

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
COUNTY OF SONOMA  
SANTA ROSA, CALIFORNIA**

**AUDIT REPORT**

**JUNE 30, 2020**



WRIGHT ELEMENTARY SCHOOL DISTRICT

JUNE 30, 2020

---

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
Statement of Net Position - Fiduciary Funds	20
Notes to the Basic Financial Statements	21
<u>REQUIRED SUPPLEMENTARY INFORMATION SECTION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	53
Schedule of the Proportionate Share of the Net Pension Liability - CalSTRS	54
Schedule of the Proportionate Share of the Net Pension Liability - CalPERS	55
Schedule of Contributions - CalSTRS	56
Schedule of Contributions - CalPERS	57
Notes to Required Supplementary Information	58

WRIGHT ELEMENTARY SCHOOL DISTRICT

JUNE 30, 2020

---

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
<u>SUPPLEMENTARY INFORMATION SECTION</u>	
Organization/Board of Education/Administration	59
Combining Statements - Non-Major Funds:	
Combining Balance Sheet - Non-Major Governmental Funds	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	62
Schedule of Average Daily Attendance	64
Schedule of Average Daily Attendance - Charter School	65
Schedule of Instructional Time	66
Schedule of Instructional Time - Charter School	67
Schedule of Expenditures of Federal Awards	68
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	69
Schedule of Financial Trends and Analysis	70
Schedule of Charter Schools	71
Notes to Supplementary Information	72
<u>OTHER INDEPENDENT AUDITOR'S REPORTS SECTION</u>	
Independent Auditor's Report on State Compliance	75
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	79
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	81

WRIGHT ELEMENTARY SCHOOL DISTRICT

JUNE 30, 2020

---

TABLE OF CONTENTS (CONCLUDED)

	<u>Page</u>
<u>FINDINGS AND QUESTIONED COSTS SECTION</u>	
Schedule of Findings and Questioned Costs:	
Section I - Summary of Auditor's Results	83
Section II - Financial Statement Findings	84
Section III - Federal Award Findings and Questioned Costs	85
Section IV - State Award Findings and Questioned Costs	86
Status of Prior Year Recommendations	87



## FINANCIAL SECTION





**STEPHEN ROATCH ACCOUNTANCY CORPORATION**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Wright 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 Wright 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 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 the Wright 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 management's discussion and analysis, the budgetary comparison information, schedules of the proportionate share of the net pension liabilities, and schedules of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wright Elementary School District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

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

Other Matters (Concluded)

*Other Information (Concluded)*

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021 on our consideration of the Wright 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 the Wright 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 Wright Elementary School District's internal control over financial reporting and compliance.

*Stephen Roatch Accountancy Corporation*

STEPHEN ROATCH ACCOUNTANCY CORPORATION  
Certified Public Accountants

January 19, 2021

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

(PREPARED BY DISTRICT MANAGEMENT)

---

This section of Wright Elementary School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 through 3, and the District's financial statements, which immediately follow this section.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, presented on pages 14 and 15, provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 16 through 19, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statement provides financial information about activities for which the District acts solely as a trustee for the benefit of those outside the District.

**FINANCIAL HIGHLIGHTS**

- During March 2020, District schools were closed for the remainder of the 2019-20 school year to address health concerns related to the Covid-19 outbreak.
- The District's financial status declined over the course of the year as total net position decreased 62.3%.
- On the Statement of Activities, total current expenses exceeded total current year revenues by \$2,097,674.
- On the Statement of Revenues, Expenditures, and Changes in Fund Balances, total current year expenditures and other financing uses exceeded total current year revenues and other financing sources by \$271,723.
- Net capital assets increased \$794,324, due to the current year acquisition and/or construction of \$265,115 of new capital assets and the current year recognition of \$1,059,439 of depreciation expense.
- Total long-term liabilities decreased \$107,899 due primarily to a decrease in the net pension liabilities associated with the District's participation in the CalSTRS and CalPERS pension plans.
- The District's P-2 total average daily attendance (ADA) decreased from 1,409 ADA in fiscal year 2018-19 down to 1,383 ADA in fiscal year 2019-20, a decrease of 26 ADA or 1.8%.
- The District maintains sufficient reserves for a district its size. It meets the state required minimum reserve for economic uncertainty of 3% of total General Fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2019-20, General Fund expenditures and other financing uses totaled \$20,272,518. At June 30, 2020, the District had available reserves of \$3,874,800 in the General Fund, which represents a reserve of 19.1%.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

(PREPARED BY DISTRICT MANAGEMENT)

---

**THE FINANCIAL REPORT**

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and management's discussion and analysis. 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 and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements comprise the remaining statements.
  - ❖ Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
  - ❖ Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data, and explain some of the information in the statements. The required supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's budget for the year is included.

**Reporting the District as a Whole**

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health (net position) can be measured by the difference between the District's assets and liabilities.

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

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

(PREPARED BY DISTRICT MANAGEMENT)

---

**THE FINANCIAL REPORT (CONCLUDED)**

Reporting the District as a Whole (Concluded)

In the Statement of Net Position and the Statement of Activities all amounts presented represent governmental activities, since the District does not provide any services that should be categorized as business-type activities

The basic services provided by the District, such as regular education, special education, and administration, are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition are also included here, but are financed by a combination of local revenues, and state and federal programs.

Reporting the District's Most Significant Funds

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

*Governmental Funds:*

The major governmental funds of Wright Elementary School District are the General Fund, Bond Interest and Redemption Fund, and County School Facilities Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

*Fiduciary Funds:*

The District is the trustee, or fiduciary, for its student activity funds. All of the District's fiduciary activities are reported in a separate fiduciary statement. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

(PREPARED BY DISTRICT MANAGEMENT)

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

The District's total net position decreased from \$5,031,569 at June 30, 2019, down to \$3,369,564 at June 30, 2020, a decrease of 62.3%.

<b><u>Comparative Statement of Net Position</u></b>		
	Governmental Activities	
	2019	2020
<u>Assets</u>		
Deposits and Investments	\$ 9,552,832	\$ 7,972,125
Receivables	1,206,642	2,705,354
Stores Inventory	9,002	8,998
Capital Assets, net	<u>26,816,427</u>	<u>26,022,103</u>
Total Assets	<u>37,584,903</u>	<u>36,708,580</u>
<u>Deferred Outflows of Resources</u>		
Pension Deferrals	<u>4,936,077</u>	<u>4,288,692</u>
<u>Liabilities</u>		
Current	1,859,506	2,855,177
Long-term	<u>36,386,169</u>	<u>35,470,380</u>
Total Liabilities	<u>38,245,675</u>	<u>38,325,557</u>
<u>Deferred Inflows of Resources</u>		
Pension Deferrals	<u>905,741</u>	<u>1,399,825</u>
<u>Net Position</u>		
Net Investment in Capital Assets	10,641,806	10,048,704
Restricted for Other	1,036,472	2,654,390
Restricted for Debt Service (Deficit)	(2,040,480)	(1,739,371)
Unrestricted (Deficit)	<u>(6,268,234)</u>	<u>(9,691,833)</u>
Total Net Position	<u>\$ 3,369,564</u>	<u>\$ 1,271,890</u>
<i>Table includes financial data of the combined governmental funds</i>		

The restricted for debt service deficit balance primarily reflects that the obligation for accumulated accreted interest on the District's outstanding capital appreciation bonds currently exceeds the amount available in the Bond Interest and Redemption Fund.

The unrestricted deficit balance is due primarily to the requirement for the District to record a liability in the financial statements to reflect the District's proportionate share of the net pension liabilities related to its participation in the CalSTRS and CalPERS pension plans.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

(PREPARED BY DISTRICT MANAGEMENT)

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)**

The District's total current year expenses exceeded total current year revenues by \$2,097,674.

	Governmental Activities	
	2019	2020
<b><u>Comparative Statement of Changes in Net Position</u></b>		
<u>Program Revenues</u>		
Charges for Services	\$ 100,233	\$ 74,049
Operating Grants & Contributions	3,694,795	3,028,654
<u>General Revenues</u>		
Taxes Levied	7,021,107	7,344,200
Federal & State Aid	10,503,336	9,960,112
Interest & Investment Earnings	195,045	173,632
Transfers from Other Agencies	156,698	288,163
Miscellaneous	603,558	605,555
<b>Total Revenues</b>	<b>22,274,772</b>	<b>21,474,365</b>
<u>Expenses</u>		
Instruction	14,390,212	14,037,948
Instruction-Related Services	1,638,788	1,612,121
Pupil Services	3,391,945	3,356,635
General Administration	1,761,435	1,966,400
Plant Services	1,761,075	1,604,409
Ancillary Services	159,359	151,790
Interest on Long-Term Debt	783,084	797,966
Other Outgo	50,879	44,770
<b>Total Expenses</b>	<b>23,936,777</b>	<b>23,572,039</b>
<b>Changes in Net Position</b>	<b>\$ (1,662,005)</b>	<b>\$ (2,097,674)</b>

*Table includes financial data of the combined governmental funds*



**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

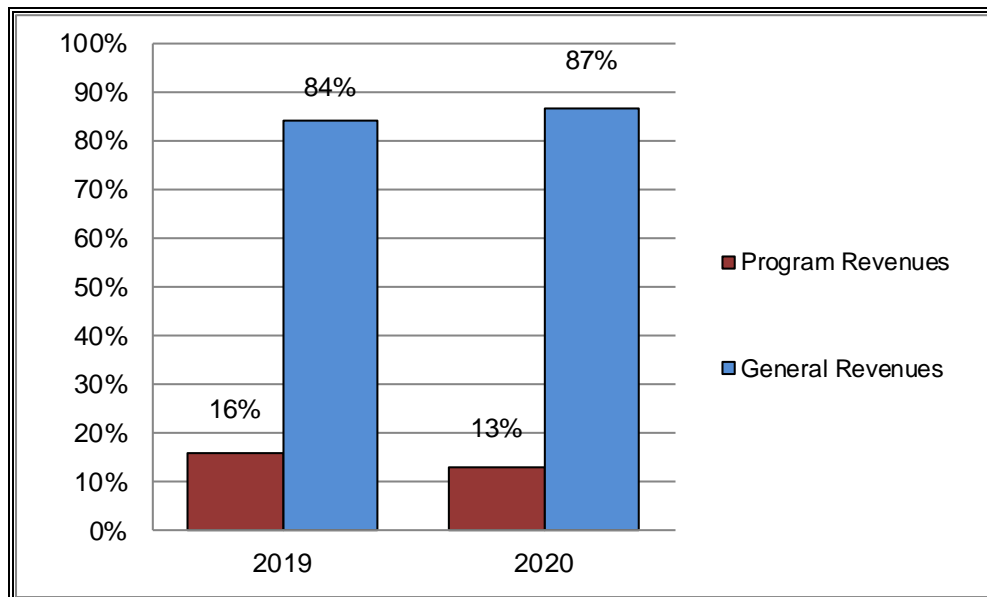
(PREPARED BY DISTRICT MANAGEMENT)

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)**

	Total Cost of Services		Net Cost of Services	
	2019	2020	2019	2020
Instruction	\$ 14,390,212	\$ 14,037,948	\$ 12,269,647	\$ 12,218,140
Instruction-Related Services	1,638,788	1,612,121	1,474,869	1,480,965
Pupil Services	3,391,945	3,356,635	2,074,058	2,269,897
General Administration	1,761,435	1,966,400	1,606,115	1,908,810
Plant Services	1,761,075	1,604,409	1,730,870	1,600,037
Other Expenses	993,322	994,526	986,190	991,487
<b>Totals</b>	<b>\$ 23,936,777</b>	<b>\$ 23,572,039</b>	<b>\$ 20,141,749</b>	<b>\$ 20,469,336</b>

*Table includes financial data of the combined governmental funds*

The table above presents the cost of major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The \$20,469,336 net cost represents the financial burden that was placed on the District's general revenues for providing the services listed.



In 2019-20, program revenues financed 16% of the total cost of providing the services listed above, while the remaining 84% was financed by the general revenues of the District.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

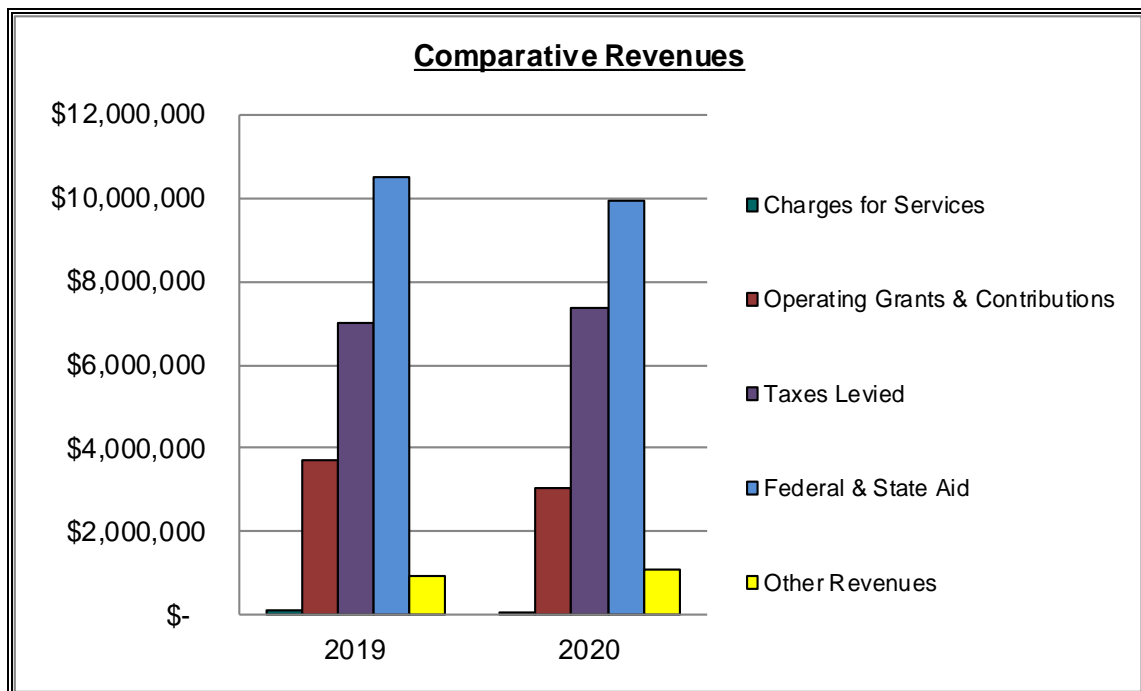
(PREPARED BY DISTRICT MANAGEMENT)

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)**

**Schedule of Revenues For Governmental Functions**

	<u>FYE 2019 Amount</u>	<u>Percent of Total</u>	<u>FYE 2020 Amount</u>	<u>Percent of Total</u>
<b><u>Program Revenues</u></b>				
Charges for Services	\$ 100,233	0.45%	\$ 74,049	0.34%
Operating Grants & Contributions	3,694,795	16.59%	3,028,654	14.10%
<b><u>General Revenues</u></b>				
Taxes Levied	7,021,107	31.52%	7,344,200	34.20%
Federal & State Aid	10,503,336	47.15%	9,960,112	46.38%
Other Revenues	955,301	4.29%	1,067,350	4.97%
<b>Total Revenues</b>	<b>\$ 22,274,772</b>	<b>100.00%</b>	<b>\$ 21,474,365</b>	<b>100.00%</b>

*Table includes financial data of the combined governmental funds*



**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

(PREPARED BY DISTRICT MANAGEMENT)

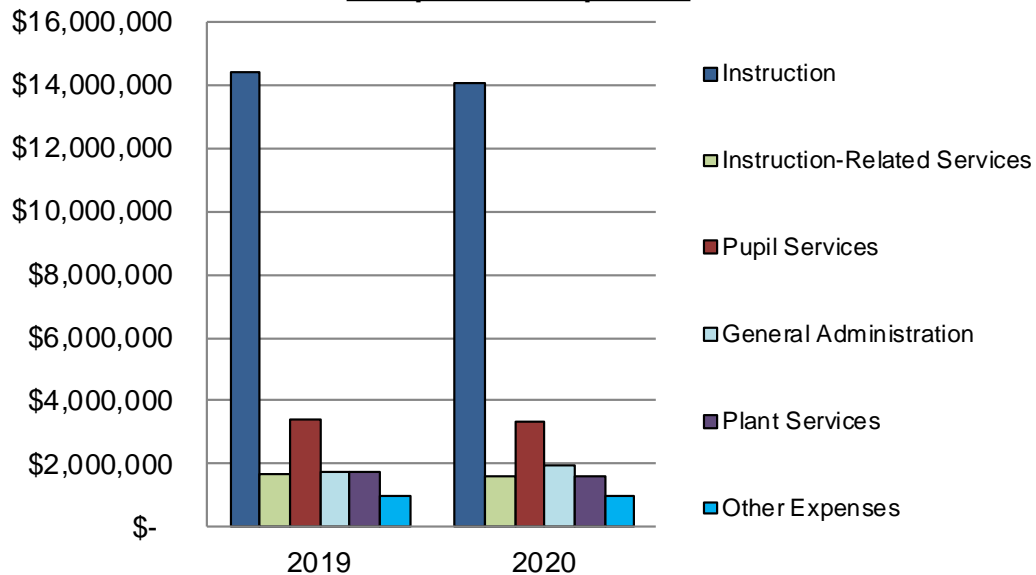
**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)**

**Schedule of Expenses For Governmental Functions**

<u>Expenses</u>	<u>FYE 2019 Amount</u>	<u>Percent of Total</u>	<u>FYE 2020 Amount</u>	<u>Percent of Total</u>
Instruction	\$ 14,390,212	60.12%	\$ 14,390,212	60.12%
Instruction-Related Services	1,638,788	6.85%	1,638,788	6.85%
Pupil Services	3,391,945	14.17%	3,391,945	14.17%
General Administration	1,761,435	7.36%	1,761,435	7.36%
Plant Services	1,761,075	7.36%	1,761,075	7.36%
Other Expenses	993,322	4.15%	993,322	4.15%
<b>Total Expenses</b>	<b>\$ 23,936,777</b>	<b>100.00%</b>	<b>\$ 23,936,777</b>	<b>100.00%</b>

*Table includes financial data of the combined governmental funds*

**Comparative Expenses**



**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

(PREPARED BY DISTRICT MANAGEMENT)

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONCLUDED)**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2020</u>
	Land	\$ 5,909,800
Sites and Improvements	3,544,301	3,544,301
Buildings and Improvements	32,867,000	33,857,815
Furniture and Equipment	336,763	336,763
Construction-in-Progress	725,700	0
Subtotals	43,383,564	43,648,679
Less: Accumulated Depreciation	(16,567,137)	(17,626,576)
Capital Assets, net	<u>\$ 26,816,427</u>	<u>\$ 26,022,103</u>

Net capital assets increased \$794,324, due to the current year acquisition and/or construction of \$265,115 of new capital assets and the current year recognition of \$1,059,439 of depreciation expense.

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2020</u>
	Compensated Absences	\$ 88,058
General Obligation Bonds	19,588,528	19,764,462
Termination Benefits	36,522	17,247
Net Pension Liabilities	16,938,197	16,657,903
Totals	<u>\$ 36,651,305</u>	<u>\$ 36,543,406</u>

Total long-term liabilities decreased \$107,899 due primarily to a decrease in the net pension liabilities associated with the District's participation in the CalSTRS and CalPERS pension plans. The general obligation bonds are financed by local taxpayers and represent 54.1% of the District's total long-term liabilities. All other long-term liabilities are financed by the General Fund and Cafeteria Fund and represent 45.9% of total long-term liabilities. The District has satisfied all of its debt service requirements for its bonded debt and continues to maintain an excellent credit rating on its current debt issues. The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

(PREPARED BY DISTRICT MANAGEMENT)

**FINANCIAL ANALYSIS OF DISTRICT'S FUNDS**

<b><u>Comparative Schedule of Fund Balances</u></b>			
	Fund Balances June 30, 2019	Fund Balances June 30, 2020	Increase (Decrease)
General	\$ 4,927,778	\$ 3,970,743	\$ (957,035)
Bond Interest & Redemption	1,559,212	2,236,143	676,931
County School Facilities	1,625,443	1,598,884	(26,559)
Deferred Maintenance	191,330	184,752	(6,578)
Cafeteria	280,627	64,338	(216,289)
Building	609	0	(609)
Capital Facilities	361,624	535,279	173,655
Capital Projects - Special Reserve	413,877	498,638	84,761
Totals	\$ 9,360,500	\$ 9,088,777	\$ (271,723)

The fund balance of the General Fund decreased \$957,035 during fiscal year 2019-20, and the combined fund balances of other District governmental funds increased \$685,312.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May Revise figures, and updated 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim to reflect the most current financial information available at that point in time.

**ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE**

During the 2020-21 school year, the District will continue to be impacted by the on-going health concerns associated with Covid-19. Since the virus is still very contagious, the District has already modified most of its operational procedures as most aspects of its operations were directly affected by Covid-19. However, due to the unknown nature of the virus and the everchanging guidance provided by the California Department of Education, further procedural modifications will likely be necessary. In addition, State and Local economies have also been severely impacted by Covid-19, which may adversely affect future school funding and student enrollment. Accordingly, based on the above factors, the District's budget should continue to be managed with a great degree of conservatism over the next few years. The District has an excellent track record in meeting this challenge in what has proven to be a cycle of lean years and prosperous years for education finances.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, please contact the Business Manager, Wright Elementary School District, 4385 Price Avenue, Santa Rosa, California, 95407.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>Governmental Activities</b>
<b><u>Assets</u></b>	
Deposits and Investments (Note 2)	\$ 7,972,125
Receivables (Note 3)	2,705,354
Stores Inventory (Note 1H)	8,998
Capital Assets, Not Depreciated (Note 5)	5,909,800
Capital Assets, Net of Accumulated Depreciation	20,112,303
Total Assets	36,708,580
<b><u>Deferred Outflows of Resources</u></b>	
Pension Deferrals (Note 8)	4,288,692
Total Deferred Outflows of Resources	4,288,692
<b><u>Liabilities</u></b>	
Accounts Payable and Other Current Liabilities	1,570,410
Accrued Interest Payable	184,451
Unearned Revenue (Note 1H)	27,290
Long-Term Liabilities:	
<i>Portion Due or Payable Within One Year:</i>	
Compensated Absences	103,794
General Obligation Bonds	
Current Interest	940,000
Bond Premium	17,058
Termination Benefits	12,174
<i>Portion Due or Payable After One Year:</i>	
General Obligation Bonds (Note 6)	
Current Interest	11,275,000
Capital Appreciation	7,233,722
Bond Premium	298,682
Termination Benefits (Note 7)	5,073
Net Pension Liabilities (Note 8)	16,657,903
Total Liabilities	38,325,557
<b><u>Deferred Inflows of Resources</u></b>	
Pension Deferrals (Note 8)	1,399,825
Total Deferred Inflows of Resources	1,399,825
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	10,048,704
Restricted:	
For Capital Projects	2,494,109
For Debt Service (Deficit)	(1,739,371)
For Educational Programs	92,943
For Other Purposes	67,338
Unrestricted (Deficit)	(9,691,833)
Total Net Position	\$ 1,271,890

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<b><u>Governmental Activities</u></b>					
Instruction	\$ 14,037,948		\$ 1,819,808		\$ (12,218,140)
Instruction-Related Services:					
Supervision of Instruction	209,317		54,713		(154,604)
Instructional Library and Technology	326,515		13,888		(312,627)
School Site Administration	1,076,289		62,555		(1,013,734)
Pupil Services:					
Home-to-School Transportation	805,710				(805,710)
Food Services	892,342	\$ 74,049	484,814		(333,479)
Other Pupil Services	1,658,583		527,875		(1,130,708)
General Administration:					
Data Processing Services	258,823		16,517		(242,306)
Other General Administration	1,707,577		41,073		(1,666,504)
Plant Services	1,604,409		4,372		(1,600,037)
Ancillary Services	151,790		3,039		(148,751)
Interest on Long-Term Debt	797,966				(797,966)
Other Outgo	44,770				(44,770)
Total Governmental Activities	<u>\$ 23,572,039</u>	<u>\$ 74,049</u>	<u>\$ 3,028,654</u>	<u>\$ 0</u>	<u>(20,469,336)</u>
<b><u>General Revenues</u></b>					
Taxes Levied for General Purposes					5,997,874
Taxes Levied for Debt Service					1,269,362
Taxes Levied for Specific Purposes					76,964
Federal and State Aid - Unrestricted					9,960,112
Interest and Investment Earnings					173,632
Transfers from Other Agencies					288,163
Miscellaneous					605,555
Total General Revenues					<u>18,371,662</u>
Change in Net Position					(2,097,674)
Net Position - July 1, 2019					<u>3,369,564</u>
Net Position - June 30, 2020					<u>\$ 1,271,890</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<u>General</u>	<u>Bond Interest and Redemption</u>	<u>County School Facilities</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Deposits and Investments (Note 2)	\$ 2,939,165	\$ 2,236,143	\$ 1,598,763	\$ 1,198,054	\$ 7,972,125
Receivables (Note 3)	2,705,354				2,705,354
Due from Other Funds (Note 4)			121	77,992	78,113
Stores Inventory (Note 1H)				8,998	8,998
Total Assets	<u>\$ 5,644,519</u>	<u>\$ 2,236,143</u>	<u>\$ 1,598,884</u>	<u>\$ 1,285,044</u>	<u>\$ 10,764,590</u>
<b><u>Liabilities and Fund Balances</u></b>					
Liabilities:					
Accounts Payable	\$ 1,568,494			\$ 1,916	\$ 1,570,410
Due to Other Funds (Note 4)	77,992			121	78,113
Unearned Revenue (Note 1H)	27,290				27,290
Total Liabilities	<u>1,673,776</u>			<u>2,037</u>	<u>1,675,813</u>
Fund Balances: (Note 10)					
Nonspendable	3,000			8,998	11,998
Restricted	92,943	\$ 2,236,143	\$ 1,598,884	950,565	4,878,535
Committed				184,752	184,752
Assigned	714,216			138,692	852,908
Unassigned	3,160,584				3,160,584
Total Fund Balances	<u>3,970,743</u>	<u>2,236,143</u>	<u>1,598,884</u>	<u>1,283,007</u>	<u>9,088,777</u>
Total Liabilities and Fund Balances	<u>\$ 5,644,519</u>	<u>\$ 2,236,143</u>	<u>\$ 1,598,884</u>	<u>\$ 1,285,044</u>	<u>\$ 10,764,590</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS



**WRIGHT ELEMENTARY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

---

**Total Fund Balances - Governmental Funds** \$ 9,088,777

Amounts reported for governmental activities in the statement of net position are different from amounts reported in governmental funds due to the following:

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 and accumulated depreciation are:

Capital Assets	\$ 43,648,679	
Accumulated Depreciation	(17,626,576)	
Net		26,022,103

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. The net of deferred outflows and inflows was:

2,888,867

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:

Compensated Absences	103,794	
General Obligation Bonds	19,764,462	
Termination Benefits	17,247	
Net Pension Liabilities	16,657,903	
Total		(36,543,406)

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:

(184,451)

**Total Net Position - Governmental Activities** \$ 1,271,890

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General</u>	<u>Bond Interest and Redemption</u>	<u>County School Facilities</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
LCFF Sources:					
State Apportionment / Transfers	\$ 9,336,467			\$ 1,000	\$ 9,337,467
Local Taxes	5,997,874				5,997,874
Total LCFF Sources	15,334,341			1,000	15,335,341
Federal Revenue	827,479			\$ 450,539	1,278,018
State Revenue	1,903,761	\$ 9,714		32,605	1,946,080
Local Revenue	1,249,902	1,291,192	\$ 32,430	341,402	2,914,926
Total Revenues	19,315,483	1,300,906	32,430	825,546	21,474,365
<b><u>Expenditures</u></b>					
Current:					
Instruction	13,028,895				13,028,895
Supervision of Instruction	195,707				195,707
Instructional Library and Technology	298,588				298,588
School Site Administration	962,510				962,510
Home-To-School Transportation	767,902				767,902
Food Services				775,152	775,152
Other Pupil Services	1,511,690				1,511,690
Data Processing Services	213,314				213,314
Other General Administration	1,498,967			918	1,499,885
Plant Services	1,407,993			13,805	1,421,798
Facilities Acquisition and Construction	205,394		59,720		265,114
Ancillary Services	136,788				136,788
Other Outgo	44,770				44,770
Debt Service:					
Principal Retirement		170,000			170,000
Interest and Issuance Costs		453,975			453,975
Total Expenditures	20,272,518	623,975	59,720	789,875	21,746,088
Excess of Revenues Over (Under) Expenditures	(957,035)	676,931	(27,290)	35,671	(271,723)
<b><u>Other Financing Sources (Uses)</u></b>					
Operating Transfers In			731		731
Operating Transfers Out				(731)	(731)
Total Other Financing Sources (Uses)	0	0	731	(731)	0
Net Change in Fund Balances	(957,035)	676,931	(26,559)	34,940	(271,723)
Fund Balances - July 1, 2019	4,927,778	1,559,212	1,625,443	1,248,067	9,360,500
Fund Balances - June 30, 2020	<u>\$ 3,970,743</u>	<u>\$ 2,236,143</u>	<u>\$ 1,598,884</u>	<u>\$ 1,283,007</u>	<u>\$ 9,088,777</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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

**Net Change in Fund Balances - Governmental Funds** \$ (271,723)

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds due to the following:

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 useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Capital Outlay Expenditures	\$ 265,115	
Depreciation Expense	<u>(1,059,439)</u>	
Net		(794,324)

Bond premiums: In governmental funds, bond premiums are recognized as Other Financing Sources in the period they are received. In the government-wide statements, bond premiums are amortized over the life of the debt. The premiums amortized for the period are: 31,831

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: 170,000

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: (15,736)

Termination Benefits: In governmental funds, termination benefits are measured by the amounts paid during the period. In the statement of activities, termination benefits are measured by the amounts earned. The difference between amounts paid and amounts earned was: 19,275

Pension liabilities: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pensions costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was: (861,175)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 1,943

Accreted interest: In governmental funds, accreted interest on capital appreciation bonds is recognized as an expenditure in the period that it becomes due. In the government-wide statements, accreted interest is recognized as an expense as the capital appreciation bonds accrete in value. The amount of accreted interest recognized in the current period was: (377,765)

**Change in Net Position of Governmental Activities** \$ (2,097,674)

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020**

---

	<b>Agency Funds</b>	<b>Total Fiduciary Funds</b>
<b><u>Assets</u></b>		
Deposits and Investments (Note 2)	\$ 52	\$ 52
Total Assets	52	52
<b><u>Liabilities</u></b>		
Due to Student Groups	52	52
Total Liabilities	52	52
<b><u>Net Position</u></b>		
Restricted	0	0
Total Net Position	\$ 0	\$ 0

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Wright Elementary School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five-member Board of Education elected by registered voters of the District, which comprises an area in Sonoma County. The District was established in 1865 and serves students in kindergarten through eighth grade.

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).

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Wright Elementary School District, this includes general operations, food service, and student related activities of the District.

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 identified no organizations that are required to be reported as component units.

**B. Basis of Presentation**

**Government-wide Financial Statements:**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity within the governmental activities column has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Concluded)**

**Government-wide Financial Statements (Concluded):**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements:**

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Fiduciary funds are reported using the economic resources measurement focus.

**C. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the 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. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 45, 60, 90 days after year-end, depending on the revenue source.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Concluded)

Revenues - Exchange and Non-exchange Transactions (Concluded):

However, to achieve comparability of reporting among California Districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state apportionments, the California Department of Education has defined available 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 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.

Unearned Revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

Expenses/Expenditures:

On an 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.

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District maintains the following governmental fund types:

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Continued)

*General Fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

*Special Revenue Funds* - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects. Other resources also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund.

*Debt Service Funds* - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital Projects Funds* - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District's funds are organized into major, non-major, and fiduciary funds as follows:

Major Governmental Funds:

*General Fund* is the general operating fund of the District. For financial reporting purposes the financial activities and balances of the Special Revenue - Special Reserve Fund have been combined with the General Fund.

*Bond Interest and Redemption Fund* is used to account for District taxes received and expended to pay bond interest and redeem bond principal and related costs.

*County School Facilities Fund* is used primarily to account separately for state apportionments provided for construction of school facilities (Education Code Sections 17009.5 and 17070.10-17076.10).

Non-major Governmental Funds:

*Deferred Maintenance Fund* is used for the purpose of major repair or replacement of District property.

*Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's cafeteria program.

*Capital Facilities Fund* is used to account for resources received from developer impact fees assessed under provision of the California Environmental Quality Act (CEQA).

*Building Fund* is used to account for the acquisition and/or construction of major capital facilities and buildings financed from the sale of general obligation bonds.



**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Fund Accounting (Concluded)**

Non-major Governmental Funds (Concluded):

*Capital Projects - Special Reserve Fund* is used to account for expenditures made to acquire or replace equipment. This fund is also used to account for redevelopment agency (RDA) funds received to use for land acquisition and facilities construction and reconstruction.

Fiduciary Funds:

*Agency Funds* are used to account for assets of others for which the District acts as an agent. The District maintains an agency fund to account for the various student body related accounts maintained at each school site, which are used to account for the raising and expending of money to promote the general welfare, and educational experience of the student body.

**E. Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's Governing Board and Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budget is presented for the General Fund as required supplementary information on page 53.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**F. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**G. Encumbrances**

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

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

The District is authorized to maintain cash in banks and revolving funds that are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The County is authorized to deposit cash and invest excess funds by California *Government Code* Section 53648 et seq. The funds maintained by the County are either secured by the FDIC or are collateralized.

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

2. Stores Inventory

Inventory is recorded using the purchase method in that the cost (handling charge for state surplus food) is recorded as an expenditure at the time individual inventory items are purchased. Inventory is valued at average cost and consists of expendable supplies held for consumption. Reported inventory is equally offset by a reserve, which indicates that this amount is not available for appropriation.

3. Capital Assets

Furniture and equipment purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Beginning in fiscal year 2009-10, capital improvement acquisition or construction with an original cost of \$20,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized but are expensed as incurred.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Capital Assets (Concluded)

Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Sites and Improvements	14-20
Buildings and Improvements	10-50
Furniture and Equipment	5-20

4. Deferred Outflows/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 until that time.

5. Unearned Revenue

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

6. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements.

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

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. 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 California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS), and additions to/deductions from the CalSTRS' and CalPERS' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. 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.

8. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as long-term liabilities in the Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the year of issuance. The face amount of the debt issued, premiums, or discounts is reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

9. Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The allowable classifications in the governmental fund financial statements are as follows:

*Nonspendable Fund Balance* consist of funds that are inherently nonspendable, due to their form (e.g. inventories and prepaid amounts), or that are legally or contractually required to be maintained intact.

*Restricted Fund Balance* consists of funds that have limitations on use that are externally enforceable by external parties, constitutional provisions or enabling legislation.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Fund Balances (Concluded)

*Committed Fund Balance* consists of funds that are set aside for a specific purpose by the district's highest level of decision-making authority, the Governing Board. The Governing Board may commit fund balance by taking formal action, such as majority vote or resolution, no later than June 30<sup>th</sup>; however, the amount can be determined subsequent to the release of the financial statements. The same formal action must be taken by the Governing Board to remove or change the limitations placed on the funds.

*Assigned Fund Balance* consists of funds that are set aside with the intent to be used for a specific purpose by the District. The Governing Board approved a resolution giving authority to assign fund balances to the Superintendent with the recommendation of the Business Manager and confirmed by the Governing Board.

*Unassigned Fund Balance* consists of positive net resources of the General Fund in excess of what can properly be classified in the previous four categories. Included in this fund balance category is the Reserve for Economic Uncertainty, which the District will maintain in an amount of at least 5% of total General Fund operating expenditures (including other financing). The primary purpose of this reserve is to avoid the need for service level reductions in the event revenues come in lower than budgeted. The reserve may be increased from time to time in order to address specific anticipated revenue shortfalls (state actions, etc.).

The District considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

10. Local Control Funding Formula (LCFF)/Property Tax

As part of the 2013-14 State Budget Act, the formula for determining the level of funding per student changed from the "revenue limit" formula to the "Local Control Funding Formula" (LCFF). The LCFF creates base, supplemental and concentration grants as the new general-purpose entitlement to replace most existing funding streams, including the State aid portion of the revenue limit and most State categorical programs from prior years. District funding under the LCFF is generally provided by a mix of State aid and local property taxes.

The County of Sonoma is responsible for assessing, collecting, and apportioning property taxes to the District. Taxes are levied for each fiscal year on taxable real and personal property in the county.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

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

10. Local Control Funding Formula (LCFF)/Property Tax (Concluded)

The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternative method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local LCFF sources by the District. The California Department of Education reduces the District's LCFF entitlement by the District's local property tax revenue. Any balance remaining is paid from the State General Fund and is known as LCFF State Aid.

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2020, consist of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Cash on Hand and in Banks	\$ 5,000	\$ 52
Cash in Revolving Fund	3,000	
County Pool Investments	<u>7,964,125</u>	
Totals	<u>\$ 7,972,125</u>	<u>\$ 52</u>

Cash on Hand and in Banks

Cash on hand and in banks consists of all cash held by the District and all cash maintained in commercial bank accounts owned by the District, exclusive of amounts held in revolving funds.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Cash in Revolving Fund**

Cash in revolving fund consists of all cash maintained in commercial bank accounts that are used as revolving funds.

**County Pool Investments**

County pool investments consist of District cash held by the Sonoma County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are 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.

**General Authorization**

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedule below:

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 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

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Sonoma County Investment Pool.

**Weighted Average Maturity**

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
County Pool Investments	\$ 7,964,125	\$ 8,011,113	787

**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. Investments in the County Treasury are not required to be rated.

**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 Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies.

California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District's bank balance was not exposed to custodial credit risk.



**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONCLUDED)**

Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, 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 in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

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, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specific term, a Level 2 input is required to be observable for substantially the full term of the asset.

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 are as follows at June 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Uncategorized</u>
County Pool Investments	<u>\$ 8,011,113</u>	<u>\$ 8,011,113</u>

All assets have been valued using a market approach, with quoted market prices.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2020 consist of the following:

	General Fund
Federal Government	\$ 413,629
State Government	1,742,855
Local Governments	541,065
Miscellaneous	7,805
Totals	\$ 2,705,354

**NOTE 4 - INTERFUND ACTIVITIES**

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**A. Balances Due From/Due To Other Funds**

Interfund balances at June 30, 2020 consisted of the following:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General		\$ 77,992
Deferred Maintenance	\$ 1,000	
Cafeteria	28	
Building		121
Capital Projects - Special Reserve	76,964	
County School Facilities	121	
Totals	\$ 78,113	\$ 78,113

All interfund receivables and payables are scheduled to be paid within one year.

**B. Interfund Transfers**

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for fiscal year 2019-20 were as follows:

Transfer from Building Fund to County School Facilities Fund to close the fund: \$ 731

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 - CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2020, is presented as follows

	Balances July 1, 2019	Additions	Deletions	Balances June 30, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 5,909,800			\$ 5,909,800
Construction-in-Progress	725,700	\$ 265,115	\$ 990,815	0
<b>Total Capital Assets Not Being Depreciated</b>	<b>6,635,500</b>	<b>265,115</b>	<b>990,815</b>	<b>5,909,800</b>
Capital Assets Being Depreciated:				
Sites and Improvements	3,544,301			3,544,301
Buildings and Improvements	32,867,000	990,815		33,857,815
Furniture and Equipment	336,763			336,763
<b>Total Capital Assets Being Depreciated</b>	<b>36,748,064</b>	<b>990,815</b>	<b>0</b>	<b>37,738,879</b>
Less Accumulated Depreciation:				
Sites and Improvements	3,106,408	31,381		3,137,789
Buildings and Improvements	13,245,294	1,006,569		14,251,863
Furniture and Equipment	215,435	21,489		236,924
<b>Total Accumulated Depreciation</b>	<b>16,567,137</b>	<b>1,059,439</b>	<b>0</b>	<b>17,626,576</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>20,180,927</b>	<b>(68,624)</b>	<b>0</b>	<b>20,112,303</b>
<b>Capital Assets, Net</b>	<b>\$ 26,816,427</b>	<b>\$ 196,491</b>	<b>\$ 990,815</b>	<b>\$ 26,022,103</b>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 658,724
Instruction-Related Services	75,648
Pupil Services	157,509
General Administration	92,272
Plant Services	75,286
<b>Total</b>	<b>\$ 1,059,439</b>

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 6 - GENERAL OBLIGATION BONDS**

The general obligation bonds are secured by the full faith and credit of the District. Sonoma County is obligated to annually levy and collect ad valorem taxes upon all property within the District subject to taxation for the payment of interest and principal of the bonds. The outstanding general obligation bonded debt, excluding \$315,740 of unamortized bond premium, as of June 30, 2020 was as follows:

**A. Current Interest**

<u>Year of Issue</u>	<u>Interest Rate %</u>	<u>Year of Maturity</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2019</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2020</u>
2012	2.00-3.50	2037	\$ 7,000,000	\$ 5,830,000	\$ 155,000	\$ 5,675,000
2014	3.00-5.00	2042	4,060,000	3,980,000		3,980,000
2016	3.00-5.00	2041	1,830,000	1,830,000	15,000	1,815,000
2016	4.00	2020	745,000	745,000		745,000
Totals			<u>\$ 13,635,000</u>	<u>\$ 12,385,000</u>	<u>\$ 170,000</u>	<u>\$ 12,215,000</u>

The annual requirements to amortize the current interest bonds payable, outstanding as of June 30, 2020, are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 940,000	\$ 429,475	\$ 1,369,475
2022	225,000	407,725	632,725
2023	255,000	400,100	655,100
2024	290,000	391,525	681,525
2025	325,000	381,825	706,825
2026-2030	2,215,000	1,722,759	3,937,759
2031-2035	2,905,000	1,303,828	4,208,828
2036-2040	2,005,000	858,688	2,863,688
2041-2045	3,055,000	234,000	3,289,000
Totals		<u>\$ 12,215,000</u>	<u>\$ 6,129,925</u>

**B. Capital Appreciation Bonds**

<u>Year of Issue</u>	<u>Accretion Rate %</u>	<u>Year of Maturity</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2019</u>	<u>Accreted Interest Current Year</u>	<u>Outstanding June 30, 2020</u>
2003	5.558	2028	\$ 2,335,043	\$ 5,467,979	\$ 308,142	\$ 5,776,121
2014	4.80-5.10	2039	939,219	1,191,381	60,652	1,252,033
2016	4.50-4.52	2040	168,397	196,597	8,971	205,568
Totals			<u>\$ 3,442,659</u>	<u>\$ 6,855,957</u>	<u>\$ 377,765</u>	<u>\$ 7,233,722</u>

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - GENERAL OBLIGATION BONDS (CONCLUDED)

B. Capital Appreciation Bonds (Concluded)

The outstanding obligation for the capital appreciation bonds at June 30, 2020, is as follows:

Year Ended June 30	Amount of Original Issue (Principal)	Accreted Interest	Outstanding June 30, 2020
2021	\$ 0	\$ 0	\$ 0
2022	314,300	463,169	777,469
2023	306,544	451,753	758,297
2024	300,432	442,748	743,180
2025	294,103	433,414	727,517
2026-2030	1,119,663	1,649,995	2,769,658
2031-2035	161,514	51,774	213,288
2036-2040	844,317	275,700	1,120,017
2041-2045	101,785	22,511	124,296
Totals	<u>\$ 3,442,658</u>	<u>\$ 3,791,064</u>	<u>\$ 7,233,722</u>

The annual requirements to amortize the capital appreciation bonds at June 30, 2020, are as follows:

Year Ended June 30	Principal	Interest	Totals
2021	\$ 0	\$ 0	\$ 0
2022	314,300	510,700	825,000
2023	306,544	543,456	850,000
2024	300,432	579,568	880,000
2025	294,103	615,897	910,000
2026-2030	1,119,663	2,855,337	3,975,000
2031-2035	161,514	248,486	410,000
2036-2040	844,317	1,875,683	2,720,000
2041-2045	101,785	203,215	305,000
Totals	<u>\$ 3,442,658</u>	<u>\$ 7,432,342</u>	<u>\$ 10,875,000</u>

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 - TERMINATION BENEFITS**

The District periodically offers an early retirement incentive for members of the Wright Educators' Association (WEA), the bargaining unit representing certificated employees of the District. The unit member must have reached age 54 prior to applying for early retirement. The unit member must have reached the age of 55 by the beginning date of the contract year in which they retire. The unit member must have retired from the District and be a participant in the State Teachers Retirement System (CalSTRS). The unit member must also have taught in the District for a minimum of 10 years or be at least at salary placement Column IV year 12.

Benefits consist of a yearly stipend that that will be received as a lump sum payment. As of June 30, 2020, three (3) retired teachers met the eligibility requirements. During the fiscal year, expenditures of \$19,275 were incurred to provide this benefit. At June 30, 2020, the estimated future payments required to provide these termination benefits are as follows:

Year Ended June 30	Termination Benefits
2021	\$ 12,174
2022	5,073
Total	\$ 17,247

**NOTE 8 - RETIREMENT PLANS**

Qualified employees are covered under retirement plans maintained by agencies of the State of California. Certificated employees are eligible to participate under the multiple-employer, cost-sharing defined benefit plan administered by the California State Teachers' Retirement System (CalSTRS) and classified employees are eligible to participate under the multiple-employer, cost-sharing defined benefit plan administered by the California Public Employees' Retirement System (CalPERS).

The District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense in the accompanying government-wide financial statements as follows:

Pension Plan	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 11,345,660	\$ 3,074,137	\$ 1,117,136	\$ 2,324,411
CalPERS	5,312,243	1,214,555	282,689	1,123,173
Totals	\$ 16,657,903	\$ 4,288,692	\$ 1,399,825	\$ 3,447,584

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 8 - RETIREMENT PLANS (CONTINUED)

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The California State Teachers Retirement System (CalSTRS) provides pension benefits, including disability and survivor benefits, to California full-time and part-time public-school teachers and certain other employees of the public-school system. The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature and Governor, established the plan and CalSTRS as the administrator. The terms of the plan may be amended through legislation. CalSTRS issues publicly available reports that include a full description of the pension plan that can be found on the CalSTRS website.

Benefits Provided

The State Teachers' Retirement Plan (STRP) is a multiple-employer, cost-sharing defined benefit plan. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses for administering the STRP. Although CalSTRS is the administrator of the STRP, the State of California is the sponsor and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The STRP Defined Benefit Program has two benefit formulas:

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

Membership is mandatory for all employees meeting certain statutory requirements and optional for all other employees performing creditable service activities. The Defined Benefit Program provides retirement benefits based on members' final compensation, age, and years of service credit. In addition, the retirement program provides benefits to members upon disability and to their survivors or beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas and some of the differences are noted below.

CalSTRS 2% at 60

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% of final compensation multiplied by the number of years 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 a maximum of 2.4% at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2% to the age factor, up to the 2.4% maximum.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 8 - RETIREMENT PLANS (CONTINUED)

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

Benefits Provided (Concluded)

CalSTRS 2% at 60 (Concluded)

CalSTRS calculates retirement benefits based on one-year final compensation for members with 25 or more years of credited service, or for classroom teachers with fewer than 25 years of credited service if the employer entered into, extended, renewed, or amended an agreement prior to January 1, 2014, to elect to pay the additional benefit cost for all of its classroom teachers. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months based on the creditable compensation that a member could earn in a school year while employed on a full-time basis. For most members with fewer than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months based on the creditable compensation that a member could earn in a school year while employed on a full-time basis.

CalSTRS 2% at 62

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% of final compensation multiplied by the number of years 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% at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months based on the creditable compensation that a member could earn in a school year while employed on a full-time basis.

Contributions

Required member, employer and state contribution rates are set by the California Legislature and Governor and are detailed in the Teachers' Retirement Law. Current contribution rates were established with the enactment of AB 1469 in 2014 (the CalSTRS Funding Plan). A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

Members: The CalSTRS member contribution rates were as follows: Under CalSTRS 2% at 60, the member contribution rate was 10.25% of applicable member earnings for fiscal year 2019-20. Under CalSTRS 2% at 62, the member contribution rate was 10.205% of applicable member earnings for fiscal year 2019-20.

Employers: The employer contribution rate was 17.10% of applicable member earnings for fiscal year 2019-20. This rate reflects the 1.03% reduction of the employer contribution rate for fiscal year 2019-20 pursuant to SB 90. The District contributed \$1,218,679 to the plan for the fiscal year ended June 30, 2020.



**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 8 - RETIREMENT PLANS (CONTINUED)**

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

Contributions (Concluded)

State: The base contribution of 2.017% is calculated based on creditable compensation from two fiscal years prior. The additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specified in subdivision (b) of Education Code Section 22955.1. The additional state contribution for the fiscal year ended June 30, 2020 was 5.811%. Including a 2.50% contribution for SBMA funding, the total state contribution to the defined benefit program was 10.328% for the fiscal year ended June 30, 2020. This rate does not include the \$2.2 billion supplemental state contribution on behalf of employers pursuant to SB 90.

District's Proportionate Share of the Net Pension Liability, Pension Expense, 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 associated with the District was as follows:

District's proportionate share of the net pension liability	\$ 11,345,660
State's proportionate share of the net pension liability associated with the District	<u>6,189,815</u>
Total net pension liability attributed to District	<u><u>\$ 17,535,475</u></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 an actuarial valuation as of June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers and the State. The District's proportionate share of the net pension liability as of June 30, 2019 and June 30, 2018 was as follows:

Proportion - June 30, 2019	0.0126%
Proportion - June 30, 2018	<u>0.0129%</u>
Change - Increase (Decrease)	<u><u>-0.0003%</u></u>

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$2,324,411, which includes \$863,433 of 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:

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - RETIREMENT PLANS (CONTINUED)

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

District's Proportionate Share of the Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Concluded)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District contributions subsequent to the measurement date	\$ 1,218,679	
Differences between expected and actual experience	29,008	\$ 321,780
Changes of assumptions	1,453,084	
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	373,366	344,913
Net differences between projected and actual earnings on plan investments		<u>450,443</u>
Totals	<u>\$ 3,074,137</u>	<u>\$ 1,117,136</u>

The deferred outflows of resources related to District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal 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:

Year Ended <u>June 30</u>	
2021	\$ 305,417
2022	1,182
2023	193,596
2024	357,606
2025	(49,622)
2026	(69,857)

Differences between expected and actual experience, changes of assumptions, and changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions are amortized over a closed period equal to the expected average remaining service life of all members that are provided benefits. The expected average remaining service life for STRP members as of the beginning of the measurement period is 7 years. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 8 - RETIREMENT PLANS (CONTINUED)

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

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. In determining the total pension liability, the financial reporting actuarial valuation used the following methods and assumptions:

Valuation Date	June 30, 2018
Experience Study	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return <sup>1</sup>	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB (Annually) Maintain 85% purchasing power level for DB

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

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases of life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term investment 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) 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' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions.

Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2019, are summarized in the following table:

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - RETIREMENT PLANS (CONTINUED)

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

Actuarial Methods and Assumptions (Concluded)

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
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%
Total	<u>100%</u>	

\* 20-year average

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates as previously described. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments, and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the District's proportionate share of the net pension liability as of the measurement date, calculated using the current discount rate of 7.10%, 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 one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

	<u>Discount Rate 1% Decrease 6.10%</u>	<u>Discount Rate Current Rate 7.10%</u>	<u>Discount Rate 1% Increase 8.10%</u>
District's proportionate share of the net pension liability	\$ 16,894,626	\$ 11,345,660	\$ 6,744,509

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 8 - RETIREMENT PLANS (CONTINUED)

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

Pension Plan's Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

California Public Employees' Retirement System (CalPERS)

Plan Description, Benefits Provided, and Employees Covered

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 the CalPERS. All employees who work at least half time or are appointed to a job that will last at least six months and one day are eligible for CalPERS. Benefits vest after five years. Employees are eligible to retire at or after age 50 having attained five years of credited service and are entitled to an annual retirement benefit, payable monthly for life. Employees hired after January 1, 2013 with five years of credit service must be at least age 52 to retire.

The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Active plan members who entered into the plan prior to January 1, 2013 are required to contribute 7.0% of their salary, and new members entering into the plan on or after January 1, 2013 are required to contribute the higher of 50% of the total normal cost rate for their defined benefit plan or 7.0% of their salary. The District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 19.721% of annual payroll. The District's contribution to CalPERS for the fiscal year ended June 30, 2020 was \$504,297.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - RETIREMENT PLANS (CONTINUED)

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

District's Proportionate Share of the Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2020, the District reported a liability of \$5,312,243 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 an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. 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 employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2019 and June 30, 2018 was as follows:

Proportion - June 30, 2019	0.0182%
Proportion - June 30, 2018	0.0191%
Change - Increase (Decrease)	-0.0009%

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$1,123,173. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 504,297	
Differences between expected and actual experience	394,435	
Changes of assumptions	273,913	
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	41,910	\$ 219,492
Net differences between projected and actual earnings on plan investments		63,197
Totals	\$ 1,214,555	\$ 282,689

The deferred outflows of resources related to District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal 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:

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - RETIREMENT PLANS (CONTINUED)

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

District's Proportionate Share of the Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Concluded)

Year Ended June 30	
2021	\$ 432,113
2022	(17,958)
2023	(550)
2024	13,964

Differences between expected and actual experience, changes in assumptions, and changes in employer's proportion and differences in employer's contributions and employer's proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 4.1 years as of June 30, 2019. The net difference between projected and actual earnings on pension plan investments is amortized over a 5-year period on a straight-line basis.

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuations were determined using the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Wage Growth	Varies
Investment Rate of Return	7.15%
Post Retirement Benefit Increase (1)	

(1) 2.00% until Purchasing Power Protection Allowance Floor  
on Purchasing Power applies, 2.50% thereafter

Mortality rate table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study from 1997 to 2015. Further details of the experience study can be found on the CalPERS website.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 8 - RETIREMENT 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%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

The table below reflects expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
Global Equity	50.0%	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 Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(1) In the CalPERS CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

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

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



**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 8 - RETIREMENT PLANS (CONCLUDED)**

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

*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%, 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 one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	Discount Rate 1% Decrease 6.15%	Discount Rate Current Rate 7.15%	Discount Rate 1% Increase 8.15%
District's proportionate share of the net pension liability	\$ 7,657,249	\$ 5,312,243	\$ 3,366,899

*Pension Plan Fiduciary Net Position*

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

**C. Social Security**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use Social Security as its alternative plan. Contributions made by the District and participating employees vest immediately. Both the District and participating employees were required to contribute 6.2% of an employee's gross earnings, up to the annual limit.

**NOTE 9 - LONG-TERM LIABILITIES**

A schedule of changes in long-term liabilities for the year ended June 30, 2020, is shown below.

	Balances July 1, 2019	Additions	Deductions	Balances June 30, 2020	Due within One Year
Long-Term Debt:					
General Obligation Bonds:					
Current Interest	\$ 12,385,000		\$ 170,000	\$ 12,215,000	\$ 940,000
Capital Appreciation	6,855,957	\$ 377,765		7,233,722	
Bond Premium	347,571		31,831	315,740	17,058
Other Long-Term Liabilities:					
Compensated Absences	88,058	103,794	88,058	103,794	103,794
Termination Benefits	36,522		19,275	17,247	12,174
Net Pension Liabilities	16,938,197		280,294	16,657,903	
Totals	\$ 36,651,305	\$ 481,559	\$ 589,458	\$ 36,543,406	\$ 1,073,026

The general obligation bonds are obligations of the Bond Interest and Redemption Fund. All Other long-term liabilities are primarily obligations of the General Fund and Cafeteria Fund, as applicable.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 - FUND BALANCES**

The fund balances as of June 30, 2020 are as follows:

	General Fund	Bond Interest & Redemption Fund	County School Facilities Fund	Non-Major Governmental Funds	Totals
Nonspendable:					
Revolving Cash	\$ 3,000				\$ 3,000
Stores Inventory				\$ 8,998	8,998
Total Nonspendable	<u>3,000</u>			<u>8,998</u>	<u>11,998</u>
Restricted:					
Categorical Programs	92,943			55,340	148,283
Redevelopment Funds				359,946	359,946
Developer Fees				535,279	535,279
School Facilities			\$ 1,598,884		1,598,884
Debt Service		<u>\$ 2,236,143</u>			<u>2,236,143</u>
Total Restricted	<u>92,943</u>	<u>2,236,143</u>	<u>1,598,884</u>	<u>950,565</u>	<u>4,878,535</u>
Committed					
Deferred Maintenance				<u>184,752</u>	<u>184,752</u>
Total Committed	<u>0</u>	<u>0</u>	<u>0</u>	<u>184,752</u>	<u>184,752</u>
Assigned:					
Capital Projects				138,692	138,692
Board Reserves	714,216				714,216
Total Assigned	<u>714,216</u>	<u>0</u>	<u>0</u>	<u>138,692</u>	<u>852,908</u>
Unassigned:					
Reserve for Economic Uncertainties	608,176				608,176
Remaining Unassigned Balances	<u>2,552,408</u>				<u>2,552,408</u>
Total Unassigned	<u>3,160,584</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,160,584</u>
Totals	<u>\$ 3,970,743</u>	<u>\$ 2,236,143</u>	<u>\$ 1,598,884</u>	<u>\$ 1,283,007</u>	<u>\$ 9,088,777</u>

**NOTE 11 - ON-BEHALF PAYMENTS MADE BY THE STATE OF CALIFORNIA**

The District was the recipient of on-behalf payments made by the State of California to the State Teachers' Retirement System (CalSTRS) for K-12 Education. These payments consist of state general fund contributions of \$863,433 to CalSTRS. These contributions are recorded in the General Fund as revenues and expenditures. The District is not legally responsible for these contributions.

**NOTE 12 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2019-20, the District participated in one joint powers authority (JPA) for purposes of pooling for risk. There were no significant reductions in coverage during the year. Settlements have not exceeded coverage for each of the past three years.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 13 - JOINT VENTURES**

The District participates in two joint ventures under joint powers agreements (JPAs) with the Redwood Empire Schools' Insurance Group (RESIG) for property & liability and workers' compensation insurance coverage, and West County Transportation Agency for pupil transportation services. 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 arrange for and/or provide coverage or services for its members. Each JPA is governed by a board consisting of a representative from each member district. Each board controls the operations of their JPA, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage or services requested and shares surpluses and deficits proportionately to their participation in each JPA.

The JPAs are audited on an annual basis. Financial information can be obtained by contacting each JPA's management.

**NOTE 14 - GLOBAL PANDEMIC**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus includes restriction on travel, quarantine in certain areas, and forced closure for certain type of public spaces and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on local education agencies throughout the United States, especially those located in California. While it is unknown how long these conditions will last and what the complete financial effect will be on local education agencies, to date, the District has not experienced any significant negative financial impact. However, due to the existence of significant economic impacts at the Federal, State, and Local government levels, it is reasonably possible that the District will be vulnerable to the risk of a near-term severe impact from the coronavirus.

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

**A. State and Federal Allowances, Awards and Grants**

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

**B. Litigation**

The District is subject to various legal proceedings and claims. In the opinion of management, the ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

NOTE 15 - SUBSEQUENT EVENTS

The District's management has evaluated events or transactions that occurred for possible recognition or disclosure in the financial statements from the balance sheet date through January 19, 2021, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require disclosure in or adjustment to the current year financial statements.

REQUIRED SUPPLEMENTARY INFORMATION SECTION



**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>Revenues</u></b>				
LCFF Sources:				
State Apportionment / Transfers	\$ 9,941,318	\$ 9,597,374	\$ 9,336,467	\$ (260,907)
Local Sources	5,356,601	5,588,322	5,997,874	409,552
Total LCFF Sources	15,297,919	15,185,696	15,334,341	148,645
Federal Revenue	839,245	851,215	827,479	(23,736)
Other State Revenue	1,267,430	1,861,792	1,903,761	41,969
Other Local Revenue	799,655	1,388,664	1,249,902	(138,762)
Total Revenues	18,204,249	19,287,367	19,315,483	28,116
<b><u>Expenditures</u></b>				
Current:				
Certificated Salaries	7,362,619	7,403,230	7,403,228	2
Classified Salaries	2,414,166	2,468,529	2,459,380	9,149
Employee Benefits	5,002,590	5,228,233	5,192,350	35,883
Books and Supplies	428,126	608,194	520,826	87,368
Services and Other				
Operating Expenditures	3,820,820	4,654,694	4,439,320	215,374
Capital Outlay		237,268	212,644	24,624
Other Expenditures	58,039	47,170	44,770	2,400
Total Expenditures	19,086,360	20,647,318	20,272,518	374,800
Net Change in Fund Balances	(882,111)	(1,359,951)	(957,035)	\$ 402,916
Fund Balances - July 1, 2019	4,927,778	4,927,778	4,927,778	
Fund Balances - June 30, 2020	\$ 4,045,667	\$ 3,567,827	\$ 3,970,743	

SEE NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

WRIGHT ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS \*

JUNE 30, 2020

Year Ended June 30	District's Proportion of the NPL	District's Proportionate Share of the NPL	State's Proportionate Share of the NPL Associated to District	Total NPL Attributed to District	District's Covered Payroll	District's Proportionate Share of the NPL as a % of Covered Payroll	Plan Fiduciary Net Position As a % of Total Pension Liability
2020	0.0126%	\$ 11,345,660	\$ 6,189,815	\$ 17,535,475	\$ 6,930,829	163.70%	72.56%
2019	0.0129%	11,850,227	6,784,809	18,635,036	6,988,746	169.56%	70.99%
2018	0.0127%	11,765,427	6,960,327	18,725,754	6,682,393	176.07%	69.46%
2017	0.0126%	10,202,672	7,238,249	17,440,921	6,521,538	156.45%	70.04%
2016	0.0130%	8,780,312	6,045,281	14,825,593	5,847,399	150.16%	74.02%
2015	0.0120%	6,986,411	4,986,328	11,972,739	5,324,994	131.20%	76.52%

\* The amounts presented for each fiscal year were determined based on a measurement date that was one year prior to the year-end date. This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.



**WRIGHT ELEMENTARY SCHOOL DISTRICT**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS \***

**JUNE 30, 2020**

---

<u>Year Ended June 30</u>	<u>District's Proportion of the NPL</u>	<u>District's Proportionate Share of the NPL</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the NPL as a % of Covered Payroll</u>	<u>Plan Fiduciary Net Position As a % of Total Pension Liability</u>
2020	0.0182%	\$ 5,312,243	\$ 2,499,734	212.51%	70.05%
2019	0.0191%	5,087,970	2,518,080	202.06%	70.85%
2018	0.0199%	4,743,851	2,532,762	187.30%	71.87%
2017	0.0189%	3,722,902	2,260,024	164.73%	73.90%
2016	0.0184%	2,713,210	2,038,136	133.12%	79.43%
2015	0.0169%	1,914,733	1,770,538	108.14%	83.38%

\* The amounts presented for each fiscal year were determined based on a measurement date that was one year prior to the year-end date. This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS - CALSTRS \***  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

Year Ended June 30	Actuarially Determined Contributions	Contributions In Relation to Contractually Required Contributions	Contribution Deficiency/ (Excess)	District's Covered Payroll	Contributions As a % of Covered Payroll
2020	\$ 1,218,679	\$ 1,218,679	\$ 0	\$ 7,126,778	17.10%
2019	1,128,339	1,128,339	0	6,930,829	16.28%
2018	1,008,476	1,008,476	0	6,988,746	14.43%
2017	840,645	840,645	0	6,682,393	12.58%
2016	699,761	699,761	0	6,521,538	10.73%
2015	519,249	519,249	0	5,847,399	8.88%

\* This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS - CALPERS \***  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

Year Ended June 30	Actuarially Determined Contributions	Contributions In Relation to Contractually Required Contributions	Contribution Deficiency/ (Excess)	District's Covered Payroll	Contributions As a % of Covered Payroll
2020	\$ 504,297	\$ 504,297	\$ 0	\$ 2,557,157	19.721%
2019	451,502	451,502	0	2,499,734	18.062%
2018	391,083	391,083	0	2,518,080	15.531%
2017	351,750	351,750	0	2,532,762	13.888%
2016	267,745	267,745	0	2,260,024	11.847%
2015	239,909	239,909	0	2,038,136	11.771%

\* This is a 10-year schedule, however the information in this schedule is not required to be presented retroactively. Additional years will be added to this schedule as information becomes available until 10 years are presented.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES**

**A. Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the District is required to present a Schedule of Revenues, Expenditures, and Changes in Fund Balance budgetary comparison for the General Fund and each Major Special Revenue Fund that has an adopted budget. This schedule presents the original adopted budget, final adopted budget, and the actual revenues and expenditures of each of these funds by object. The basis of budgeting is the same as Generally Accepted Accounting Principles (GAAP). There was no excess of expenditures over appropriations in the General Fund as of June 30, 2020.

**B. Schedule of the Proportionate Share of the Net Pension Liability**

In accordance with Governmental Accounting Standards Board Statement No. 68, the District is required to present separately for each cost-sharing pension plan through which pensions are provided a 10-year schedule presenting certain information. The information required to be presented includes the District's proportion and proportionate share of the collective net pension liability, the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability associated with the District, if applicable, the District's covered payroll, the District's proportionate share of the collective net pension liability as a percentage of the District's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

**C. Schedule of Contributions**

In accordance with Governmental Accounting Standards Board Statement No. 68, the District is required to present separately for each cost-sharing pension plan through which pensions are provided a 10-year schedule presenting certain information. The information required to be presented includes the statutorily or contracted required District contribution, the amount of contributions recognized by the pension plan in relation to the required District contribution, the difference between the required District contribution and the amount recognized by the pension plan, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation of the District as a percentage of the District's covered payroll.

**NOTE 2 - SUMMARY OF CHANGES FOR CALSTRS AND CALPERS**

**Benefit Changes**

There were no changes to benefit terms since the previous valuation for either the State Teachers' Retirement Plan (CalSTRS) or the Public Employer's Retirement Fund B (CalPERS).

**Changes of Assumptions**

There were no changes in assumptions since the previous valuation for either the State Teachers' Retirement Plan (CalSTRS) or the Public Employer's Retirement Fund B (CalPERS).

SUPPLEMENTARY INFORMATION SECTION



**WRIGHT ELEMENTARY SCHOOL DISTRICT  
ORGANIZATION/BOARD OF EDUCATION/ADMINISTRATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

ORGANIZATION

The Wright Elementary School District was established in 1865, serves students from kindergarten through grade eight, and operates two elementary schools and one charter school in Santa Rosa, California. There were no changes in District boundaries during the year.

BOARD OF EDUCATION

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Karen Irwin Magee	President	December 2024
Carolyn Dixon	Clerk	December 2022
Carmel Curiel Larios	Member	December 2022
Stan Greenberg	Member	December 2022
Robin Jackson	Member	December 2024

ADMINISTRATION

Adam Schaible  
Superintendent

Jaime Mata  
Business Manager

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

---

	<b>Deferred Maintenance</b>	<b>Cafeteria</b>
<b><u>Assets</u></b>		
Deposits and Investments	\$ 183,752	\$ 56,310
Due from Other Funds	1,000	28
Stores Inventory		8,998
	\$ 184,752	\$ 65,336
<b><u>Liabilities and Fund Balances</u></b>		
Liabilities:		
Accounts Payable		\$ 998
Due to Other Funds		
Total Liabilities		998
Fund Balances:		
Nonspendable		8,998
Restricted		55,340
Committed	\$ 184,752	
Assigned		
Total Fund Balances	184,752	64,338
Total Liabilities and Fund Balances	\$ 184,752	\$ 65,336

SEE NOTES TO SUPPLEMENTARY INFORMATION



<b>Capital Facilities</b>	<b>Building</b>	<b>Capital Projects - Special Reserve</b>	<b>Total Non-Major Governmental Funds</b>
\$ 536,197	\$ 121	\$ 421,674 76,964	\$ 1,198,054 77,992 8,998
<u>\$ 536,197</u>	<u>\$ 121</u>	<u>\$ 498,638</u>	<u>\$ 1,285,044</u>
\$ 918	\$ 121		\$ 1,916 121
<u>918</u>	<u>121</u>		<u>2,037</u>
535,279		\$ 359,946	8,998 950,565 184,752 138,692
<u>535,279</u>	<u>0</u>	<u>498,638</u>	<u>1,283,007</u>
<u>\$ 536,197</u>	<u>\$ 121</u>	<u>\$ 498,638</u>	<u>\$ 1,285,044</u>

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Deferred Maintenance</u>	<u>Cafeteria</u>
<b><u>Revenues</u></b>		
LCFF Sources:		
State Apportionment / Transfers	\$ 1,000	
Federal Revenue		\$ 450,539
State Revenue		32,605
Local Revenue	3,791	75,719
Total Revenues	<u>4,791</u>	<u>558,863</u>
<b><u>Expenditures</u></b>		
Current:		
Food Services		775,152
Other General Administration		
Plant Services	11,369	
Total Expenditures	<u>11,369</u>	<u>775,152</u>
Excess of Revenues Over (Under) Expenditures	(6,578)	(216,289)
<b><u>Other Financing (Uses)</u></b>		
Operating Transfers Out		
Net Change in Fund Balances	(6,578)	(216,289)
Fund Balances - July 1, 2019	<u>191,330</u>	<u>280,627</u>
Fund Balances - June 30, 2020	<u>\$ 184,752</u>	<u>\$ 64,338</u>

SEE NOTES TO SUPPLEMENTARY INFORMATION

<u>Capital Facilities</u>	<u>Building</u>	<u>Capital Projects - Special Reserve</u>	<u>Total Non-Major Governmental Funds</u>
			\$ 1,000
			450,539
			32,605
\$ 177,009	\$ 122	\$ 84,761	341,402
<u>177,009</u>	<u>122</u>	<u>84,761</u>	<u>825,546</u>
			775,152
918			918
2,436			13,805
<u>3,354</u>	<u>0</u>	<u>0</u>	<u>789,875</u>
173,655	122	84,761	35,671
	(731)		(731)
<u>173,655</u>	<u>(609)</u>	<u>84,761</u>	<u>34,940</u>
361,624	609	413,877	1,248,067
<u>\$ 535,279</u>	<u>\$ 0</u>	<u>\$ 498,638</u>	<u>\$ 1,283,007</u>

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>P-2 Report</b>			
	<b>TK / K - 3</b>	<b>4 - 6</b>	<b>7-8</b>	<b>Totals</b>
Regular ADA	524.19	424.43		948.62
Special Education - NPS / LCI	0.61	2.39	0.63	3.63
Extended Year Special Education NPS / LCI	0.08	0.26		0.34
<b>Totals</b>	<b>524.88</b>	<b>427.08</b>	<b>0.63</b>	<b>952.59</b>

	<b>Annual Report</b>			
	<b>TK / K - 3</b>	<b>4 - 6</b>	<b>7-8</b>	<b>Totals</b>
Regular ADA	524.19	424.43		948.62
Special Education - NPS/LCI	0.61	2.39	0.63	3.63
Extended Year Special Education NPS / LCI	0.08	0.26		0.34
<b>Totals</b>	<b>524.88</b>	<b>427.08</b>	<b>0.63</b>	<b>952.59</b>

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE - CHARTER SCHOOL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

	<u>P-2 Report</u>		<u>Annual Report</u>	
	<u>Classroom- Based</u>	<u>Totals</u>	<u>Classroom- Based</u>	<u>Totals</u>
<u>Regular ADA</u>				
TK / K - 3	175.79	176.38	175.79	176.38
Grades 4-6	149.61	150.04	149.61	150.04
Grades 7-8	103.22	103.54	103.22	103.54
Totals	<u>428.62</u>	<u>429.96</u>	<u>428.62</u>	<u>429.96</u>

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF INSTRUCTIONAL TIME**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

<u>Grade Level</u>	<u>Minutes Required</u>	<u>Instructional Minutes</u>			<u>Traditional Calendar Days</u>			<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
		<u>Offered</u>	<u>Credited *</u>	<u>Totals</u>	<u>Offered</u>	<u>Credited *</u>	<u>Totals</u>		
Kindergarten	36,000	28,140	11,760	39,900	128	52	180	N/A	In Compliance
Grade 1	50,400	35,900	14,680	50,580	128	52	180	N/A	In Compliance
Grade 2	50,400	35,900	14,680	50,580	128	52	180	N/A	In Compliance
Grade 3	50,400	35,900	14,680	50,580	128	52	180	N/A	In Compliance
Grade 4	54,000	38,411	15,724	54,135	128	52	180	N/A	In Compliance
Grade 5	54,000	38,411	15,724	54,135	128	52	180	N/A	In Compliance
Grade 6	54,000	38,411	15,724	54,135	128	52	180	N/A	In Compliance

\* Covered by COVID-19 School Closure Certification

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF INSTRUCTIONAL TIME - CHARTER SCHOOL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<b>Grade Level</b>	<b>Minutes Required</b>	<b>Instructional Minutes</b>			<b>Traditional Calendar Days</b>			<b>Number of Days Multitrack Calendar</b>	<b>Status</b>
		<b>Offered</b>	<b>Credited *</b>	<b>Total</b>	<b>Offered</b>	<b>Credited *</b>	<b>Total</b>		
Kindergarten	36,000	27,115	11,240	38,355	128	52	180	N/A	In Compliance
Grade 1	50,400	35,885	14,740	50,625	128	52	180	N/A	In Compliance
Grade 2	50,400	35,885	14,740	50,625	128	52	180	N/A	In Compliance
Grade 3	50,400	35,885	14,740	50,625	128	52	180	N/A	In Compliance
Grade 4	54,000	38,432	15,748	54,180	128	52	180	N/A	In Compliance
Grade 5	54,000	38,432	15,748	54,180	128	52	180	N/A	In Compliance
Grade 6	54,000	38,432	15,748	54,180	128	52	180	N/A	In Compliance
Grade 7	54,000	39,105	16,020	55,125	128	52	180	N/A	In Compliance
Grade 8	54,000	39,105	16,020	55,125	128	52	180	N/A	In Compliance

\* Covered by COVID-19 School Closure Certification

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identification Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture:</b>				
Passed Through California Department of Education (CDE):				
<i>Child Nutrition Cluster:</i>				
National School Lunch	10.555	13524		\$ 290,979
School Needy Breakfast	10.553	13526		105,202
USDA Food Commodities	10.555	*		54,358
Subtotal Child Nutrition Cluster				<u>450,539</u>
<b>Total U.S. Department of Agriculture</b>				<u>450,539</u>
<b>U.S. Department of Education:</b>				
Passed Through CDE:				
Title I Part A Basic Grant Low-Income & Neglected	84.010	14329		246,140
Title II Part A Supporting Effective Instruction	84.367	14341		39,322
Title IV Part A Student Support & Academic Enrichment	84.424	15396		17,676
Title III English Learner Student Program	84.365	14346		71,413
Passed Through Sonoma County SELPA:				
<i>Special Education Cluster:</i>				
IDEA Part B Basic Local Assistance	84.027	13379		366,828
IDEA Part B Preschool Grants	84.173	13430		25,141
Subtotal Special Education Cluster				<u>391,969</u>
<b>Total U.S. Department of Education</b>				<u>766,520</u>
<b>U.S. Department of Health and Human Services:</b>				
<i>Medicaid Cluster:</i>				
Passed Through Sonoma County SELPA:				
Medi-Cal Billing Option	93.778	10013		15,218
Passed Through Sonoma County Office of Education:				
Medi-Cal Administrative Activities	93.778	10060		45,741
<b>Total U.S. Department of Health and Human Services</b>				<u>60,959</u>
Totals			<u>\$ 0</u>	<u>\$ 1,278,018</u>

\* Pass-Through Identification Number is not available or not applicable



**WRIGHT ELEMENTARY SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT  
WITH AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Special Revenue - Special Reserve Fund
June 30, 2020 Annual Financial and Budget Report Fund Balances	\$ 3,661,977	\$ 308,766
Reclassification Increasing (Decreasing) Fund Balances:		
Reclassification of Fund Balances	308,766	(308,766)
June 30, 2020 Audited Financial Statements Fund Balances	\$ 3,970,743	\$ 0

Auditor's Comments

The fund balances of the General Fund and Special Revenue - Special Reserve Fund have been combined for financial reporting purposes in accordance with GASB 54.

The audited financial statements of all other funds were in agreement with the Annual Financial and Budget Report for the fiscal year ended June 30, 2020.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	GENERAL FUND			
	(Budget) 2020-21	2019-20	2018-19	2017-18
Revenues and Other Financial Sources	\$ 17,317,372	\$ 19,315,483	\$ 20,014,602	\$ 18,588,537
Expenditures	19,096,979	20,272,518	20,962,685	18,466,982
Other Uses and Transfers Out	0	0	967	501
Total Outgo	19,096,979	20,272,518	20,963,652	18,467,483
Change in Fund Balance	(1,779,607)	(957,035)	(949,050)	121,054
Ending Fund Balance	\$ 2,191,136	\$ 3,970,743	\$ 4,927,778	\$ 5,876,828
Available Reserves	\$ 2,089,656	\$ 3,874,800	\$ 1,187,278	\$ 1,225,922
Reserve for Economic Uncertainties*	\$ 572,909	\$ 608,176	\$ 1,048,182	\$ 923,349
Available Reserves as a Percentage of Total Outgo	10.9%	19.1%	5.7%	6.6%
Average Daily Attendance at P-2 (Inclusive of Charter School)	1,382	1,383	1,409	1,495
Total Long-Term Liabilities	\$ 35,470,380	\$ 36,543,406	\$ 36,651,305	\$ 36,054,410

\* Reported balances are a component of available reserves.

The fund balance of the General Fund decreased \$1,906,085 (32.4%) over the past two years. The fiscal year 2020-21 budget projects a decrease of \$1,779,607 (44.8%). For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District produced an operating surplus of \$121,054 during fiscal year 2017-18, and incurred operating deficits of \$949,050 and \$957,035, during fiscal years 2018-19 and 2019-20, respectively.

Average daily attendance (ADA) decreased 112 ADA over the past two years. The District anticipates a further decrease of 1 ADA during fiscal year 2020-21.

Total long-term liabilities increased \$488,996 over the past two years due primarily to accreted interest on the District's outstanding capital appreciation bonds.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

<u><b>Charter School</b></u>	<u><b>Charter Number</b></u>	<u><b>District Audit</b></u>
Wright Charter School	1087	Included

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES**

**A. Combining Statements**

Combining statements are presented for purposes of additional analysis and are not a required part of the District's basic financial statements. These statements present more detailed information about the financial position and financial activities of the District's individual funds.

**B. Schedule of Average Daily Attendance**

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

**C. Schedule of Average Daily Attendance - Charter School**

The average daily attendance is a measurement of the number of pupils attending classes at Wright Charter School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of classroom-based and all students at various grade levels at Wright Charter School.

**D. Schedule of Instructional Time**

This schedule presents information on the instructional days provided and the amount of instructional time offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code.

**E. Schedule of Instructional Time - Charter School**

Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction. This schedule presents information on the amount of instructional time offered by Wright Charter School and whether the Charter School complied with the provisions of Education Code Section 47612.5(a)(1).

**F. Schedule of Expenditures of Federal Awards**

*Basis of Presentation*

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. 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)*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES (CONCLUDED)**

**F. Schedule of Expenditures of Federal Awards (Concluded)**

*Summary of Significant Accounting Policies*

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

*Indirect Cost Rates*

The District has not elected to use the 10 percent de minimis cost rate as allowed under the Uniform Guidance.

**G. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balances of all funds, as reported in the Annual Financial and Budget Report to the audited financial statements.

**H. 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.

**I. Schedule of Charter Schools**

This schedule lists all charter schools chartered by the District, the charter number, and identifies whether or not the charter schools were included or excluded from the audit of the District.



OTHER INDEPENDENT AUDITOR'S REPORTS SECTION





**STEPHEN ROATCH ACCOUNTANCY CORPORATION**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE**

Board of Education  
Wright Elementary School District  
Santa Rosa, California

**Report on State Compliance**

We have audited Wright Elementary School District's compliance with the types of compliance requirements described in the *2019-20 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* that could have a direct and material effect on each of the District's state programs identified on the following page for the fiscal year ended June 30, 2020.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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 *2019-20 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting (Audit Guide)*, prescribed in the *California Code of Regulations*, Title 5, section 19810 and following. Those standards and the Audit Guide 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 District's state programs occurred. An audit includes examining, on a test basis, evidence about Wright 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 state laws and regulations. Our audit does not provide a legal determination of Wright Elementary School District's compliance with those requirements.

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

<u>Description</u>	<u>Procedures Performed</u>
<b>Local Education Agencies Other Than Charter Schools:</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (see below)
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
<b>School Districts, County Offices of Education, and Charter Schools:</b>	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
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
<b>Charter Schools:</b>	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	No (see below)
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable

We did not perform procedures for the independent study program and nonclassroom-based instruction/independent study because the average daily attendance claimed by the District does not exceed the thresholds that require testing.

Opinion on State Compliance

In our opinion, Wright Elementary School District complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2020.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2019-20 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

*Stephen Roatch Accountancy Corporation*

STEPHEN ROATCH ACCOUNTANCY CORPORATION  
Certified Public Accountants

January 19, 2021



**STEPHEN ROATCH ACCOUNTANCY CORPORATION**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Education  
Wright 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 the Wright 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 District's basic financial statements, and have issued our report thereon dated January 19, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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*.

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.

*Stephen Roatch Accountancy Corporation*

STEPHEN ROATCH ACCOUNTANCY CORPORATION  
Certified Public Accountants

January 19, 2021

**STEPHEN ROATCH ACCOUNTANCY CORPORATION**  
*Certified Public Accountants*

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

Board of Education  
Wright Elementary School District  
Santa Rosa, California

**Report on Compliance for Each Major Federal Program**

We have audited the Wright 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 the Wright Elementary School District's major federal programs for the year ended June 30, 2020. The 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 the 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 the Wright 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 the Wright Elementary School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Wright 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 the Wright 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 the 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 the 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.

*Stephen Roatch Accountancy Corporation*

STEPHEN ROATCH ACCOUNTANCY CORPORATION  
Certified Public Accountants

January 19, 2021



## FINDINGS AND QUESTIONED COSTS SECTION



**WRIGHT ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	_____ Yes	_____ X No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ X	None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?	_____ Yes	_____ X No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ X	None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes \_\_\_\_\_ X No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Federal Program</u>
10.553 / 10.555	Child Nutrition Cluster
84.027 / 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes \_\_\_\_\_ X No

**State Awards**

Any audit findings required to be reported in accordance with the 2019-20 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting? \_\_\_\_\_ Yes \_\_\_\_\_ X No

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

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There are no matters to report for the fiscal year ended June 30, 2020.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There are no matters to report for the fiscal year ended June 30, 2020.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

**SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS**

There are no matters to report for the fiscal year ended June 30, 2020.

**WRIGHT ELEMENTARY SCHOOL DISTRICT  
STATUS OF PRIOR YEAR RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

---

<u>Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Fully Implemented</u>
<b><u>STATE AWARDS</u></b>		
<b>2019 - 001 / 10000</b>		
<b><u>KINDERGARTEN CONTINUANCE</u></b>		
The District should enforce policies and procedures which require that a signed state compliant kindergarten continuance form is used to support all future retentions of kindergarten students.	Implemented	
<b>2019 - 002 / 10000</b>		
<b><u>ATTENDANCE</u></b>		
The District should enforce policies and procedures that require the office manager to track whether teachers are properly logging into the attendance system on a daily basis to record attendance, performing follow-up procedures on delinquent teachers, and reporting delinquent teachers to their supervisor(s).	Implemented	
<b>2019 - 003 / 40000</b>		
The District should enforce policies and procedures that require the comprehensive school safety plan to be reviewed and updated by March 1 in accordance with Education Code Section 32286.	Implemented	
<b>2019 - 004 / 70000</b>		
<b><u>INSTRUCTIONAL MATERIALS</u></b>		
The District should enforce policies and procedures that ensure that it will comply with the instructional material public hearing notice posting requirements of Education Code Section 60119(b).	Implemented	

