and discussions with community groups.

PART III – PERFORMANCE AUDIT FINDINGS

There were no findings or recommendations related to local school construction Measure L Bond Building Fund bonds in 2019-20.

PART IV – PRIOR AUDIT FINDINGS

FINDING 2019-01: CITIZENS' OVERSIGHT COMMITTEE

Criteria: In accordance with Education Code Section 15282(a), the citizen's oversight committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised as follows:

- One member shall be active in a business organization representing the business community located within the school district.
- One member shall be active in a senior citizens' organization.
- One member shall be active in a bona fide taxpayers' organization.
- One member shall be the parent or guardian of a child enrolled in the school district.
- One member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher school-site council.

Condition: As of June 30, 2019, the citizens' oversight committee had only one member.

Questioned Costs: None.

Recommendation: We recommend that the District continue its efforts to recruit applicants for the citizen's oversight committee.

District Response: The District has been seeking volunteers for the Citizens' Oversight Committee via the District website and has been unable to find seven members representing the required categories. The District will more proactively seek Citizens' Oversight Committee Members via newspaper advertisements, parent newsletters, and discussions with community groups.

Current Status: Not implemented, see Finding 2020-01.

Agenda Item Summary

Action Item: 17.3 <i>Acceptance of the 2019-20 Measure L General Obligation Bond Fund Performance Audit Report</i>
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Regular Meeting of: April 14, 2021	Action Item	Report Format: Written
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Attachment: Performance Audit Report

Presented by: Kay Vang, CBO

Background

On November 2, 2010, Measure L, General Obligation Bonds, was authorized at a general election of the registered voters of the District. Proposition 39 has two specific requirements that are applicable to the District's general obligation bond program. The first requirement is for school district boards to provide an annual, independent financial audit of the proceeds from the sale of the bonds until all of the funds have been expended for school facilities projects. The second requirement is for school district boards to provide for an annual, independent performance audit to ensure that the bond funds have been expended only on the specific projects listed in the ballot measure.

Plan/Discussion/Detail

The 2019-2020 Measure L General Obligation Bond Building Fund Performance Audit Report has been reviewed by the CBO and the Superintendent. The audit report concluded that the District's Measure L Bond Program complied, in all material respects, with all legal requirements. The audit report has a finding related to the Citizens' Oversight Committee (COC), stating that the COC had only one member.

The District continues its efforts to recruit applicants for the Citizens' Oversight Committee via the District website and will proactively seek COC members via Parent Square and discussions with community groups.

Fiscal Impact

None

Recommendation

Accept the audit report as presented

**PINER-OLIVET UNION ELEMENTARY SCHOOL
DISTRICT
MEASURE L BOND BUILDING FUND**

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2020**

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
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JUNE 30, 2020**

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AUDIT PROCEDURES AND RESULTS SECTION

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FINDINGS AND RECOMMENDATIONS SECTION

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**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 MEASURE L BOND BUILDING FUND
 INTRODUCTION AND CITIZENS' OVERSIGHT COMMITTEE MEMBER LISTING
 JUNE 30, 2020**

The Piner-Olivet Union Elementary School District was established in 1959. The District is located in Santa Rosa, California. There were no changes in the boundaries of the District during the current year. The District operates one elementary school and four charter schools.

In an election held on November 2, 2010 the voters authorized the District to issue and sell not more than \$20 million principal amount of general obligation bonds. These bonds were issued to acquire, construct and improve classrooms and facilities, expand student access to computers and technology, and provide renewable energy and related improvements to better maintain schools and reduce annual operating costs of the District.

Election of 2010, Series 2011 was issued on February 24, 2011 for \$8,033,225 with interest rates ranging from 4.00% to 5.75% and accretion rates ranging from 2.30% - 12.00%. The original issuance consisted of current interest and capital appreciation bonds. The bonds have a final maturity date of August 1, 2039.

The Citizens' Oversight Committee had the following members as of June 30, 2020:

Name	Representation
Dani Foster	Community member at large
Open	Active in a senior citizens' organization
Open	Parent or guardian of a child enrolled in the District and active in PTO
Open	Active in a bona fide taxpayers' organization
Open	Active in a business organization community located within the District
Open	Parent or guardian of a child enrolled in the District
Open	Community member at large

INDEPENDENT AUDITORS' REPORT

Measure L Citizens' Oversight Committee and
Governing Board Members of the
Piner-Olivet Union Elementary School District
Santa Rosa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure L Bond Building Fund of Piner-Olivet Union Elementary School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure L Bond Building Fund of Piner-Olivet Union Elementary School District, as of June 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1A, the financial statements present only the Measure L Bond Building Fund and do not purport to, and do not present fairly the financial position of the Piner-Olivet Union Elementary School District, as of June 30, 2020, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2021, on our consideration of the 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 specific to the Measure L Bond Building Fund. 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 the Measure L Bond Building Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report of Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have issued our performance audit dated March 23, 2021, on our consideration of the District's compliance with the requirements of Proposition 39 as it directly relates to the Measure L Bond Building Fund. That report is an integral part of our audit of the Measure L Bond Building Fund of Piner-Olivet Union Elementary School District, as of and for the year ended June 30, 2020, and should be considered in assessing the results of our financial audit.

Christy White, Inc.

San Diego, California
March 23, 2021

FINANCIAL SECTION

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2020**

ASSETS

Cash and investments	\$	933
Total Assets	\$	933

FUND BALANCES

Restricted	\$	933
Total Fund Balances		933
Total Liabilities and Fund Balances	\$	933

The accompanying notes to financial statements are an integral part of this statement.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES		
Other local sources	\$	18
Total Revenues		<u>18</u>
NET CHANGE IN FUND BALANCE		18
Fund Balance - Beginning		<u>915</u>
Fund Balance - Ending	\$	<u>933</u>

The accompanying notes to financial statements are an integral part of this statement.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Piner-Olivet Union Elementary School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

An oversight committee to the District's Governing Board and Superintendent, called the Citizens' Oversight Committee (COC), was established pursuant to the requirements of state law and the provisions of the Measure L bond. The COC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The COC provides oversight and advises the public whether the District is spending the Measure L bond funds for school capital improvements within the scope of projects outlined in the Measure L bond project list. In fulfilling its duties, the COC reviews, among other things, the District's annual performance and financial audits of Measure L activity.

The statements presented are for the individual Measure L Bond Building Fund of the District, consisting of the net construction proceeds of the Election of 2010, Series 2011 bonds Measure L as issued by the District, through the County of Sonoma, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Available” means the resources will be collectible within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

C. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

D. Interfund Balances

Receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds."

E. Accrued Liabilities

In general, 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 fund.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fund Balance

Under GASB Statement No. 54, 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 fund balance in Measure L is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

G. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

H. 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.

I. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

NOTE 2 – CASH AND INVESTMENTS

Cash as of June 30, 2020 consisted of \$933 deposited in the Sonoma County Treasury Investment Pool.

A. Policies and Practices

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

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

A. Policies and Practices (continued)

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Sonoma County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is 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.

B. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker’s Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$939 and an amortized book value of \$933. The average weighted maturity for this pool is 787 days.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 MEASURE L BOND BUILDING FUND
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2020, the pooled investments in the County Treasury were not rated.

E. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Sonoma County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2020 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 939
Total	<u>\$ 939</u>

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 3 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

B. Construction Commitments

As of June 30, 2020, the District had no commitments with respect to unfinished capital projects.

NOTE 4 – SUBSEQUENT EVENTS

General Obligation Bonds

On January 6, 2021, the District issued \$5,998,988 of General Obligation Election 2010 Series 2021 Bonds to finance the acquisition and improvement of various capital facilities of the District.

OTHER INDEPENDENT AUDITORS' REPORTS

**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**

Independent Auditors' Report

Measure L Citizens' Oversight Committee and
Governing Board Members of the
Piner-Olivet Union Elementary School District
Santa Rosa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure L Bond Building Fund of Piner-Olivet Union Elementary School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Piner-Olivet Union Elementary School District's basic financial statements of the Measure L Bond Building Fund, and have issued our report thereon dated March 23, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Piner-Olivet Union Elementary School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements of the Measure L Bond Building Fund, but not for the purpose of expressing an opinion on the effectiveness of Piner-Olivet Union Elementary School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Piner-Olivet Union Elementary School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies (Finding 2020-01).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piner-Olivet Union Elementary School District's financial statements of the Measure L Bond Building Fund 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

Piner Olivet Unified School District's response to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Piner Olivet Unified School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Christy White, Inc.

San Diego, California
March 23, 2021

REPORT ON PERFORMANCEIndependent Auditors' Report

Measure L Citizens' Oversight Committee and
Governing Board Members of the
Piner-Olivet Union Elementary School District
Santa Rosa, California

Report on Performance

We have audited Piner-Olivet Union Elementary School District's compliance with the performance audit procedures described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on Piner-Olivet Union Elementary School District's Measure L Bond Building Fund for the year ended June 30, 2020, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to local school construction bonds.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of Piner-Olivet Union Elementary School District's Measure L Bond Building Fund based on our performance audit of the types of compliance requirements referred to above. We conducted our performance audit in accordance with generally accepted government auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the performance audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. An audit includes examining, on a test basis, evidence about Piner-Olivet Union Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that the evidence obtained in our performance audit provides a reasonable basis for our findings and conclusions based on our audit objectives. However, our audit does not provide a legal determination of Piner-Olivet Union Elementary School District's compliance with those requirements.

Opinion on Performance

In our opinion, Piner-Olivet Union Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the Measure L Bond Building Fund noted below for the year ended June 30, 2020.

Procedures Performed

In connection with the performance audit referred to above, we selected and tested transactions and records to determine Piner-Olivet Union Elementary School District's compliance with the state laws and regulations applicable to the Financial Audit Procedures and Performance Audit Procedures over the Measure L Bond Building Fund. Additional agreed upon procedures relating the Measure L Bond Building Fund may also be included.

The results of the procedures performed and the related results are further described in the accompanying audit procedures and results section following this Report on Performance.

Christy White, Inc.

San Diego, California
March 23, 2021

AUDIT PROCEDURES AND RESULTS SECTION

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION I – FINANCIAL AUDIT PROCEDURES AND RESULTS

Financial Statements

As mentioned in the Report on Financial Statements, we have issued an unmodified opinion over the financial statements of the Measure L Bond Building Fund as of and for the year ended June 30, 2020.

Internal Control Evaluation

We tested internal controls over financial reporting and compliance with laws, regulations, or provisions of contracts or agreements and have determined through our inquiry of management and our evaluation of District processes that no significant deficiencies were noted.

SECTION II – PERFORMANCE AUDIT PROCEDURES AND RESULTS

Facility Project Expenditures

There were no facility project expenditures for the 2019-20 fiscal year.

Personnel Expenditures

Based on review of expenditure information, we noted that there were no salaries or benefits charged to the Measure L Bond Building Fund during the fiscal year ended June 30, 2020. Audit procedures over personnel expenditures were not applicable.

Contract and Bid Procedures

There were no contracts or bids awarded in the 2019-20 fiscal year. Audit procedures over bids were not applicable.

Based on our review of overall expenditures and projects by vendor, no instances or possible indications of bid-splitting were identified. The District appears to be properly reviewing projects and applying appropriate procedures over contract and bidding procedures.

Contracts and Change Orders

There were no contracts or bids awarded in the 2019-20 fiscal year. Audit procedures over change orders were not applicable

FINDINGS AND RECOMMENDATIONS SECTION

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
 MEASURE L BOND BUILDING FUND
 SCHEDULE OF FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED JUNE 30, 2020**

PART I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Non-compliance material to the financial statements?	<u>No</u>

PERFORMANCE AUDIT

Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditor’s report issued on performance for local school construction bonds:	<u>Unmodified</u>

PART II – FINANCIAL STATEMENT FINDINGS

FINDING 2020-01: CITIZENS’ OVERSIGHT COMMITTEE

Criteria: In accordance with Education Code Section 15282(a), the citizen’s oversight committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms. While consisting of a minimum of at least seven members, the citizens’ oversight committee shall be comprised as follows:

- One member shall be active in a business organization representing the business community located within the school district.
- One member shall be active in a senior citizens’ organization.
- One member shall be active in a bona fide taxpayers’ organization.
- One member shall be the parent or guardian of a child enrolled in the school district.
- One member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher school-site council.

Condition: As of June 30, 2020, the citizen’s oversight committee had only one member.

Questioned Costs: None.

Recommendation: We recommend that the District continue its efforts to recruit applicants for the citizen’s oversight committee.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
MEASURE L BOND BUILDING FUND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

PART II – FINANCIAL STATEMENT FINDINGS (continued)

FINDING 2020-01: CITIZENS' OVERSIGHT COMMITTEE (continued)

District Response: The District has been seeking volunteers for the Citizens' Oversight Committee via the District website and has been unable to find seven members representing the required categories. The District will more proactively seek Citizens' Oversight Committee Members via newspaper advertisements, parent newsletters, and discussions with community groups.

PART III – PERFORMANCE AUDIT FINDINGS

There were no findings or recommendations related to local school construction Measure L Bond Building Fund bonds in 2019-20.

PART IV – PRIOR AUDIT FINDINGS

FINDING 2019-01: CITIZENS' OVERSIGHT COMMITTEE

Criteria: In accordance with Education Code Section 15282(a), the citizen's oversight committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised as follows:

- One member shall be active in a business organization representing the business community located within the school district.
- One member shall be active in a senior citizens' organization.
- One member shall be active in a bona fide taxpayers' organization.
- One member shall be the parent or guardian of a child enrolled in the school district.
- One member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher school-site council.

Condition: As of June 30, 2019, the citizens' oversight committee had only one member.

Questioned Costs: None.

Recommendation: We recommend that the District continue its efforts to recruit applicants for the citizen's oversight committee.

District Response: The District has been seeking volunteers for the Citizens' Oversight Committee via the District website and has been unable to find seven members representing the required categories. The District will more proactively seek Citizens' Oversight Committee Members via newspaper advertisements, parent newsletters, and discussions with community groups.

Current Status: Not implemented, see Finding 2020-01.

Agenda Item Summary

Action Item: 17.4 Consideration of Approval of 2020 Summer School Program
--

Regular Meeting of April 14, 2021

Action Item

Report Format: **Oral**

Attachment: None

Presented by Steve Charbonneau, Superintendent

Background

POUSD's allocation of one-time Elementary and Secondary School Emergency Relief Funds (ESSER) will allow us to start our Learning Recovery initiative in June with an in-person only Summer School program. Summer School will be held at the Jack London campus. We are prioritizing enrollment based on students with the greatest needs, relying on teacher input and examining student experience during the pandemic. The program can accommodate up to two classes per grade: TK-6, 12 students per class. Additionally, up to 15 POCS students and 25 Northwest Prep students will be invited to summer school for an opportunity to recover credits.

Summer School will run June 14th – July 9th (instructional days) with no school July 2nd. The Principal and Office Manager have workdays June 10th-11th. The teachers' workdays/training days will also fall on June 10th-11th.

Principal and Office Manager daily Schedule: 7:45-12:45 pm
Teachers' and Classified Daily Schedule: 8:00-12:30pm

Students' Daily Schedule

- 8:20am—12pm: Instruction
- 12pm "Grab and Go" Lunch and departure

Fiscal Impact

Maximum cost of \$300,000

Recommendation

District administration recommends Board approval of the summer school program as describe.

Attachment

None

Agenda Item Summary

Action Item: **17.5 Consideration of Approval of Declaration of Surplus Property with a Value of Less than \$2,500**

Regular Meeting of: April 14, 2021	Action Item	Report Format: Oral
Attachment: None		

Presented by: Dr. Steve Charbonneau, Superintendent

Background

Over the past many years, the District has purchased new curriculums that align with the Common Core Standards. This has resulted in an accumulation of old and outdated curriculum in storage.

Plan/Discussion/Detail

There are approximately 150 boxes of outdated curriculum to be discarded. These items are of no value, but the State requires that the Board declare these items as surplus with a value of less than \$2,500. Then, the District can either discard them, or donate them to charity.

Recommendation

Declare the old and outdated curriculum as surplus property with a value of less than \$2,500.

Agenda Item Summary

Action Item: 17.6 <i>Consideration of Public Session Meeting Time Change</i>
--

Regular Meeting of: April 14, 2021

Action Item

Report Format:**Oral**

Attachment: None

Presented by: Cindy Pryor, Board President

Plan/Discussion/Detail

The Governing Board will consider moving the Regular Meeting/Public Session time from 6pm to 7pm.

Recommendation

Administration recommends the board discuss approve this item.

Agenda Item Summary

Action Item: **17.7 Approval of Northwest Prep Charter School 2021-2022 Calendar**

Regular Meeting of: April 14, 2021 Action Item Report Format: **Written**

Attachment: **Northwest Prep Charter School Calendar**

Presented by: Steve Charbonneau, Superintendent

Background

According to Board Policy BP 6111 the Superintendent establishes a process by which an annual school calendar is developed. The calendar shall establish first and last day of instruction as well as school days, legal and local holidays, minimum days, and grading terms. It shall be made available to students, parents, and the public.

Issue(s)

The district is following the guidelines set forward in establishing annual school calendars in the State of California. The process included a review and alignment with district calendar and observed holidays.

Plan/Discussion/Detail

The staff is recommending the adoption of Northwest Prep 2021-2022 School Calendar (see attached).

Fiscal Impact

None

Options

Recommendation

Approve.

Agenda Item Summary

Action Item: **17.8 Approval of Piner- Olivet Charter School 2021-2022 Calendar**

Regular Meeting of: April 14, 2021

Action Item

Report Format: **Written**

Attachment: **Piner-Olivet Charter School Calendar**

Presented by: Steve Charbonneau, Superintendent

Background

According to Board Policy BP 6111 the Superintendent establishes a process by which an annual school calendar is developed. The calendar shall establish first and last day of instruction as well as school days, legal and local holidays, minimum days, and grading terms. It shall be made available to students, parents, and the public.

Issue(s)

The district is following the guidelines set forward in establishing annual school calendars in the State of California. The process included a review and alignment with district calendar and observed holidays.

Plan/Discussion/Detail

The staff is recommending the adoption of Piner-Olivet Charter School 2021-2022 School Calendar (see attached).

Fiscal Impact

None

Options

Recommendation

Approve.

PINER-OLIVET CHARTER SCHOOL

2021-2022 CALENDAR

FIRST DAY OF INSTRUCTION: August 12, 2021

LAST DAY OF INSTRUCTION: JUNE 1, 2022

2021	M	T	W	Th	F				Days of Inst.	Certificated WK days
August	2	3	4	5	6	Aug 12	School Opens/1st Day of Instruction			
	9	10	11	12	13	Aug 27	NO SCHOOL - Professional Development		14	17
	16	17	18	19	20					
	23	24	25	26	27					
	30	31								
September			1	2	3	Sept 6	NO SCHOOL - Labor Day Holiday		21	21
	6	7	8	9	10					
	13	14	15	16	17					
	20	21	22	23	24					
	27	28	29	30						
October					1	Oct 4-8	Minimum Day - (Conferences & Progress Report)			
	4	5	6	7	8	Oct. 29	End of First Trimester Minimum Day for POCS		21	21
	11	12	13	14	15					
	18	19	20	21	22					
	25	26	27	28	*29					
November	1	2	3	4	5	Nov 1	NO SCHOOL - Professional Development			
	8	9	10	11	12	Nov 11	NO SCHOOL - Veterans' Day (Observed)			
	15	16	17	18	19	Nov 22-26	NO SCHOOL - Thanksgiving Holiday Break		16	16
	22	23	24	25	26					
	29	30								
December			1	2	3	Dec 3	NO SCHOOL - Professional Development			
	6	7	8	9	10	Dec 20-31	NO SCHOOL - Winter Break		13	13
	13	14	15	16	17					
	20	21	22	23	24					
	27	28	29	30	31					
2022	3	4	5	6	7	Jan 3	NO SCHOOL - Certificated Professional Development			
January	10	11	12	13	14	Jan 17	NO SCHOOL - Martin Luther King's Day		19	20
	17	18	19	20	21					
	24	25	26	27	28					
	31									
February		1	2	3	4	Feb 14	NO SCHOOL - Lincoln's Day Observed			
	7	8	9	10	11	Feb 18	End of Second Trimester, Minimum Day for POCS			
	14	15	16	17	*18	Feb 21	NO SCHOOL - Presidents' Day Observed		17	17
	21	22	23	24	25					
	28									
March		1	2	3	4	March 18	No School Unless Needed for Emergency Closure Days			
	7	8	9	10	11	March 21-25	Spring Break			
	14	15	16	17	18					
	21	22	23	24	25				18	18
	28	29	30	31						
April					1	April 8	No School Unless Needed for Emergency Closure Days			
	4	5	6	7	8	April 18	NO SCHOOL - Professional Development			
	11	12	13	14	15	April 19	Progress Reports out		20	20
	18	19	20	21	22					
	25	26	27	28	29					
May		2	3	4	5	May 6	No School Unless Needed for Emergency Closure Days			
	9	10	11	12	13	May 9	NO SCHOOL - Professional Development			
	16	17	18	19	20	May 30	NO SCHOOL - Memorial Day Holiday		20	20
	23	24	25	26	27					
	30	31								
June			*1	2	3	June 1	Minimum Day /Last Day of Instruction			
	6	7	8	9	10	June 1	End of Third Trimester		1	2
	13	14	15	16	17	June 2	Certificated Workday			
	20	21	22	23	24					
	27	28	29	30						

- MINIMUM DAYS
- LEGAL/LOCAL HOLIDAYS
- SHORTENED WEDNESDAY
- No School - Professional Development
- No School - Certificated PD Day
- * END OF THE TRIMESTER
- No School Unless Needed for Emergency Closure Days

TOTAL DAYS OF INSTRUCTION **180** **185**

Board Approved:
D.O. Staff/Calendar 21-22

Agenda Item Summary

Action Item: 17.9 Consideration to Rescind the Reduction of Certificated Services (1 F.T.E.) Music Teacher for the 2021-2022 School Year

Regular Meeting of: April 14, 2021

Action Item

Report Format:

Attachment: None

Presented by: Kay Vang, CBO

Background

Due to the need to make budgetary reductions, the District eliminated a 1.0 FTE Music Teacher position during the March 10, 2021 board meeting. However, POUSD's allocation of one-time Elementary and Secondary School Emergency Relief Funds (ESSER II) will allow us to continue to employ existing staff for FY21/22.

Fiscal Impact

\$95,000

Recommendation

Administration recommends the Board approve the rescinding of this position.

Agenda Item Summary

Action Item: **17.10 Approval of Resolution # 549 A Commitment to Returning Students to In-Person Learning by the First Day of School Year 2021-2022**

Regular Meeting of: April 14, 2021 Action Item Report Format: Oral

Attachment: **Correspondence, Resolution**

Presented by: Dr. Charbonneau, Superintendent

Background

At the Board's request, administration has compiled Resolution #549 so that the Board may publicly assert its commitment for POUSD students to return to in person learning in August 2021.

Recommendation

Administration recommends the Board discuss and approve Resolution #549.

Resolution No. 549

A Commitment to Returning Students to In-Person Learning by the First Day of School Year 2021-22

WHEREAS: As a result of the ongoing COVID-19 pandemic, public schools have been closed to in-person learning since March 16, 2020; and

WHEREAS: We recognize the educators who have put in endless hours of effort to develop curriculum, staff have worked tirelessly to support our students and families, the parents and caregivers who have juggled simultaneously working and supporting distance learning, and students, who have displayed incredible resilience; and

WHEREAS: Nonetheless, in-person learning has historically been and remains the most effective form of whole-child learning for the majority of students because it allows them to explore ideas and dynamic social situations among their peers, teachers and friends; and

WHEREAS: We are increasingly concerned about the rising rates of mental health challenges among Piner-Olivet Union School District's children during this year of distance learning; and

WHEREAS: Between September 2020 and February 2021, Sonoma County experienced high rates of COVID-19 cases and deaths as a result of the pandemic, but thankfully at present the County is experiencing a dramatic decline in community transmission rates; and

WHEREAS: COVID-19 has not affected all communities in Sonoma County equally, and Black and Latinx neighborhoods have disproportionately suffered during the pandemic; and

WHEREAS: President Biden has announced that the U.S. will have enough vaccine supply for all adults to be vaccinated by May; and

WHEREAS: We are heartened that Sonoma County has made COVID-19 vaccinations available to teachers and school site staff, and that as vaccination availability and options increase, that most school-based staff will have had the opportunity to be vaccinated by the first day of the 2021-22 academic school year; and

WHEREAS: We remain committed to following Sonoma County Department of Public Health and state health directives applicable to in-person learning that outline mitigation and safety measures; and

WHEREAS: The Piner-Olivet Union School District serves approximately 1,230 students across 5 school sites and its mission is to provide each and every student the quality instruction and equitable support required to thrive in the 21st century;

THEREFORE BE IT RESOLVED: All POUUSD students will have the option to return to full-time in-person school as of the first day of the 2021-22 academic school year, assuming public health guidelines allow;

FURTHER BE IT RESOLVED: That District staff shall work in collaboration with the labor partners representing our educators and other staff, as well as site-based educators and other staff, families and key stakeholders, to plan for full-time in-person return;

BE IT FURTHER RESOLVED: That POUUSD shall adhere to the public health guidelines that we anticipate will be in place in the fall, assuming that COVID-19 community transmission rates continue to decline, and shall also include backup plans that adhere to anticipated public health guidelines in the event that community transmission rates;

FURTHER BE IT RESOLVED: POUUSD will collaborate with public health authorities and others as necessary to educate and communicate clearly and regularly with students, families and teachers about the science behind vaccines and their impact on reducing the risk of COVID-19, so that all members of the school community are empowered with accurate and timely public health information that drive reopening decisions;

BE IT FURTHER RESOLVED: That remote learning shall be considered an option for any student who cannot return to in-person learning for medical reasons, as well as for students who may benefit from remote learning for social-emotional or academic reasons, or because of other factors;

FURTHER BE IT RESOLVED: Identify additional educational and social emotional learning supports shall prioritize the needs of foster youth, homeless students, students at risk of neglect or abuse, English learners, low-income students, students with disabilities, Black, Latinx, Asian and Pacific Islander, and Indigenous students;

BE IT FURTHER RESOLVED: POUUSD pledges to seek and prioritize funding to allow

the district to allocate significant school site support for counseling, behavior, and other forms of wrap-around support for students returning to the classroom;

FURTHER BE IT RESOLVED: Our firm intention to ensure all students are able to attend full-time, 5 days a week, in-person learning on the first day of school, August 12, 2021, and POUSD will continue to bring students back to in-person learning as possible this Spring.

PASSED AND ADOPTED this day, April 14, 2021

President of the Board of Trustees of the
Piner-Olivet Union School District

ATTEST:

Clerk of the Board of Trustees of the
Piner-Olivet Union School District

4/8/21

Agenda Item Summary

Action Item: **17.11 *Ratification of Closed Session Action for the Addendum to Memorandum of Understanding Dated April 1, 2021 between the District and Piner-Olivet Educators' Association Regarding the COVID-19 Pandemic and School Reopening During the 2020-2021 School Year***

Special Meeting of: April 14, 2021

Action Item

Report Format:

Attachment:

Presented by: Dr. Steve Charbonneau, Superintendent

Background

The District and the Piner-Olivet Educators' Association agreed to the COVID-19 pandemic and school reopening MOU dated April 1, 2021. The Board will review the addendum to the MOU between POEA and POUSD dated April 1, 2021.

Plan/Discussion/Detail

To take effect, the Governing Board must approve the Addendum to the MOU in closed session and then ratify that action in open session

Recommendation

Ratify closed session action.

Memorandum of Understanding
Between
Piner-Olivet Union School District
And
Piner-Olivet Educators' Association

April 12, 2021

In light of unit members having the opportunity to be vaccinated as of April 7, 2021:

- 1) This Memorandum of Understanding ("MOU") shall serve as an addendum to the parties' April 1, 2021 MOU for reopening.
- 2) The following staggered reentry approach (see table below) will be followed for reopening for in-person instruction as long as Sonoma County does not revert to the Purple Tier. Should Sonoma County revert to the Purple Tier prior to May 3, 2021, the staggered reentry approach documented within the agreement dated April, 1 2021 will stand.

3) Return to In-Person Instruction: Phases


- a) The physical re-entry of the groups/grade-level spans will be staggered. In order to optimize a safe and orderly return to in-person Social-Emotional Learning (SEL) and core instruction, our re-entry schedule is in the table below.

Phase	1	2	3	4	5	6
	SDC	Grades TK/K	Grades 1-3	Grades 4-6	Grades 7-8 POCS	Grades 7-12 NWP
Date of Return	April 12	April 26	May 3	May 10	May 17	May 17

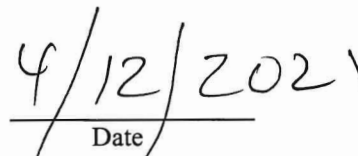
Signatures:



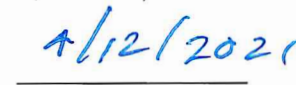
Jack Potter, Lead Negotiator



Dr. Steve Charbonneau, Superintendent



Date



Date

**PINER-OLIVET UNION SCHOOL DISTRICT
3450 COFFEY LANE
SANTA ROSA, CA 95403
REGULAR MEETING – GOVERNING BOARD MINUTES
MARCH 10, 2021**

1. CALL TO ORDER

The regular meeting of the Governing Board of the Piner-Olivet Union School District was called to order at 5:05 p.m., Wednesday, March 10, 2021, conducted remotely as a Zoom meeting ID 85779112572 President, Cindy Pryor, presided.

2. ROLL CALL

Governing Board

Cindy Pryor, President PRESENT
Mindy Mohr, Vice-President PRESENT
Janae Franicevic, Clerk PRESENT
Mardi Hinton, Member PRESENT
Tony Roehrick, Member PRESENT

Staff

Dr. Steve Charbonneau, Superintendent and
Secretary to the Board
Felicia Koha, Chief Business Official
Cathy Manno, Executive Secretary

3. PUBLIC COMMENT ON CLOSED SESSION AGENDA

Ms. Pryor announced that items to be discussed in Closed Session were issues regarding personnel and collective bargaining. Certificated employee advocated to keep the music program. Piner-Olivet USD parent asked the Board to keep the community needs in mind when they are in negotiations and closed session.

4. ADJOURNMENT TO CLOSED SESSION

The meeting adjourned to Closed Session at 5:14p.m.

5. CLOSED SESSION

5.1 With respect to every item of business discussed in closed session pursuant to Gov. Code Section 54957:

5.1.1 PUBLIC EMPLOYMENT DISCIPLINE/DISMISSAL/RELEASE

(No additional information required)

5.1.2 PUBLIC EMPLOYMENT-EMPLOYMENT/APPOINTMENT

Title: Principal, Chief Business Official (CBO), Teacher

5.1.3 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Superintendent

5.2 With respect to every item of business discussed in closed session pursuant to Gov. Code Section 54957.6:

5.2.1 CONFERENCE WITH LABOR NEGOTIATOR

Name of Agency Negotiator: Dr. Steve Charbonneau

Name of organization representing employees: Piner-Olivet Educators' Association, CTA Affiliate

5.2.2 CONFERENCE WITH LABOR NEGOTIATOR

Name of Agency Negotiator: Dr. Steve Charbonneau

Name of organization representing employees: Piner-Olivet Classified Association, CSEA Affiliate

5.2.3 CONFERENCE WITH LABOR NEGOTIATOR

Name of Agency Negotiator: Dr. Steve Charbonneau

Name of organization unrepresented employees: Confidential, Supervisory, Administrative Staff

6. RECONVENE TO PUBLIC MEETING

The meeting reconvened to Open Session at 6:14p.m.

7. REPORT OF CLOSED SESSION ACTION, IF ANY

Ms. Pryor commented that during Closed Session, the Board discuss, and action was taken to approve resolution #546 to release temporary certificated employees and action was taken on action items later in the meeting.

8. FLAG SALUTE (Suspended during virtual meetings)

9. A.GENDA MODIFICATIONS

Ms. Koha pulled Action Item 17.9 Acceptance of the 2019-2020 District Audit Report.

10. COMMUNICATIONS, PETITIONS AND DELEGATIONS

Certificated employee, and POUSD parents commented on how vital the music program is for our students and advocated to keep the music program.

11. COMMENTS FROM THE GOVERNING BOARD.

Ms. Hinton encouraged supporting POEF to raise funds to help support our school programs. She asked that we think about what we can do as a whole district to raise money. Dr. Roehrick acknowledge the hard work our teachers are doing every day.

12. RECOGNITION OF EXCELLENCE

There were none.

13. SUPERINTENDENT’S REPORT

13.1 Announcements

Dr. Charbonneau gave an update on the district’s efforts to provide our staff the opportunity to be vaccinated before we reopen. Dr. Charbonneau commented that we are one of 11 public school districts to have submitted a Cal Osha” COVID Prevention Plan” for reopening to County Public Health (CPH) for their approval.

14. ASSOCIATION REPORTS

14.1 POEA

Ms. Zavala commented on the Associations recent activities.

14.2 POCA

There were none.

15. BOARD POLICIES

Ms. Hinton moved to approve AR 0430-Comprehensive Local Plan for Special Education, BP/AR 1312.3 Uniform Complaint Procedures, BP/AR 5113.2 Work Permits, BP/AR 5141.31 Immunizations, BP/AR 5148.3 Preschool/Early Childhood Education, AR 6146.2 Certificate of Proficiency/High School Equivalency, BP 6170.1 Transitional Kindergarten, BB 9012-Board Member Electronic Communications, BB 9320 -Meetings and Notices, seconded by Ms. Franicevic, Dr. Roehrick commented that the changes to these existing policies are regarding new law and new regulations.

Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick – aye

First Reading of BP/AR 5126 Awards for Achievement, BP/E 6146.2 Certificate of Proficiency/High School Equivalency.

Ms. Hinton commented that BP/AR 5126 Awards for Achievement, BP/E 6146.2 Certificate of Proficiency/High School Equivalency will be on the next agenda for approval.

16. DISCUSSION/INFORMATION ITEMS

There were none.

17. ACTION ITEMS

17.1 Consideration of and Possible Action on Resolution # 547 Regarding Certificated Reduction in Force (1.0 FTE – Layoff)

Dr. Roehrick moved to ratify Resolution # 547 regarding Certificated Reduction in Force (1.0 FTE – Layoff) seconded by Ms. Hinton, all aye.

Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick - aye

17.2 Consideration of and Possible Action on Resolution # 548 Regarding Reduction/Elimination of Classified Employee Services (1.0 FTE – Layoff)

Ms. Hinton moved to ratify Resolution # 548 regarding Reduction/Elimination of Classified Employee Services (1.0 FTE – Layoff) seconded by Ms. Franicevic, all aye.

Dr. Roehrick commented that Dr. Charbonneau informed the Governing Board in closed session that the district has negotiated with POCA/CSEA the effects of this layoff.

Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick - aye

17.3 Approval of Declaration of Need for Fully Qualified Educators

The Declaration of Need for Fully Qualified Educators was approved as presented on the motion by Ms. Hinton, seconded by Ms. Mohr, all aye.

Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick - aye

17.4 Approval of the 2021-2022 School Year Calendar

The 2021-2022 School Year Calendar was approved with the first day of instruction on August 12, 2021 and last day of instruction on June 1, 2022, Winter Break from December 20, 2021 through December 31, 2021 Spring Break March 21, 2022 through March 25, 2022 on the motion of Ms. Hinton, and seconded by Ms. Mohr, all aye.

Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick - aye

17.5 Approval of Nominations to the California School Boards Association Delegate Assembly
Ms. Hinton, moved to nominate Omar Medina to the California Boards Association Delegate Assembly, seconded by, Ms. Franicevic, all aye.
Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick – aye

17.6 Approval of Request for Proposals Issuance-Construction Services Management Firm
The Request for Proposals Issuance-Construction Services Management Firm was approved as presented on the motion of Dr. Roehrick, seconded by Ms. Mohr, all aye.
Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick - aye

17.7 Approval of the Second Interim Financial Report and Accompanying Budget Updates for the Piner-Olivet Union School District, Northwest Prep Charter School, Olivet Charter School, the Piner-Olivet Charter School and Schaefer Charter School
Ms. Koha shared highlight of the Second Interim. Ms. Koha commented the report shows that the Piner-Olivet USD and all four charter schools are in a positive financial certification. The Second Interim Financial Report and accompanying budget updates for the District and all four charter schools was approved as presented on the motion of Ms. Franicevic, seconded by Ms. Mohr, all aye.
Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick – aye

17.8 Approval of Job Description for Supervisor of Information Technology Services and Salary Schedule
The job description for Supervisor of Information Technology Services and Salary Schedule was approved as presented. on the motion of Ms. Franicevic, seconded by Ms. Hinton, all aye.
Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick – aye

17.9 Approval of the 2019-2020 Audit Finding Corrective Action
Item 17.9 was pulled by Ms. Koha.

18. CONSENT ITEMS

The following consent items were approved with on the motion of Ms. Hinton, seconded by Dr. Roehrick, all aye.
Roll call vote: Janae Franicevic- aye, Ms. Hinton- aye, Ms. Mohr- aye, Ms. Pryor- aye, Dr. Roehrick – aye

- 18.1 The minutes of the regular Board meeting held February 10, 2021,
- 18.2 The Personnel Action Report,
- 18.3 The vendor warrants, and
- 18.4 The Routine Budget Updates

19. ROUND TABLE COMMENTS FROM THE GOVERNING BOARD

20. DATES AND FUTURE AGENDA ITEMS

The next regular board meeting -April 14, 2021.
Ms. Hinton would like to add action item regarding Public Session time.

21. PUBLIC COMMENT ON CLOSED SESSION

There was no Closed Session.

22. RECESS TO CLOSED SESSION

23. RECONVENE TO PUBLIC MEETING

24. REPORT OF CLOSED SESSION ACTION NOT ON THE ACTION AGENDA

25. ADJOURNMENT

The meeting adjourned at 7:23p.m.

Respectfully submitted,

Dr. Steve Charbonneau
Secretary to the Board

APPROVED:

Janae Franicevic, Clerk of the Board

**PINER-OLIVET UNION SCHOOL DISTRICT
3450 COFFEY LANE
SANTA ROSA, CA 95403
SPECIAL MEETING – GOVERNING BOARD MINUTES
March 18, 2021**

1. CALL TO ORDER

The special meeting of the Governing Board of the Piner-Olivet Union School District was called to order at 6:03 p.m., March 18, 2021, conducted remotely as a Zoom meeting ID 87994473619. President, Cindy Pryor, presided.

2. ROLL CALL

Governing Board

Cindy Pryor, President PRESENT
Mindy Mohr, Vice-President PRESENT
Janae Franicevic, Clerk PRESENT
Mardi Hinton, Member PRESENT
Tony Roehrick, Member PRESENT

Staff

Dr. Steve Charbonneau, Superintendent and
and Secretary to the Board
Felica Koha, Chief Business Official
Cathy Manno, Executive Secretary

3. ADENDA MODIFICATION

There were none.

4. COMMUNICATIONS, PETITIONS AND DELEGATIONS

There were none.

5. ACTION ITEMS

5.1 Approval of the Chief Business Official Contract (CBO)

Dr. Charbonneau commented that the district has found a great candidate for the CBO position. He is excited to present the contract to the Board and is happy to answer any questions. There were none. Dr. Roehrick and Ms. Hinton thanked Dr. Charbonneau for the opportunity to part of the interview process. Dr. Roehrick and Ms. Hinton commented that they are very excited about the candidate and feel that this individual will be a great asset to the district. The approval of the Chief Business Official (CBO) Contract was approved as presented on the motion of Dr. Roehrick, seconded by Ms. Hinton, all aye. The Governing Board welcome Dr. Kay Vang to the district and thank Ms. Koha for her service to the district.

6. ADJOURNMENT

The meeting adjourned at 6:11 pm.

Respectfully submitted,

Dr. Steve Charbonneau
Secretary to the Board

APPROVED:

Janae Franicevic, Clerk of the Board

Piner-Olivet Union School District

TO: Board of Trustees

PERSONNEL ACTION REPORT

Meeting of: April 14, 2021

Information Assignment Recommendation Cost To Budget Additional

Type of Appointment

Effective

Funding Source

Salary

Assignment

Name

Kay Vang

CBO

Step 12

General Ed

March 29, 2021

New Hire

District

Acknowledge

0

VENDOR WARRANTS

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
1825049	03/04/2021	Aaction Rents	01-4380	2020/21 Open PO -Supplies	103.05	
			09-4380	2020/21 Open PO -Supplies	1.55-	101.50
1825050	03/04/2021	Anova Center of Education	01-5810	SPED/ NPS 2020/21 - LJ	4,162.28	
				SPED/ NPS 2020/21 - TR	2,203.56	
				SPED/ NPS 2020/21 - TS	4,525.26	10,891.10
1825051	03/04/2021	AT&T Mobility	01-5900	Mobile Phone for Maint Supervisor		84.16
1825052	03/04/2021	Bill's Lock & Safe Service	01-4380	Rekey, Key Copy and Lock Repair Services 2020/21		110.00
1825053	03/04/2021	BWS Distributors Inc	01-4370	Custodial Supplies 2020/21 Per Site	14.20	
			04-4370	Custodial Supplies 2020/21 Per Site	5.99	
			05-4370	Custodial Supplies 2020/21 Per Site	5.99	
			09-4370	Custodial Supplies 2020/21 Per Site	4.78	30.96
1825054	03/04/2021	City Of Santa Rosa	01-5530	City Water Acct# 021026 2020/21 -JL	213.43	
				City Water Acct# 023537 2020/21 - NWP	334.10	
			05-5530	City Water Acct# 026852 2020/21 SCH	391.52	
			09-5530	City Water Acct# 023537 2020/21 - NWP	179.90	1,118.95
1825055	03/04/2021	Fulwider Outdoor Power Equip	01-5630	Work at DO	28.23	
			05-5630	Work at Schaefer	79.50	107.73
1825056	03/04/2021	Hitmen Termite & Pest Control	01-5630	Rodent & Yellow Jacket Control @ JL	120.00	
				Rodent & Yellow Jacket Control @ NWP	55.00	175.00
1825057	03/04/2021	Kelly Moore Paint Co	01-4380	Paint & Paint Supplies for 20/21		91.92
1825058	03/04/2021	Kenwood Lumber & Hardware	01-4380	2020/21 Open PO all sites		231.39
1825059	03/04/2021	KYOCERA Document Solutions Northern California, Inc	04-5632	Copier Maintenance Contract -Olivet-Staff Rm	411.16	
				Copier Maintenance Contract-Olivet Office	84.68	
			04-6500	TASKalfa 7003i - Olivet	12,432.51	
			05-5632	Copier Maintenance Contract-Schaefer Office	679.19	13,607.54
1825060	03/04/2021	Mead Clark	01-4380	Maint Supplies for all sites 2020/21		1,493.90
1825061	03/04/2021	Shell Wex Bank	01-4362	Fuel for trucks 2020/21		515.96
1825062	03/04/2021	Staples Inc.	01-4310	COVID - Hotspots & data	108.99	
				Data Hot Spot	1,263.24	
			04-4310	COVID - Hotspots & data	108.99	
				Data Hot Spot	1,524.60	
			05-4310	COVID - Hotspots & data	108.99	
				Data Hot Spot	1,568.16	4,682.97
1826034	03/11/2021	Joshua B Woodlander dba 1stWave Interactive	01-5830	District Website		2,250.00
1826035	03/11/2021	CASBO	01-5202	Online Courses	270.00	

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
1826035	03/11/2021	CASBO	04-5202	Online Courses	270.00	
			05-5202	Online Courses	270.00	810.00
1826036	03/11/2021	Fagen Friedman & Fulfroost LLP	01-5823	2020/21 Legal Services		760.50
1826037	03/11/2021	Rowan F. Emmert dba Fred The Phone Man	01-5630	District Office Phone Line		100.00
1826038	03/11/2021	Friedman's Home Improvement	01-4380	Open Maintenance Supplies 20/21	94.91	
			09-4380	Open Maintenance Supplies 20/21	16.56	111.47
1826039	03/11/2021	Frontline Tech Group LLC	01-5202	Escape Accounts Payable Certification	232.00	
			04-5202	Escape Accounts Payable Certification	232.00	
			05-5202	Escape Accounts Payable Certification	231.00	695.00
1826040	03/11/2021	Hardware Tech Inc	01-4380	NWP Room 25 door replacement		5,880.00
1826041	03/11/2021	HelloSign	01-4340	Digital Signature	1,960.70	
			04-4340	Digital Signature	1,430.78	
			05-4340	Digital Signature	1,430.78	
			09-4340	Digital Signature	476.94	5,299.20
1826042	03/11/2021	Kelly Moore Paint Co	01-4380	Paint & Paint Supplies for 20/21		138.67
1826043	03/11/2021	Northwest Prep Cash Revolving	09-5890	Clear to impress		24.00
1826044	03/11/2021	Office Depot	01-4311	Open PO for Classroom Supplies JL 2020-21	120.81	
			05-4311	Open PO for Classroom Supplies Schaefer 2020-21	175.49	296.30
1826045	03/11/2021	Pacific Gas & Electric	01-5510	Acct #0532988800-1 Olivet/NWP/VC/DO/SCH	76.64	
			01-5520	Acct #0532988800-1 Olivet/NWP/VC/DO/SCH	319.65	
			04-5510	Acct #0532988800-1 Olivet/NWP/VC/DO/SCH	459.68	
			04-5520	Acct #0532988800-1 Olivet/NWP/VC/DO/SCH	2,366.60	
			05-5510	Acct #0532988800-1 Olivet/NWP/VC/DO/SCH	1,617.58	
			05-5520	Acct #0532988800-1 Olivet/NWP/VC/DO/SCH	832.71	
			09-5510	Acct #0532988800-1 Olivet/NWP/VC/DO/SCH	41.27	
			09-5520	Acct #0532988800-1 Olivet/NWP/VC/DO/SCH	20.58	5,734.71
1826046	03/11/2021	Piner-Olivet USD	01-5890	Clear to impress		24.20
1826047	03/11/2021	Quadient Leasing USA, Inc Dept 3682	01-4350	Postage Meter Lease & Supplies	82.95	
			01-5950	Postage Meter Lease & Supplies	382.17	465.12

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE
Page 2 of 5

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
1826048	03/11/2021	Reliable Hardware & Steel	04-4370	Open PO for Custodial Parts & Services 2020/21		175.14
1826049	03/11/2021	YMCA	01-5630	Stryker Fire & Security June thru Aug 2019		10,025.00
1826050	03/11/2021	Weeks Drilling & Pump Co Inc	01-5630	NWP Water System Service	84.50	
			09-5630	NWP Water System Service	45.50	130.00
1827134	03/18/2021	Walker, Monique T	05-4310	Reim. MOU		141.69
1827135	03/18/2021	Lewis, Tiffany A	05-4310	Reim. MOU		486.28
1827136	03/18/2021	Nguyen-Kramer, Trang	01-4310	Reim. MOU		354.91
1827137	03/18/2021	AT&T	01-5900	Calnet3 Billing / AT&T		1,415.87
1827138	03/18/2021	Bill's Lock & Safe Service	01-4380	Rekey, Key Copy and Lock Repair Services 2020/21		190.00
1827139	03/18/2021	CCIS	04-5202	audit training for independent study	179.10	
			09-5202	audit training for independent study	417.90	597.00
1827140	03/18/2021	CDW Government Inc	01-4310	Chromebook order for district	14,574.51	
			04-4310	Chromebook order for district	17,589.94	
			05-4310	Chromebook order for district	18,092.51	50,256.96
1827141	03/18/2021	D & S Awards, LLC	01-5880	3 Woodgrain Plates - Engraved		58.86
1827142	03/18/2021	Glacier Springs	09-4390	Water Delivery on regular basis 2020/21		38.00
1827143	03/18/2021	Hitmen Termite & Pest Control	01-5630	Weed Control for all sites 2020-21(Yearly Cost)	2,275.00	
			09-5800	Weed Control for all sites 2020-21(Yearly Cost)	685.00	2,960.00
1827144	03/18/2021	McLea's Tire & Automotive Svs	01-4380	Truck and Tractor Repair	381.13	
			01-5630	Truck and Tractor Repair	209.90	591.03
1827145	03/18/2021	Office Depot	01-4311	Open PO for Classroom Supplies JL 2020-21	53.84	
			01-4350	Open PO for District Office Supplies - 2020-21	76.29	
			05-4311	Open PO for Classroom Supplies Schaefer 2020-21	151.53	281.66
1827146	03/18/2021	PACE Supply Corp.	09-4380	Open PO for Maintenance Supplies 2020/21		278.44
1827147	03/18/2021	PresenceLearning, Inc.	01-5830	SLP Services & Assessments Contracted 2020-21		1,374.00
1827148	03/18/2021	Quadient Leasing USA, Inc Dept 3682	01-4350	Postage Meter Lease & Supplies	15.48	
			01-5950	Postage Meter Lease & Supplies	71.34	86.82
1827149	03/18/2021	Recology Sonoma Marin	01-5560	Waste Bin Monthly Charges 20/21 all site	562.65	
			04-5560	Waste Bin Monthly Charges 20/21 all site	451.20	
			09-5560	Waste Bin Monthly Charges 20/21 all site	157.20	1,171.05

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ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
1827150	03/18/2021	Roberts Mechanical & Elect Inc	01-5630	Services for 2020/2021	1,114.47	
			09-5630	Services for 2020/2021	519.00	1,633.47
1827151	03/18/2021	Redwood Ped Therapy Assoc	01-5811	SPED P.T. Services for District 20/21		39.23
1827152	03/18/2021	Specialized Ed. of Calif.Inc. dba Sierra School of So County	01-5810	SPED/ NPS 2020/21 - MC		1,462.23
1827153	03/18/2021	Sonoma Media Investments	01-5825	Registration Ad		1,485.37
1827154	03/18/2021	Weeks Drilling & Pump Co Inc	01-5630	NWP Water System Service	244.33	
				Olivet Water System Service	350.00	
			09-5630	NWP Water System Service	131.56	725.89
1827155	03/18/2021	Energy Endeavors dba Westcoast Solar Energy	01-5830	Solar System Annual Service		8,000.00
1828086	03/25/2021	Aeries Software, Inc. dba Eagle Software	01-5202	Aeries Training	1,200.00	
			05-5202	Aeries Training	300.00	
			09-5202	Aeries Training	150.00	1,650.00
1828087	03/25/2021	Alpha Analytical Labs, Inc.	01-5830	Well Water Testing - 2020-21 NWP	83.20	
				Well Water Testing - 2020/21 Olivet	82.00	
			09-5830	Well Water Testing - 2020-21 NWP	44.80	210.00
1828088	03/25/2021	Business Card	01-5202	Exc. Sec. Credit Card 2020-2021		400.00
1828089	03/25/2021	City Electric Supply	01-4380	Open PO by Site 2020/21	48.77	
			09-4380	Open PO by Site 2020/21	3.94	52.71
1828090	03/25/2021	California's Valued Trust	01-9574	April 2021	9,154.88	
				March 2021	9,154.88	
			01-9575	April 2021	2,583.36	
				March 2021	2,561.28	23,454.40
1828091	03/25/2021	Health First Training	01-5860	AHA Heartsaver First Aid CPR AED Training		1,138.50
1828092	03/25/2021	Nicholas Pavelka dba iRelevant Media	01-5830	Website Video		3,000.00
1828093	03/25/2021	Julia Crosby Vazquez	01-5830	Educational Fund 03 01.01.19-06.30.21		312.72
1828094	03/25/2021	Mead Clark	01-4380	Maint Supplies for all sites 2020/21		90.23
1828095	03/25/2021	Pacific Gas & Electric	01-5510	Acct #8210388297-1 - Jack London 80% & POCS 20%	907.95	
			01-5520	Acct #8210388297-1 - Jack London 80% & POCS 20%	20.70	928.65
1828096	03/25/2021	Piner-Olivet USD	01-4390	Petty Cash - Jack London		210.63
1828097	03/25/2021	Riverside Assessments, LLC dba Riverside Insights	01-4310	Psychologist Materials		1,362.13
1828098	03/25/2021	The Standard Insurance Co.	01-9576	March 2021		200.10
1828099	03/25/2021	West County Transportation	01-5830	Special Ed Transportation		26,461.03
Total Number of Checks					67	199,262.25

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
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Fund Summary

<u>Fund</u>	<u>Description</u>	<u>Check Count</u>	<u>Expensed Amount</u>
01	General Fund	59	131,743.14
04	Olivet Charter School	11	37,722.37
05	Schaefer Charter School	15	26,562.92
09	Charter School Fund	18	3,233.82
Total Number of Checks		67	199,262.25
Less Unpaid Sales Tax Liability			.00
Net (Check Amount)			<u>199,262.25</u>

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
1825063	03/04/2021	CDW-G	03-4310	Chromebooks	17,998.88	
				Large chromebook order	35,517.78	53,516.66
1825064	03/04/2021	City Of Santa Rosa	03-5530	City Water Acct# 021026		142.29
1825065	03/04/2021	Hitmen Termite & Pest Control	03-5630	Yellow Jacket, Rodent & Roach Abatement Services		80.00
1827156	03/18/2021	Hitmen Termite & Pest Control	03-5630	Weed Control 2020-21 (Yearly Cost)		410.00
1827157	03/18/2021	Piner-Olivet Charter School	03-5890	Clear to impress		36.40
1827158	03/18/2021	Recology Sonoma Marin	03-5560	POCS Portion of Waste 20/21		180.48
1828100	03/25/2021	Aeries Software, Inc. dba Eagle Software	03-5202	Aeries Conference		150.00
1828101	03/25/2021	Bill's Lock And Safe Service	03-4380	Rekey & Copy Services 2020/21		190.00
1828102	03/25/2021	Fishman Supply	03-4370	Open-Cleaning and PPE Supplies COVID		849.24
1828103	03/25/2021	Pacific Gas & Electric	03-5510	8775983334-3 & 20% of 88297-1 Gas & Electric Chgs	235.22	
			03-5520	8775983334-3 & 20% of 88297-1 Gas & Electric Chgs	609.56	844.78
5395395	03/31/2021	Bailey Cahill Cancelled on 03/31/2021	Cancelled			1,271.47 *
Total Number of Checks					11	57,671.32

	Count	Amount
Cancel	1	1,271.47
Net Issue		<u>56,399.85</u>

Fund Summary

Fund	Description	Check Count	Expensed Amount
03	General Fund/charter School	10	56,399.85
	Total Number of Checks	10	56,399.85
	Less Unpaid Sales Tax Liability		.00
	Net (Check Amount)		<u>56,399.85</u>

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

BUDGET UPDATES

Effective 03/26/2021

Fiscal Year 2021

Account	Description	From	To
JE # BR21-00153 01-0000-0-1110-1000-3401-104-0000	JE Trans Date 03/26/2021 JE Posted 03/26/2021 Comment FD 01 LT Disability H & W Benefits,Instruction,Regular Educati,Not Required		25,000.00
		Net increase to Appropriations	25,000.00
		Total for Org 043	25,000.00
Org 043 Net <Decrease> in Estimated Fund Balance	25,000.00-		Net increase to Appropriations

Effective					Fiscal Year	
Account	Description			From	To	
JE #	JE Trans Date	JE Posted	Comment			

Total for Org

Piner-Olivet Union School District

Williams Settlement

Quarterly Uniform Complaint Report Summary

Education Code §35186(d): A school district shall report summarized data on the nature and resolution of all complaints on a quarterly basis to the county superintendent of schools and the governing board of the school district. The summaries shall be publicly reported on a quarterly basis at a regularly scheduled meeting of the governing board of the school district. The report shall include the number of complaints by general subject area with the number of resolved and unresolved complaints. The complaints and written responses shall be available as public records.

Reporting Period:

- January 1 – March 31, 2021 April 1 – June 30, 20
 July 1 – September 30, 20 October 1 – December 31, 20

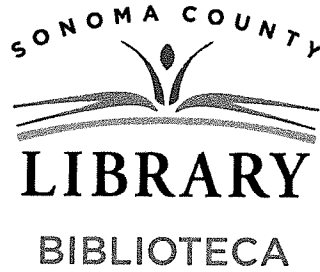
No complaints were received during the above time period.

If you received any complaints during the above time period, please complete the following table. Enter "0" in any cell that does not apply.

General Subject Area	Complaints Received	Complaints Resolved	Unresolved Complaints
Instructional Materials	0	0	0
Facilities	0	0	0
Teacher Vacancy and/or Mis-assignment	0	0	0
CAHSEE Intensive Instruction and Services	0	0	0
Total	0	0	0

Board meeting date: 4/14/2021
 Date sent to County Superintendent of Schools: 4/15/2021
 Sonoma County Office of Education
 5340 Skylane Blvd.
 Santa Rosa, CA 95403

Ann Hammond
Library Director
ahammond@sonomalibrary.org
6135 State Farm Drive
Rohnert Park, CA 94928
(707) 545-0831



LIBRARY COMMISSION

Deborah Doyle - <i>Chair</i>	Barbara Mackenzie
Thomas Haeuser - <i>Vice-Chair</i>	Sam Mulford
David Cahill	Joel Neuberg
Andy Elkind	Rachel Parker
Reece Foxen	Karen Schneider
Paul Heavenridge	

February 1, 2021

Dear School Leader:

The Sonoma County Library invites your district to participate in its revamped Student OneCard Program. As you may know, the Library issues Student OneCard accounts to all students enrolled in participating school districts, which provides additional educational resources and support for students as well as teachers. The Library wishes to invite all Sonoma County school districts to review its revamped program and the enclosed Memorandum of Understanding, which contains the details of how the program works.

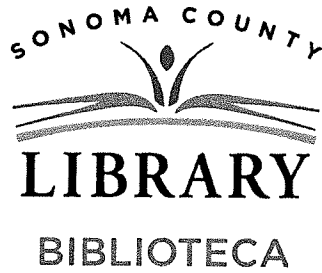
At present, the Library is concerned about lack of participation in the Program due to some school district's concerns with its request for student information necessary to create Student OneCard accounts. To address this issue, the Library now provides school districts with two options to participate in the program: a Full Access Option (access to electronic and physical Library materials), and an Electronic-Only Access Option (access to electronic materials only). The difference in these options depends upon whether school districts provide the Library with only their students' names and school ID numbers (Electronic-Only Access provided), or whether they also provide their students' home addresses (Full Access provided).

With respect to the Full Access Option, experience has taught us that the Library cannot make physical hard copy materials available to students without also having the ability to communicate with them in writings sent to their home addresses. Without such communications, the Library cannot tell students when their requested materials have arrived at a branch or when their materials are overdue. Further, without students' home addresses, the Library has no recourse when materials are lost or damaged. In short, the Library can operate effectively for lending physical materials only if it is able to communicate directly with students at their home addresses.

The Family Educational Rights and Privacy Act (FERPA) authorizes school districts to provide student names and home addresses to the Library. (See 20 U.S.C. § 1232g(a)(5)(A), (b)(1).) In turn, the Library is obligated by law to maintain the confidentiality of that information, as well as the student's use of Library resources, pursuant to Government Code section 6267. In fact, the Library's legal obligations to keep its patrons' names, addresses, and other identifying information confidential are more stringent than the laws applicable to school districts. Moreover, the Library has a strict Confidentiality of Records Policy, which also applies to

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LIBRARY COMMISSION

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Paul Heavenridge	

student and patron information it receives from any source. A copy of this policy is also included for your review.

The resources the Library makes available to students through its Student OneCard program are even more vital during these times of remote learning. The Library urges all school districts to participate in this program, and welcomes a discussion of the program and how it operates. The Student OneCard program's manager, Rachel Icaza, will be in touch with you soon. In the meantime, please do not hesitate to contact Rachel at (707) 806-7773 or via email at ricaza@sonomalibrary.org.

Sincerely,

A handwritten signature in cursive script that reads "Ann Hammond".

Ann Hammond
Library Director

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MEMORANDUM OF UNDERSTANDING FOR PARTICIPATION IN THE
SONOMA COUNTY LIBRARY'S STUDENT ONECARD PROGRAM

This Memorandum of Understanding ("MOU") is by and between the Sonoma County Library, a Joint Powers Authority public library established pursuant to Government Code section 6506, *et seq.* ("Library"), and Piner Olivet Union School District, a school district within the County of Sonoma ("School District"), for participation in the Library's Student OneCard Program.

RECITALS

1. The California Legislature has declared in Education Code section 18010 that the public library is a supplement to the formal system of free public education, and a source of information and inspiration to persons of all ages, cultural backgrounds, and economic statuses.

2. Consistent with Legislative intent, the parties to this MOU desire to improve the Library's service to students enrolled in the School District to supplement their formal education, as well as provide resources for School District teachers to utilize in teaching students, through the School District's participation in the Library's Student OneCard Program.

3. The Library created its Student OneCard Program to support student access to Library resources to satisfy their educational needs as well as provide opportunities for Library staff to support students in their studies and efforts toward graduation by assisting them with increased literacy skills, access to multi-learning resources in all academic subject areas, online homework assistance in both English and Spanish, and resources for preparation for college attendance.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

I. Student OneCard Program

The Library's Student OneCard is a special library account available to all students in grades Pre-Kindergarten through High School through their participating school districts located in the County of Sonoma. The Library creates Student OneCard accounts by using data electronically transferred from the School District's student information systems. The Library then generates Student OneCard accounts for each student, and provides those accounts to students for their use. To utilize the accounts, students must provide their Student OneCard district prefix as well as provide their School District-issued student ID number.

The special features of Student OneCards include:

- No Physical Card: There will be no physical library card issued for Student OneCard accounts; instead, students will use a prefix assigned to their School District and will access materials using that prefix plus their student ID numbers.

- Electronic Resources and Services: Student OneCards provide unlimited access to most electronic resources and services offered by the Library, including e-books, e-audio, online tutoring, and online test preparation.
- Physical Materials from Library Branches: Students may use their Student OneCards to access and check out most of the physical materials available from Library branches (this feature is only available through the Full Access Option, per Section II.A, below).
- Loan Period and Item Limits: The Student OneCard loan period for all types of materials is 3 weeks, and students may have up to 10 items checked out at a time.
- No Fines: There are no fines for overdue materials checked out on Student OneCard accounts.
- Fees: Students are responsible to pay replacement fees for lost items checked out using their Student OneCards; however, the Library will forgive up to two replacement fees for lost items per student per year.
- Materials Not Included: Student OneCards cannot be used to check out DVDs, games, streaming media (subject to change), or museum passes.
- Use In Addition to Regular Library Card: Students may hold both regular library cards as well as Student OneCards, and obtain loans of materials on each of those cards simultaneously.

II. School District Participation Options

The Library provides two options for School District to participate in the Student OneCard Program. School District shall notify Library which option it chooses prior to providing student information to the Library for issuance of the accounts. Library will issue Student OneCard accounts for each student whose name School District has provided within 30 days of receipt of that information.

The two options to participate in the Library's Student OneCard Program are as follows. School District must select a service option by checking one box, below.

- A. Full Access Option: Through the Full Access Option, Student OneCards can be used to obtain online electronic resources and services through the Library's and partnering websites, as well as physical hard copy materials from any branch of the Library. To be provided with the Full Access Option, School District must provide the Library with the names as well as the home addresses and school ID numbers of enrolled students. Release of this information to Library is authorized by law. (*See e.g.*, 20 U.S.C. § 1232g(a)(5)(A), (b)(1).)

B. Electronic-Only Access Option: Through the Electronic-Only Access Option, Student OneCards can be used only to obtain online electronic resources and services through the Library's and partnering websites; access to physical hard copy materials will not be available with this option. School Districts choose this option by solely providing the names of their enrolled students and school ID numbers to the Library. Release of this information to Library is authorized by law. (*See e.g.*, 20 U.S.C. § 1232g(a)(5)(A), (b)(1).)

III. School District Information Required to Create Student OneCard Accounts

To participate in the Student OneCard Program, School District shall provide the Library with student directory information on a quarterly basis to account for changes in enrollment (August 1, November 1, and March 1). All student directory information shall be provided in .csv format, and shall include only the following:

1. Student's Name, in "last, first" format;
2. Student's Year of Birth, in yyyy format;
3. Student's Home Address with street number, street, city, state, and zip code (necessary only for Full Access Option);
4. Student's School District-issued ID number, prefixed by School District's code [POUSD];

Aside from providing the required information in a timely manner regarding students authorized to participate in the program, and the options for parents/guardians to allow their children to participate in the program as set forth in Section V, below, School District has no additional responsibilities to support the Student OneCard Program.

IV. Confidentiality of Student Information Received by Library

The Library shall maintain all student information received from the School District as confidential, as required by Government Code section 6267 and other applicable law, and utilize it only as necessary to perform this MOU and to provide Library services to the students.

Specifically, Government Code section 6267 prohibits the Library from disclosing students' names, addresses, or their other "patron use records," unless the request for that information is made by the student (or a parent/guardian if the student is under the age of 13), or by another person so authorized in writing. The term "patron use records" includes the following: (a) any written or electronic record that is used to identify the patron student, including, but not limited to, a patron's name, address, telephone number, or e-mail address, provided in order to become eligible to borrow or use books and other materials; and (b) any written record or electronic transaction that identifies a student patron's borrowing information or use of library information resources, including, but not limited to, database search records, borrowing records, class records, and any other personally identifiable uses of library resources information requests, or inquiries. (*See Gov't Code § 6267.*)

The Library shall also comply with its Confidentiality of Records Policy, which incorporates Government Code section 6267 and related laws designed to protect the confidentiality of Library patrons' information. The Library provides its staff with periodic training on its Confidentiality of Records Policy to ensure compliance.

V. Parent/Guardian Request to Opt Out

Parents/guardians may notify the School District that they do not want their children's directory information shared by the School District. Such a notification will serve as a request to "opt-out" of their children's participation in the Student OneCard Program, and such children will not be provided with Student OneCard accounts.

Further, as required by California Education Code section 49073(d), parents/guardians of homeless children must "opt in" to allow the School District to provide their children's information to the Library.

School District shall offer parents/guardians who have generally "opted out" of the release of their children's directory information, and parents/guardians of homeless children, the ability to "opt in" to the Student OneCard program.

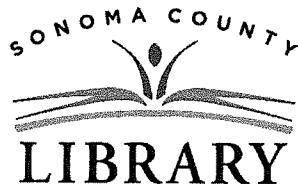
The Library shall provide forms available to the public on its website to allow parents/guardians to "opt in" or "opt out" of their children's participation in the Student OneCard Program. Such forms must be submitted to School District, which shall remove those student names from the information provided to the Library.

VI. Term and Termination

The term of this MOU shall commence on the Effective Date and shall continue indefinitely unless terminated by one of the parties in writing pursuant to a 60-day notice to terminate.

VII. Mutual Indemnification

Library and School District each agree to accept all responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless and release each other (including their respective commissioners, board members, officials, agents, employees and volunteers) from and against any and all actions, claims, damages, disabilities, or expenses that may be asserted by any person or entity, including themselves, resulting from Library or School District's own respective negligence or willful misconduct arising out of or in connection with the performance of this MOU. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this MOU. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this MOU, providing that nothing shall require either party to disclose any records which are confidential or privileged by operation of law. This indemnification provision survives any termination of this MOU.



POLICY TO PROTECT THE CONFIDENTIALITY OF PATRON INFORMATION AND RECORDS		
Policy #		Effective Date
		1/8/2019

I. POLICY STATEMENT

Because privacy is essential to free inquiry, the Sonoma County Library is committed to ensuring its patrons may select, access, and use information made available through its libraries without fear of surveillance, punishment, or judgment. The following policies and procedures are intended to allow the Library and its staff to satisfy their goal of preserving the privacy rights of Library patrons, and the confidentiality of patron information, to the fullest extent allowed by law.

II. DEFINITIONS

- A. "Registration records" includes any information the Library requires a patron to provide for the purpose of becoming eligible to borrow books and other materials, including but not limited to name, address, telephone number, and email address.
- B. "Circulation records" includes any information which identifies the patrons borrowing particular books and other materials from the Library.
- C. "Reference interviews" includes information patrons provide to Library staff for the purpose of locating particular materials or information.

III. POLICY

A. Scope

The Sonoma County Library is committed to protecting the privacy of its patrons and preserving the confidentiality of patron information and records, including but not limited to the following:

- registration records
- circulation records
- program registration and attendance
- computer registration and use history
- video and photographic records of library use
- database search records
- reference interviews
- interlibrary loan transactions

The privacy protections afforded to this information extend to all patrons, regardless of age, gender, race, religion, sexual orientation, gender identity, national origin, or immigration status.

Statistical information related to patron use of the Library, which does not identify specific patrons or allow them to be identified by the information provided, is excluded from the mandates of this policy.

B. Policy Mandates

1. Confidentiality Requirements - General

All patron information and related records maintained by the Sonoma County Library shall remain confidential and shall not be disclosed to any person, entity, or governmental agency except as follows:

- a. When the record is accessed and used by a person acting within the scope of his/her duties in conducting the business of the Library, including but not limited to Library staff and officials.
- b. When a request is made by the patron to whom the records pertain.
- c. When a request is made by a person authorized, in writing, by the patron to whom the records pertain, to inspect the records.
- d. When disclosure of the records is required by an Order or Warrant signed by a Judge of a state or federal court.

2. Confidentiality Requirements - Children

Parents, guardians, or caretakers may obtain information regarding their children's use of the library only under the following conditions:

- a. Parents, guardians or caretakers of a child under age 13 who wish to obtain access to a child's library records (including the number or titles of materials checked out, overdue or lost) must provide the child's library card or card number.
- b. Parents, guardians or caretakers of a child age 13 through 17 may be advised if materials on their child's account are overdue and how much is owed upon providing the child's library card or card number; however, titles of materials checked out and other information regarding library use will not be released.

3. Law Enforcement and Immigration Officers' Request for Patron Information

The Library and its staff shall not provide patron information to law enforcement or immigration officers unless their request for information is accompanied by a court order or warrant signed by a judge. Procedures relating to this policy mandate are set out below in Section III.C, below.

C. Procedures

1. Request for Patron Information by a Member of the Public

If a request for patron information is made by a member of the public which does not comply with the requirements of this policy allowing for release, the Library employee who received the request shall immediately refer it to the Branch Manager (or Person in Charge). The Branch Manager shall explain the terms and provisions of this policy to the person making the request in an effort to resolve the issue.

If the Branch Manager determines that legal review of a document presented by the requestor is required to determine whether information should be disclosed under this policy, the Branch manager shall inform the Library Director (or his/her designee) of the request and seek further direction.

2. Request for Patron Information by Law Enforcement or Immigration Officers

If a law enforcement or immigration officer requests Library patron information or related records, or seeks to access non-public areas of a library or its computer information, Library staff shall so notify the Library Director (or his/her designee) as soon as possible. In addition, Library staff are directed to take the following actions:

- a. Advise the officer that before proceeding with his/her request, staff must first notify and receive direction from the Library Director (or his/her designee). Ask to see, and make a copy of or note, the officer's credentials (name and badge number). Ask the officer to explain the purpose of the officer's visit, and note the response.
- b. Ask the officer to produce any documentation which authorizes Library facility access, and make copies of all documents the officer provides.
- c. Inform the officer that the Library does not voluntarily consent to allow the officer to enter the non-public areas of the Library facility, and does not voluntarily consent to provide access to any confidential information it maintains.
- d. If the officer has provided a written request for information, then comply as indicated below:
 - i. **An Order or Warrant Signed by a Judge:** Prompt compliance is usually required, though, where reasonable, staff should consult with the Library Director (or his/her designee) before responding. Search for and provide only the information identified on the face of the Order or Warrant to the officer.

If a Warrant has been issued under the USA PATRIOT Act, then the existence of the Warrant and information produced under the Warrant shall not be disclosed to any person or entity outside the Library's administration.

- ii. **Other Written Requests, Such as Subpoenas and Warrants Signed by an Immigration Agent:** Inform the officer that you will be sending the written request to the Library's Director for review, and ask to whom a response

should be sent. Thereafter, scan the request and send an email to the Library Director (or his/her designee) as soon as feasible.

- e. If the officer provides staff with a document demanding the custody of a person, such as an Arrest Warrant or a Notice to Appear, Library staff shall not provide any information nor participate in the process of serving or seizing the person.
- f. If the officer orders staff to provide immediate access to *public areas* of a library facility, staff should comply with the officer's order and immediately contact the Library Director (or his/her designee). Because an officer can access *non-public areas* of library facilities only with an Order or Warrant signed by a judge, if an officer orders staff to provide access to such *non-public areas*, then: (i) request to make a copy of the Order/Warrant; (ii) immediately contact the Library Director or Designee and forward a copy of the Order/Warrant; and (iii) ask the officer if he/she would wait until further direction is provided to staff. If the officer refuses to wait, provide the officer with the requested access and continue to seek direction from the Library Director or designee.
- g. Document the officer's actions while on library premises in as much detail as possible, but without interfering with the officer's ability to perform his/her tasks. Under no circumstances shall Library staff physically interfere with the actions of an officer, even if such actions appear outside the scope of the officer's authority.
- h. Staff should complete an incident report that includes the information gathered by the officer, as well as the officer's statements and actions, and forward the report to the Library Director (or his/her designee) as soon as is feasible.
- i. The Library Director (or his/her designee) may consult with legal counsel to determine when and to what extent the Library is required to comply with any request for information from a law enforcement officer, and whether legal action should be taken. The Director is authorized to initiate legal action to seek a resolution of the legality of any law enforcement request for information (no prior approval of the Commission is required). If a decision is made to disclose information to law enforcement authorities, the Library Director (or his/her designee) will document what information or circumstances supported making that decision.

IV. APPLICABLE LAW, RESOLUTIONS AND GUIDELINES

- California Library Services Act, California Education Code §§ 18700-18767
- California Public Records Act, California Government Code § 6267
- California Values Act, California Government Code §§ 7284, *et seq.* (SB 54, 2017-2018)
- California Attorney General's publication, October 2018: Promoting Safe and Secure Libraries for All; *Guidance and Model Policies to Assist California's Public Libraries in Responding to Immigration Issues*

- USA PATRIOT Act, Section 215, 50 U.S.C. § 1861
- Sonoma County Library Commission Resolution adopted June 4, 2018, entitled "Resolution in Support of Undocumented Residents/Immigrants/Dreamers"

V. REVISION HISTORY

Policy #	Effective Date	Significant Changes	Approved By	Previous Policy # and Date
		Addition of policy requirements relating to requests for patron information from law enforcement and immigration officers.		# 40XX; approved 10-3-2016



SCHOOL & COLLEGE LEGAL SERVICES OF CALIFORNIA

*A Joint Powers Authority
serving school and college
districts throughout the
state.*

March 24, 2021

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To: Steve Charbonneau, Superintendent
Piner-Olivet Union School District

From: Carl D. Corbin, General Counsel

Subject: RETAINER CONTINUATION AGREEMENT FOR LEGAL SERVICES

This memo invites the PINER-OLIVET UNION SCHOOL DISTRICT to continue its Retainer Agreement with SCHOOL AND COLLEGE LEGAL SERVICES OF CALIFORNIA (“SCLS”) effective July 1, 2021.

As you consider your legal service needs for the coming year, I want to be clear about our commitment to provide you with excellent services. I welcome your input on how we can best meet your needs, so please do not hesitate to call me. As a reminder SCLS is a Joint Powers of Authority (“JPA”) public agency. As such, SCLS does not make a profit. We are a school related agency just like our clients and we are also subject to the Education Code, Brown Act, etc. All of our employees are public employees just like you.

The SCLS JPA Board, comprised of some of our clients, carefully considered for the 2021-2022 school year the increase in fees necessary to address SCLS’s fiscal needs while continuing to ensure the lowest possible rates for our clients. Effective July 1, 2021, our rates will be increasing \$10 per hour. This means our retainer rate will be \$270 per hour. Many of our clients also consult or use limited services from private law firms so you know that even with our increased rate of \$270 per hour we charge generally below the private firm hourly rate. Essentially, our rates (with this increase) will have increased over approximately the past ten years at less than \$8.50 an hour per year. We believe this represents extraordinary cost containment for our clients.

I also want to emphasize that unlike many private law firms, we do not charge additional fees for secretarial time, photocopies, facsimile transmissions, on-line research costs, a flat “administrative” fee or the many other “hidden/add-on” fees associated with doing business with a private law firm, except we do charge for hotel and airline costs if necessary. If you have any questions regarding our services or fees, please do not hesitate to call me.

Please select and note your retainer amount on the Selection of Retainer Amount form. The form should be signed and returned to us along with a purchase order after the governing board has acted on it. Your district will be invoiced for the full retainer amount. In the event that your district does not use all hours originally retained, pursuant to the April 3, 2013, policy adopted by the Joint Powers Board of SCLS, the unused portion will be carried over to the next school term for one year only. If you have any questions about this or the number of hours that you should retain, please do not hesitate to call me.

We very much look forward to working with you.
Enc.

**SCHOOL AND COLLEGE LEGAL SERVICES OF CALIFORNIA
CONTRACT FEE SCHEDULE**

Effective July 1, 2021

Attorney Retainer Hours of Attorney Service	*Retainer @ \$270
30	\$ 8,100.00
60	16,200.00
120	32,400.00
180	48,600.00
200	54,000.00
300	81,000.00

Districts that wish to contract for a lesser or greater number of hours than that set forth above may do so by calculating a retainer based on the \$270.00 per hour rate and making that change in the fee schedule. Minimum level is 20 hours.

Included within the retainer fee are all of the workshops, newsletters, legal updates, and all other work we do for all clients. We do, however, charge a fee not to exceed the actual costs for facilities, meals and copy fees for materials provided at workshops.

The retainer amounts set forth above are based on a rate of \$270.00 per hour for all attorney time. In the event that your District does not use all hours originally retained, pursuant to the April 3, 2013, policy adopted by the Joint Powers Board of SCLS, the unused portion will be carried over to the next school term for one year only.

No additional fee is charged for meals while traveling to or from your district. No additional fee for secretarial time, nor for the cost of photocopies, telephone calls, or "facsimile" transmissions to or from your District. There are no postage charges for regular mail, no "administrative fee," and no on-line research costs. Set fees may be charged for formed contracts and bid documents. If required, overnight lodging and air travel costs would be charged.

Mandated costs services are based on a rate of \$270.00 per hour and do not count against the retainer, unless you specifically indicate that it be included.

Litigation services are based on a rate of \$280.00 per hour and also do not count against the retainer.

* Please designate on next page.

**SCHOOL AND COLLEGE LEGAL SERVICES OF CALIFORNIA
FEE SCHEDULE**

Effective July 1, 2021

Retainer Contract Clients

All Attorneys	\$270.00 per hour
Excess Hours over Retainer*		\$280.00 per hour
Litigation		\$280.00 per hour
Mandated Services		\$270.00 per hour
Labor Relations Coordinator		\$245.00 per hour
Paralegal/Paraprofessional		\$155.00 per hour
Law Clerk		\$120.00 per hour

Billable Contract Clients

All Attorneys	\$290.00 per hour
Litigation		\$290.00 per hour
Mandated Services		\$290.00 per hour
Labor Relations Coordinator		\$260.00 per hour
Paralegal/Paraprofessional		\$155.00 per hour
Law Clerk		\$120.00 per hour

*Not applicable to clients retaining 500 or more hours.

SELECTION OF RETAINER AMOUNT

Effective July 1, 2021

The PINER-OLIVET UNION SCHOOL DISTRICT hereby selects the following annual retainer amount effective July 1, 2021: \$ 27,000 for 100 hours of service.

- I want mandated services charged against this amount.
- I do not want mandated services charged against this amount and instead want to be separately billed for such services.

The Retainer Contract is a commitment to use specified hours at the reduced hourly rate. Should the District decide to terminate the Contract during the course of the school year (July 1, 2021, through June 30, 2022) and seek a refund of unexpended hours/dollars, it is mutually agreed that the hours used to date of termination will be re-billed at the full Billable hourly rate (\$290.00) and then any remaining dollars will be refunded to the district.

A purchase order, check or warrant for this amount is enclosed or will be delivered to SCHOOL AND COLLEGE LEGAL SERVICES OF CALIFORNIA within 30 days of the date this agreement is signed by the district representative.

By: 
Steve Charbonneau, Superintendent

Date: 4/14/2021