

Rescue Union School District

20-Jan-21

	Green Valley	Frontier	Lake Forest	Frontier	Jackson	Lakeview	Rescue		Pleasant Grove	Frontier	Marina Village	Tot.
TR. KDG	13	22	15		15	21	20					106
KDG.*	36	70	43		53	66	57					325
FIRST	47	55	55		55	66	54					332
SECOND	38	81	50		62	68	67					366
THIRD	46		55	69	62	64	57					353
FOURTH	37		55	87	74	68	58					379
FIFTH	49		58	76	56	75	60					374
SIXTH									120	87	173	380
SEVENTH									115	79	208	402
EIGHTH									128	76	222	426
SDC			19						18			
*Frontier		228		232						242		702
TOTAL	266		350		377	428	373		381		603	3484

**Low Housing Projection 2017-18	Variance
100	6
389	-64
348	-16
349	17
362	-9
363	16
393	-19
393	-13
348	54
438	-12
0	19
0	702
3483	1

**Projected enrollment is from Table 10 of the Demographic Study

NPS 4

ENROLLMENT HISTORY

	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
2020/2021	3445	3438	3436	3441	3470	3484					
2019/2020	NA	3611	3608	3609	3636	3652	3653	3666	NA	NA	NA
2018/2019	3606	3619	3635	3638	3643	3691	3698	3694	3692	3692	3683
2017/2018	NA	3624	3632	3642	3655	3685	3688	3682	3684	3679	3672
2016/2017	3723	3709	3723	3731	3734	3774	3792	3792	3786	3794	3766
2015/2016	3666	3658	3673	3673	3676	3686	3707	3717	3734	3740	3733
2014/2015	3690	3697	3699	3702	3712	3735	3753	3771	3772	3775	N/A
2013/2014	3797	3775	3770	3776	3774	3797	3804	3821	3823	3825	N/A
2012/2013	3889	3902	3895	3900	3893	3885	3912	3919	3920	3929	N/A
2011/2012	3984	3984	3989	3995	3995	4002	4019	4024	4032	4038	N/A
2010/2011	4124	4088	4070	4071	4074	4083	4092	4099	4097	4095	N/A
2009/2010	4173	4123	4115	4116	4113	4119	4122	4121	4112	4115	4110
2008/2009	4176	4105	4104	4106	4115	4110	4095	4091	4097	4099	4117
2007/2008	4093	4079	4090	4094	4091	4097	4110	4096	4101	4085	4082
2006/2007	3916	3905	3918	3927	3934	3933	3952	3967	3964	3972	3973

Diff 2019-2020 2020-2021 173 172 168 166 168

Avg Diff

RESCUE UNION SCHOOL DISTRICT

AGENDA ITEM: Resolution #21-01 – Censure of Trustee Brownell

BACKGROUND:

The Board of Trustees of the Rescue Union School District has a strong commitment to ethics. The public expects and must receive the highest standards of ethics from all those in public service. In order to ensure ethical conduct, the Board of Trustees must have a procedure by which it can censure its own members for violations of its policies or bylaws of the Board.

STATUS:

Trustee White has requested to have this reprimand and/or censure of Trustee Brownell be heard by the Board, regarding the comments made at the January 12, 2021. The request is based on the following violations:

1. Gov Code § 54954.2(a)(2)(E)(3) ("No action or discussion shall be undertaken on any item not appearing on the posted agenda.")

The proper course of action is to have "Board Member Reports" as an item on the Agenda.

2. Board Bylaw 9010 "When speaking to... members of the public, individual Board members should recognize that their statements may be perceived as reflecting the views and positions of the Board. Board members have a responsibility to identify personal viewpoints as such and not as the viewpoint of the Board."

During deliberation on an agenda item, it is clear to the public that the member's statements and opinions are theirs alone. At any other time, a board member, and in particular a Board president, must make clear that he or she is speaking for himself or herself.

FISCAL IMPACT:

N/A

BOARD GOALS:

Board Focus Goal I - STUDENT NEEDS

A. Student Safety and Well Being: Enhance and encourage social, emotional, ethical and civic learning by providing a safe, supportive and diverse environment.

B. Curriculum and Instruction: Provide a meaningful, innovative learning environment using Common Core, and other student content standards and research-based, progressive, effective instructional methodology, instructional materials, staff development and technology that will ensure student success in career and college.

Board Focus Goal II – FISCAL ACCOUNTABILITY

Keep the district fiscally solvent through prudent LCAP aligned budget processes in order to meet the needs of our students.

Board Focus Goal II - COMMUNICATION / COMMUNITY INVOLVEMENT

Establish and maintain consistent and effective communication that is transparent and timely in an effort to provide and receive information that will engage and educate our District and community.

Board Focus Goal IV - STAFF NEEDS

Attract and retain diverse, knowledgeable, dedicated employees who are skilled and supported in their commitment to provide quality education for our students.

Board Focus Goal V - FACILITY / HOUSING

Build, improve and maintain school facilities to meet current and future education needs while integrating the most effective and efficient use of resources.

Board Focus Goal VI – CULTURE OF EXCELLENCE

Create and promote programs that support, reward and incentivize employees to perform at exceptional levels for the benefit of our students.

RECOMMENDATION:

The Board consider approval of the Resolution #21-01, Censure for Trustee Brownell.

**RESOLUTION OF THE BOARD OF TRUSTEES OF RESCUE UNION
SCHOOL DISTRICT REGARDING CENSURE OF TRUSTEE NANCY
BROWNELL FOR VIOLATION OF GOV.CODE, § 54954.2, SUBD.
(A)(2)(E)(3), BOARD BYLAW 9005, AND BOARD BYLAW 9010.**

WHEREAS, this Board of Trustees (“Board”) of the Rescue Union School District (“District”) has inherent authority to censure its membership for violations of duly enacted Board Policies, Board Bylaws, Administrative Regulations, and applicable law.

WHEREAS, Gov. Code, § 54954.2, subd. (a)(2)(E)(3) unambiguously states:

No action or discussion shall be undertaken on any item not appearing on the posted agenda.

WHEREAS, Board Bylaw 9010 unambiguously obligates the membership of the Board to not allow their personal viewpoints and statements to be interpreted as that of the Board:

When speaking to community groups, the media, or other members of the public, individual Board members should recognize that their statements may be perceived as reflecting the views and positions of the Board. Board members have a responsibility to identify personal viewpoints as such and not as the viewpoint of the Board.

All public statements authorized to be made on behalf of the Board shall be made by the Board president or, if appropriate, by the Superintendent or other designated representative.

WHEREAS, this Board has received testimony charging that Board President Nancy Brownell has engaged in the following conduct (“Testimony”):

At the January 12, 2021 Board Meeting, Ms. Brownell expressed viewpoints and made statements on issues and items not on the Board Agenda for the January 12, 2021 meeting. Because of her position as President of the Board, and because it was not a discussion item on the agenda, and because she did not identify the speech as such, it was not clear that her statements were her own and not the viewpoints of the Board.

WHEREAS, this Board has received public comment relating to the foregoing recitals and permitted Board President Nancy Brownell notice and opportunity to respond to the contents of this Resolution.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Trustees of the Rescue Union School District hereby resolves:

1. The foregoing recitals are true and correct.

2. The Testimony set forth above is hereby adopted by the Board as its factual findings in connection with this Resolution (“Factual Findings”).
3. The Board hereby formally *censures* Board President Nancy Brownell and proclaims publicly that this Board disapproves of the aforementioned conduct and finds it to be a violation of Gov. Code, § 54954.2, subd. (a)(2)(E)(3), and Board Bylaw 9010 as quoted above.

PASSED AND ADOPTED by the following vote of the members of the Board of Trustees of the Rescue Union School District of El Dorado County, State of California, this 26 day of January 2021.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

President

I certify that the foregoing Resolution was duly introduced, passed and adopted by the Board of Trustees at a regularly called and conducted meeting held on said date.

Clerk

RESCUE UNION SCHOOL DISTRICT

AGENDA ITEM: COVID and District Calendar Update

BACKGROUND:

RUSD continues working closely with El Dorado County Public Health, El Dorado County Office of Education, and California Department of Public Health as we navigate this school year. Due to this continued collaboration, the success of our hybrid model, and the success of our health and safety protocols, Rescue Union School District Board of Trustees had adopted a calendar to transition our district to full time in-person learning by March 1 at the December Board meeting.

Since that time, CDPH disseminated a revised guidance on January 14, 2021 that is a public health directive that applies to all public and private schools operating in California. Under operative executive orders and provisions of the California Health and Safety Code, schools must comply with the orders and guidance issued by the California Department of Public Health. The directives within the document preclude our district from opening fully, as the directives are currently written.

In the meantime, while revisions to these directives are sought by EDCOE, EDCPH, and our county districts who have been successfully open to in-person instruction this year, we will remain in hybrid status. Due to the need to remain in hybrid, the Board will need to approve a new calendar to be in effect until we can move to full time status. Because of the unknown date of this transition, the Board will approve a hybrid calendar for the remainder of the year, with the understanding that when the directives from CDPH are revised, RUSD will revert to the calendar approved at the December 15, 2020 meeting.

STATUS:

The proposed calendar will be presented to the Board at the regularly scheduled meeting on January 26, 2021.

FISCAL IMPACT:

The Mitigation of Learning Loss funding will be utilized to cover costs of our programs offered

BOARD GOALS:

Board Focus Goal I - STUDENT NEEDS

A. Student Safety and Well Being: Enhance and encourage social, emotional, ethical and civic learning by providing a safe, supportive and diverse environment.

B. Curriculum and Instruction: Provide a meaningful, innovative learning environment using Common Core, and other student content standards and research-based, progressive, effective instructional methodology, instructional materials, staff development and technology that will ensure student success in career and college.

Board Focus Goal II – FISCAL ACCOUNTABILITY

Keep the district fiscally solvent through prudent LCAP aligned budget processes in order to meet the needs of our students.

Board Focus Goal II - COMMUNICATION / COMMUNITY INVOLVEMENT

Establish and maintain consistent and effective communication that is transparent and timely in an effort to provide and receive information that will engage and educate our District and community.

Board Focus Goal IV - STAFF NEEDS

Attract and retain diverse, knowledgeable, dedicated employees who are skilled and supported in their commitment to provide quality education for our students.

Board Focus Goal V - FACILITY / HOUSING

Build, improve and maintain school facilities to meet current and future education needs while integrating the most effective and efficient use of resources.

Board Focus Goal VI – CULTURE OF EXCELLENCE

Create and promote programs that support, reward and incentivize employees to perform at exceptional levels for the benefit of our students.

RECOMMENDATION:

District Administration recommends that the Board of Trustees approve the proposed calendar to be in effect until the District is allowed to open in a full time in-person instructional model.



RESCUE UNION SCHOOL DISTRICT

UPDATED 2020-2021 School Calendar

APPROVED
12/15/20

Board Approved Revision -

"Educating for the Future, Together"



- First Day /Last Day of Classes
- Holiday (Non-Student Day)
- Teacher Work/Staff Dev (Non-Student Day)
- Emergency School Closure Make-Up Days
- Elementary Only Distance Learning Days
- Districtwide Student Distance Learning Days
- Full Minimum Days
- Early Release Days (1 hour early)

Aug - Dec - Hybrid AM/PM Model

January/February - All Students On Campus (Early Release Days)

March/May - All Students Full Traditional Calendar

M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31				

11

- 7,13 **Staff Development Day**
(Students do not attend)
- 14 **Teacher Work Day**
(Students do not attend)
- 17 **FIRST DAY OF CLASSES**
- 19,26 **Student Distance Learning Day**
All Schools-Staff Professional Development

M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30		

21

- 7 **Labor Day**
- 2, 9 **Student Distance Learning Day**
All Schools-Staff Professional Development
- 24-25 **Student Distance Learning Day**
Parent/Teacher Conference
Middle Schools Only

M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

22

- 23,30 **Student Distance Learning Day**
All Schools-Staff Professional Development

M	T	W	T	F
2	3	4	5	6
9	10	11	12	13
16	17	18	19	20
23	24	25	26	27
30				

15

- 6,13,20 **Student Distance Learning Day**
All Schools-Staff Professional Development
- 6 **END FIRST TRIMESTER**
- 11 **Veterans Day (observed)**
- 16-20 **Student Distance Learning Day**
Parent/Teacher Conference
Elementary Schools only
- 23-27 **Thanksgiving Break**

M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

14

- 4,11,18 **Student Distance Learning Day**
All Schools-Staff Professional Development
- 21 **Winter Break Begins**

M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

19

- 1 **New Year's Day**
- 4 **First Day - All Students**
- 11 **Early Release (1 hour early)**
- 18 **Martin Luther King Jr. Day**

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26

18

- 12 **Lincoln's Day (observed)**
- 15 **President's Day**
(Washington's Day observed)
- 26 **Minimum Day (Report Card Prep)**
- 26 **END SECOND TRIMESTER**

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

20

- 1 **First Day Full Traditional**
- 29 **Spring Break Begins**

M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

20

- 2 **Last Day of Spring Break**
- SBAC Testing Window**
April 12 - May 14
(school testing schedules will vary)

M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31	1	2		

20

- 21 **Minimum Day (Report Card Prep)**
- 28 **LAST DAY OF CLASSES (Min Day)**
- 28 **END THIRD TRIMESTER**
- 31 **Memorial Day**
- June 1-2 **Potential Emergency School Closure Make-Up Days**

Elementary Student Distance Learning Days	
AUG	19, 26
SEP	2, 9
OCT	23, 30
NOV	6, 13 / 16-20 Parent-Teacher Conferences

Student Distance Learning Day
Students work from home the entire day
(no in-person attendance)

Middle School Student Distance Learning Days	
AUG	19, 26
SEP	2, 9 / 24-25 Parent-Teacher Conferences
OCT	30
NOV	6, 13, 20



DRAFT
01/26/21

RESCUE UNION SCHOOL DISTRICT

2020-2021 School Calendar

Board Approved Revision -

"Educating for the Future, Together"



First Day /Last Day of Classes
Holiday (Non-Student Day)
Teacher Work/Staff Dev (Non-Student Day)
Staff Dev - Limited Office Hours
Elementary Only Staff Dev - Limited Office Hou
Emergency School Closure Make-Up Days

Hybrid Alternate Calendar

(Revert to Regular Calendar (Approved...) The second Monday once CDPH Restrictions are Lifted)

M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31				

11

7, 13 Staff Development Day
(Students do not attend)
14 Teacher Work Day
(Students do not attend)
17 FIRST DAY OF CLASSES
19, 26 Student Distance Learning Day
All Schools-Staff Professional Development

M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30		

21

7 Labor Day
2, 9 Student Distance Learning Day
All Schools-Staff Professional Development
24-25 Student Distance Learning Day
Parent/Teacher Conference
Middle Schools Only

M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

22

19,30 Student Distance Learning Day
All Schools-Staff Professional Development

M	T	W	T	F
2	3	4	5	6
9	10	11	12	13
16	17	18	19	20
23	24	25	26	27
30				

15

6,16 Student Distance Learning Day
(All Schools, Report Card Prep)
6 END FIRST TRIMESTER
11 Veterans Day (observed)
16-20 Student Distance Learning Day
Parent/Teacher Conference
Elementary Schools only
23-27 Thanksgiving Break

M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

14

7,18 Student Distance Learning Day
All Schools-Staff Professional Development
21 Winter Break Begins

M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

19

1 New Year's Day
1 Last Day of Winter Break
18 Martin Luther King Jr. Day
15 Student Distance Learning Day
All Schools-Staff Professional Development

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26

18

12 Lincoln's Day (observed)
15 President's Day
(Washington's Day observed)
5, 26 Student Distance Learning Day
All Schools Staff Professional Development
26 END SECOND TRIMESTER

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

20

29 Spring Break Begins
12,26 Student Distance Learning Day
All Schools-Staff Professional Development

M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

20

2 Last Day of Spring Break
9,23 Student Distance Learning Day
All Schools-Staff Professional Development
SBAC Testing Window
April 12 - May 14
(school testing schedules will vary)

M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31	1	2		

20

7, 21 Student Distance Learning Day
All Schools-Staff Professional Development
28 LAST DAY OF CLASSES
28 END THIRD TRIMESTER
31 Memorial Day
June 1-2 Potential Emergency School Closure Make-Up Days

Elementary Student Distance Learning Days			
AUG	19, 26	DEC	7, 18
SEP	2, 9	JAN	11
OCT	19, 30	FEB	5, 26
NOV	6, 16-20	MAR	12, 26

Student Distance Learning Day
Students work from home the entire day
(no in-person attendance)

Middle School Student Distance Learning Days			
AUG	19, 26	DEC	7, 18
SEP	2, 9, 24-25	JAN	11
OCT	19, 30	FEB	5, 26
NOV	6, 16	MAR	12, 26



RESCUE UNION SCHOOL DISTRICT

UPDATED 2020-2021 School Calendar

DRAFT
01/26/21

Board Approved Revision -

"Educating for the Future, Together"



- First Day /Last Day of Classes
- Holiday (Non-Student Day)
- Teacher Work/Staff Dev (Non-Student Day)
- Emergency School Closure Make-Up Days
- Elementary Only Distance Learning Days
- Districtwide Student Distance Learning Days
- Full Minimum Days
- Early Release Days (1 hour early)

Regular Calendar

(Use Hybrid Calendar Approved ... Until the second Monday following CDPH Restrictions are Lifted)

M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31				

11

- 7,13** Staff Development Day
(Students do not attend)
- 14** Teacher Work Day
(Students do not attend)
- 17** **FIRST DAY OF CLASSES**
- 19,26** Student Distance Learning Day
All Schools-Staff Professional Development

M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30		

21

- 7** Labor Day
- 2, 9** Student Distance Learning Day
All Schools-Staff Professional Development
- 24-25** Student Distance Learning Day
Parent/Teacher Conference
Middle Schools Only

M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

22

- 23,30** Student Distance Learning Day
All Schools-Staff Professional Development

M	T	W	T	F
2	3	4	5	6
9	10	11	12	13
16	17	18	19	20
23	24	25	26	27
30				

15

- 6,13,20** Student Distance Learning Day
All Schools-Staff Professional Development
- 6** **END FIRST TRIMESTER**
- 11** Veterans Day (observed)
- 16-20** Student Distance Learning Day
Parent/Teacher Conference
Elementary Schools only
- 23-27** Thanksgiving Break

M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

14

- 4,11,18** Student Distance Learning Day
All Schools-Staff Professional Development
- 21** Winter Break Begins

M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

19

- 1** New Year's Day
- 4** First Day - All Students
- 11** Early Release (1 hour early)
- 18** Martin Luther King Jr. Day

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26

18

- 12** Lincoln's Day (observed)
- 15** President's Day
(Washington's Day observed)
- 26** Minimum Day (Report Card Prep)
- 26** **END SECOND TRIMESTER**

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

20

- 29** Spring Break Begins

M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

20

- 2** Last Day of Spring Break
- SBAC Testing Window**
April 12 - May 14
(school testing schedules will vary)

M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31	1	2		

20

- 21** Minimum Day (Report Card Prep)
- 28** **LAST DAY OF CLASSES (Min Day)**
- 28** **END THIRD TRIMESTER**
- 31** Memorial Day
- June 1-2 Potential Emergency School Closure Make-Up Days

Elementary Student Distance Learning Days

AUG	19, 26	DEC	4, 11, 18
SEP	2, 9	JAN	11
OCT	23, 30		
NOV	6, 13 / 16-20 Parent-Teacher Conferences		

Student Distance Learning Day

Students work from home the entire day
(no in-person attendance)

Middle School Student Distance Learning Days

AUG	19, 26	DEC	4, 11, 18
SEP	2, 9 / 24-25 Parent-Teacher Conferences		
OCT	30	JAN	11
NOV	6, 13, 20		

RESCUE UNION SCHOOL DISTRICT

AGENDA ITEM: Auditor's Report on Financial Statements for 2019-2020

BACKGROUND:

State law requires school districts have an independent audit made of its financial statements on an annual basis. The firm of Crowe Horwath, LLP completed Rescue Union School District's annual audit and has filed the report with the California Department of Education.

STATUS:

The Auditor's Report on the Rescue Union School District financial statements for 2019-2020 includes reports on compliance with state and federal regulations, as well as on internal controls and supplementary information required by the State.

The Auditor's Report finds that the financial statements present fairly, in all material respects, the financial position of the district and the results of operations for the year ended June 30, 2020.

The auditors noted three findings and they are noted in the audit summary document.

FISCAL IMPACT:

N/A

BOARD GOAL:

Board Focus Goal II – FISCAL ACCOUNTABILITY:

Keep the district financially solvent through prudent LCAP aligned budget processes in order to meet the needs of our students.

RECOMMENDATION:

District staff recommends the Board of Trustees accept the Auditor's Report on Financial Statements for the year ended June 30, 2020.

**RESCUE UNION SCHOOL DISTRICT
COUNTY OF EL DORADO
RESCUE, CALIFORNIA**

AUDIT REPORT

JUNE 30, 2020

RESCUE UNION SCHOOL DISTRICT

JUNE 30, 2020

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RESCUE UNION SCHOOL DISTRICT

JUNE 30, 2020

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FINANCIAL SECTION

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rescue Union School District
Rescue, 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 Rescue Union 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 Rescue Union 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 Rescue Union 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*, 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.

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 December 22, 2020 on our consideration of the Rescue Union 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 Rescue Union 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 Rescue Union School District's internal control over financial reporting and compliance.

Stephen Roatch Accountancy Corporation

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

December 22, 2020

RESCUE UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(PREPARED BY DISTRICT MANAGEMENT)

This section of the Rescue Union 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

The 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 22, provide information about how the 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.

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 improved slightly during the course of the year as net position increased by less than 1%.
- On the Statement of Activities, total current year revenues exceeded total current year expenses by \$28,438.
- Net capital assets decreased \$128,665, due to the current year addition of \$2,409,673 of new capital assets and improvements, and the current year recognition of \$2,538,338 of depreciation expense.
- Total long-term liabilities decreased \$611,839 due primarily to the net effect of general obligation bond payments of \$1,553,990, increase in accreted interest on the general obligation bonds of \$818,656, payments on the certificated of participation of \$405,000, and the current year increases in the District's net pension liabilities related to its participation in the CalSTRS and CalPERS pension plans.
- The District's P-2 average daily attendance (ADA) decreased from 3,521 ADA in fiscal year 2018-19, down to 3,490 ADA in fiscal year 2019-20, a decrease of less than 1%.
- The District's General Fund produced an operating surplus of \$946,956 during 2019-20.
- 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 total outgo was \$37,822,804. At June 30, 2020, the District had available reserves of \$3,589,628, which represents a reserve of 9.5%.

RESCUE UNION 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 the 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.

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 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 financial health or position (net position) can be measured by taking 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.

**RESCUE UNION 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 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 and special education, administration, and transportation 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 state and federal contract and grants, and local revenues.

Reporting the District 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 the Rescue Union School District are the General Fund, Bond Interest and Redemption Fund, Communities Facilities District Fund, and the Capital 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 determine the level of financial resources available in the near future to finance the District's programs.

RESCUE UNION 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 net position increased slightly from \$3,708,137 at June 30, 2019 up to \$3,736,575 at June 30, 2020, or less than 1%.

<u>Comparative Statement of Net Position</u>		
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2020</u>
<u>Assets</u>		
Deposits and Investments	\$ 13,262,784	\$ 10,665,748
Receivables	916,884	4,940,400
Inventories	20,328	27,109
Prepaid Expenses	96,116	56,469
Capital Assets, net	61,678,205	61,549,540
Total Assets	<u>75,974,317</u>	<u>77,239,266</u>
<u>Deferred Outflows of Resources</u>		
Pension Deferrals	11,718,513	10,432,343
Bond Refunding	77,188	
Total Deferred Outflows of Resources	<u>11,795,701</u>	<u>10,432,343</u>
<u>Liabilities</u>		
Current	2,996,306	4,592,306
Long-Term	75,853,106	75,079,820
Total Liabilities	<u>78,849,412</u>	<u>79,672,126</u>
<u>Deferred Inflows of Resources</u>		
Pension Deferrals	4,341,000	4,262,908
<u>Net Position</u>		
Net Investment in Capital Assets	28,060,288	29,017,889
Restricted for Debt Service (Deficit) *	1,011,697	(2,271,855)
Restricted for Other Purposes	6,325,724	3,477,134
Unrestricted (Deficit)	(31,689,572)	(26,486,593)
Total Net Position *	<u>\$ 3,708,137</u>	<u>\$ 3,736,575</u>
<i>Table includes financial data of the combined governmental funds</i>		
<i>* The amounts presented for fiscal year 2018-19 have been adjusted - see Note 15.</i>		

RESCUE UNION 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 deficit balance for restricted for debt service 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 deficit will be eliminated by future property tax collections.

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.

<u>Comparative Statement of Changes in Net Position</u>		
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2020</u>
<u>Program Revenues</u>		
Charges for Services	\$ 854,176	\$ 887,825
Operating Grants and Contributions	6,809,479	5,770,804
<u>General Revenues</u>		
Taxes Levied	14,564,135	15,653,768
Federal and State Aid	19,990,099	19,131,856
Interest and Investment Earnings	209,663	148,293
Other Revenues	960,251	1,697,521
Total Revenues	<u>43,387,803</u>	<u>43,290,067</u>
<u>Expenses</u>		
Instruction	25,610,917	25,047,081
Instruction-Related Services	4,196,056	4,780,092
Pupil Services	4,458,517	4,352,100
General Administration	2,588,952	2,359,754
Plant Services	3,773,499	4,143,376
Ancillary Services		
Interest on Long-Term Debt	1,627,092	1,805,072
Other Expenses	2,530,789	774,154
Total Expenses	<u>44,785,822</u>	<u>43,261,629</u>
Changes in Net Position	<u>\$ (1,398,019)</u>	<u>\$ 28,438</u>

Table includes financial data of the combined governmental funds

The District's total current year revenues exceeded total current year expenses by \$28,438.

**RESCUE UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(PREPARED BY DISTRICT MANAGEMENT)**

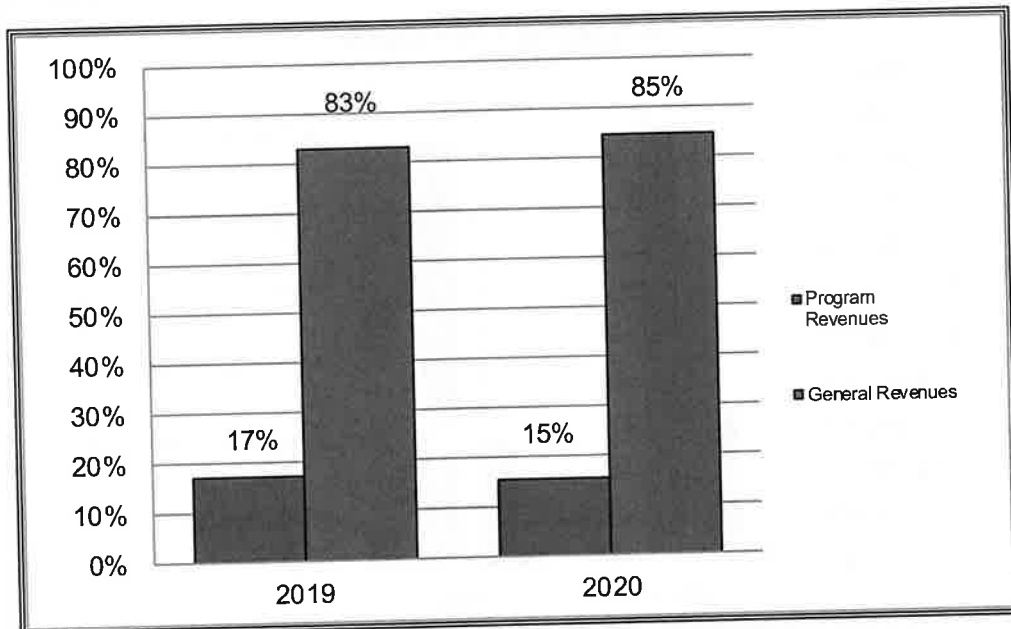
FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Comparative Schedule of Costs of Services

	Total Cost of Services		Net Cost of Services	
	2019	2020	2019	2020
Instruction	\$ 25,610,917	\$ 25,047,081	\$ 21,013,222	\$ 21,282,225
Instruction-Related Services	4,196,056	4,780,092	3,695,668	4,333,645
Pupil Services	4,458,517	4,352,100	2,593,629	2,657,814
General Administration	2,588,952	2,359,754	2,300,816	2,155,467
Plant Services	3,773,499	4,143,376	3,648,541	3,930,936
Interest on Long-Term Debt	1,627,092	1,805,072	1,627,092	1,805,072
Other Expenses	2,530,789	774,154	2,243,199	437,841
Totals	\$ 44,785,822	\$ 43,261,629	\$ 37,122,167	\$ 36,603,000

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 \$36,603,000 total net cost represents the financial burden that was placed on the District's general revenues for providing the services listed.



For fiscal year 2019-20, program revenues financed 15% of the total cost of providing the services listed above, while the remaining 85% was financed by the general revenues of the District.

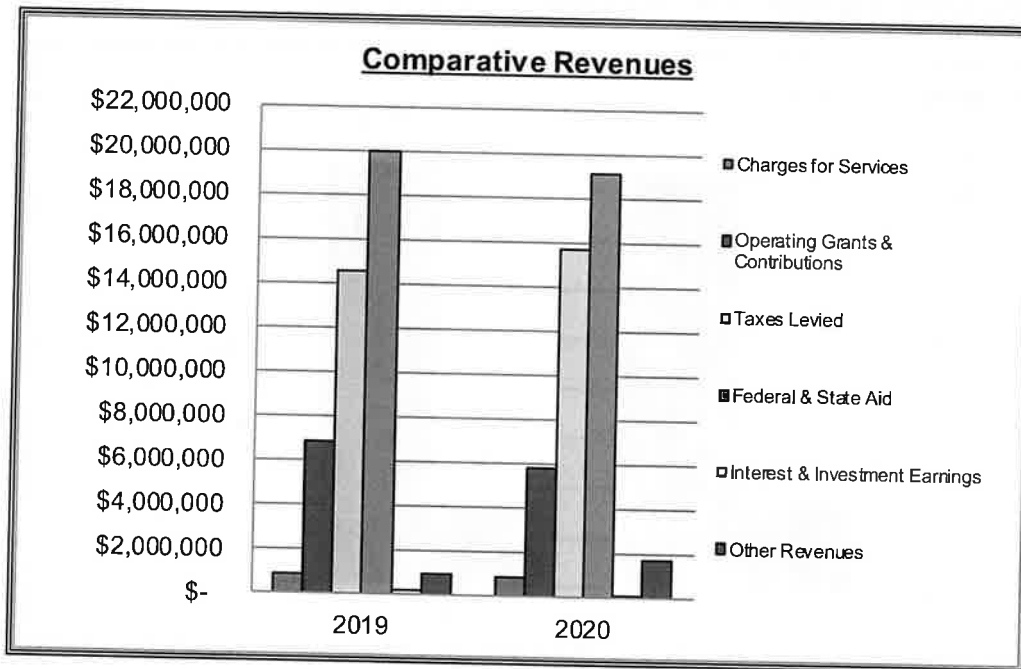
**RESCUE UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(PREPARED BY DISTRICT MANAGEMENT)**

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>
<u>Program Revenues</u>				
Charges for Services	\$ 854,176	1.97%	\$ 887,825	2.05%
Operating Grants & Contributions	6,809,479	15.69%	5,770,804	13.33%
<u>General Revenues</u>				
Taxes Levied	14,564,135	33.57%	15,653,768	36.16%
Federal & State Aid	19,990,099	46.07%	19,131,856	44.19%
Interest & Investment Earnings	209,663	0.48%	148,293	0.34%
Other Revenues	960,251	2.21%	1,697,521	3.92%
Total Revenues	<u>\$ 43,387,803</u>	<u>100.00%</u>	<u>\$ 43,290,067</u>	<u>100.00%</u>

Table includes financial data of the combined governmental funds

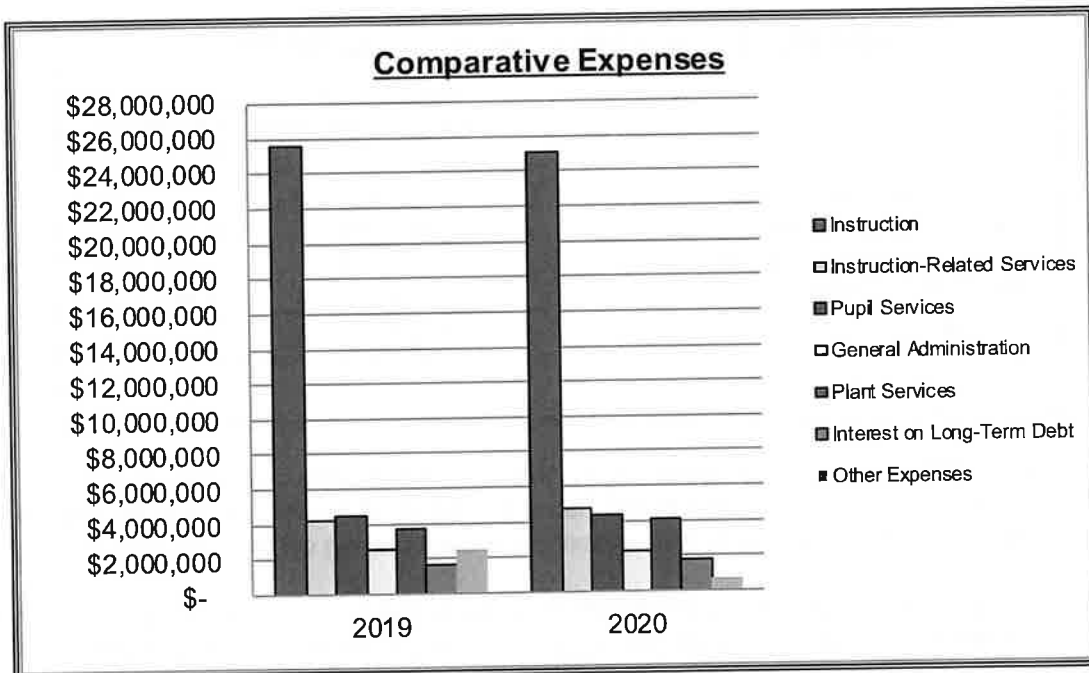


**RESCUE UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(PREPARED BY DISTRICT MANAGEMENT)**

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

<u>Schedule of Expenses For Governmental Functions</u>				
	<u>FYE 2019 Amount</u>	<u>Percent of Total</u>	<u>FYE 2020 Amount</u>	<u>Percent of Total</u>
<u>Expenses</u>				
Instruction	\$ 25,610,917	57.19%	\$ 25,047,081	57.90%
Instruction-Related Services	4,196,056	9.37%	4,780,092	11.05%
Pupil Services	4,458,517	9.96%	4,352,100	10.06%
General Administration	2,588,952	5.78%	2,359,754	5.45%
Plant Services	3,773,499	8.43%	4,143,376	9.58%
Interest on Long-Term Debt	1,627,092	3.63%	1,805,072	4.17%
Other Expenses	2,530,789	5.65%	774,154	1.79%
Total Expenses	\$ 44,785,822	100.00%	\$ 43,261,629	100.00%

Table includes financial data of the combined governmental funds



**RESCUE UNION 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>Comparative Schedule of Capital Assets</u>		
	Governmental Activities	
	2019	2020
Land	\$ 4,640,099	\$ 4,640,099
Construction-in-Progress	9,767,722	488,430
Sites and Improvements	3,932,930	3,750,238
Buildings and Improvements	41,852,286	49,804,779
Furniture and Equipment	1,485,168	2,865,994
Capital Assets, net	<u>\$ 61,678,205</u>	<u>\$ 61,549,540</u>

Net capital assets decreased \$128,665, due to the current year addition of \$2,409,673 of new capital assets and improvements, and the current year recognition of \$2,538,338 of depreciation expense.

<u>Comparative Schedule of Long-Term Liabilities</u>		
	Governmental Activities	
	2019	2020
Compensated Absences	\$ 39,798	\$ 58,375
General Obligation Bonds	27,551,105	26,815,771
Certificates of Participation	11,905,000	11,500,000
Net Pension Liabilities	38,292,000	38,801,918
Totals	<u>\$ 77,787,903</u>	<u>\$ 77,176,064</u>

The general obligation bonds are financed by the local taxpayers and represent 35% of the District's 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 all of its 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.

**RESCUE UNION 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

The fund balance of the General Fund increased \$946,956 and the combined fund balances of all other District governmental funds decreased \$116,655.

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 when material. In addition, the District revises its budget at First and Second Interim.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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.

Since 2011, Rescue USD has been in a state of declining enrollment. Declining enrollment creates fiscal pressures for RUSD, as state funding is tied to the number of students they serve. Most district-level declines in student enrollment are large and long lasting. Enrollment does not generally rebound, so RUSD must adjust to lower enrollment levels and less state revenues for the foreseeable future.

The employer contribution rates for CalSTRS and CalPERS will continue to increase on an annual basis for the near future.

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, contact Sean Martin, Assistant Superintendent of Business Services, Rescue Union School District, 2390 Bass Lake Road, Rescue CA 95672.

RESCUE UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
<u>Assets</u>	
Deposits and Investments (Note 2)	\$ 10,665,748
Receivables (Note 3)	4,940,400
Stores Inventory (Note 1H)	27,109
Prepaid Expenses (Note 1H)	56,469
Capital Assets, Not Depreciated (Note 5)	5,128,529
Capital Assets, Net of Accumulated Depreciation	56,421,011
Total Assets	77,239,266
<u>Deferred Outflows of Resources</u>	
Pension Deferrals (Note 8)	10,432,343
<u>Liabilities</u>	
Accounts Payable and Other Current Liabilities	2,184,682
Accrued Interest Payable	307,191
Unearned Revenue (Note 1H)	4,189
Long-Term Liabilities:	
<i>Portion Due or Payable Within One Year:</i>	
Compensated Absences (Note 1H)	58,375
General Obligation Bonds (Note 6)	1,622,869
Certificates of Participation (Note 7)	415,000
<i>Portion Due or Payable After One Year:</i>	
General Obligation Bonds (Note 6)	25,192,902
Certificates of Participation (Note 7)	11,085,000
Total Pension Liabilities (Note 8)	38,801,918
Total Liabilities	79,672,126
<u>Deferred Inflows of Resources</u>	
Pension Deferrals (Note 8)	4,262,908
<u>Net Position</u>	
Net Investment in Capital Assets	29,017,889
Restricted:	
For Capital Projects	1,920,635
For Debt Service (Deficit)	(2,271,855)
For Educational Programs	1,104,133
For Other Purposes	452,366
Unrestricted (Deficit)	(26,486,593)
Total Net Position	\$ 3,736,575

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**RESCUE UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Governmental Activities</u>					
Instruction	\$ 25,047,081	\$ 174,968	\$ 3,589,888		\$ (21,282,225)
Instruction-Related Services:					
Supervision of Instruction	1,399,780	7,243	270,421		(1,122,116)
Instructional Library and Technology	591,740	10,906	18,457		(562,377)
School Site Administration	2,788,572		139,420		(2,649,152)
Pupil Services:					
Home-to-School Transportation	964,536		15,425		(949,111)
Food Services	1,299,766	516,163	584,716		(198,887)
Other Pupil Services	2,087,798		577,982		(1,509,816)
General Administration:					
Data Processing Services	317,984				(317,984)
Other General Administration	2,041,770	42,931	161,356		(1,837,483)
Plant Services	4,143,376	61,568	150,872		(3,930,936)
Ancillary Services	134,700	4,975	17,750		(111,975)
Interest on Long-Term Debt	1,805,072				(1,805,072)
Other Outgo	639,454	69,071	244,517		(325,866)
Total Governmental Activities	<u>\$ 43,261,629</u>	<u>\$ 887,825</u>	<u>\$ 5,770,804</u>	<u>\$ 0</u>	<u>(36,603,000)</u>
<u>General Revenues</u>					
Taxes Levied for General Purposes					12,716,302
Taxes Levied for Debt Service					2,010,741
Taxes Levied for Specific Purposes					926,725
Federal and State Aid - Unrestricted					19,131,856
Interest and Investment Earnings					148,293
Transfers from Other Agencies					28,429
Miscellaneous					1,669,092
Total General Revenues					<u>36,631,438</u>
Change in Net Position					28,438
Net Position - July 1, 2019 (As Restated - Note 15)					<u>3,708,137</u>
Net Position - June 30, 2020					<u>\$ 3,736,575</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**RESCUE UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General	Bond Interest and Redemption
<u>Assets</u>		
Deposits and Investments (Note 2)	\$ 4,497,603	\$ 1,923,286
Receivables (Note 3)	4,784,284	
Stores Inventory (Note 1H)		
Prepaid Expenditures (Note 1H)	56,469	
Total Assets	\$ 9,338,356	\$ 1,923,286
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts Payable	\$ 2,170,194	
Unearned Revenue (Note 1H)	4,189	
Total Liabilities	2,174,383	
Fund Balances: (Note 10)		
Nonspendable	62,675	
Restricted	1,104,133	\$ 1,923,286
Assigned	2,407,537	
Unassigned	3,589,628	
Total Fund Balances	7,163,973	1,923,286
Total Liabilities and Fund Balances	\$ 9,338,356	\$ 1,923,286

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

Community Facilities District	Capital Facilities	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,899,037	\$ 1,920,635	\$ 425,187 156,116 27,109	\$ 10,665,748 4,940,400 27,109 56,469
<u>\$ 1,899,037</u>	<u>\$ 1,920,635</u>	<u>\$ 608,412</u>	<u>\$ 15,689,726</u>
		\$ 14,488	\$ 2,184,682 4,189
		<u>14,488</u>	<u>2,188,871</u>
\$ 1,899,037	\$ 1,920,635	31,109 358,582 207,100 (2,867)	93,784 7,205,673 2,614,637 3,586,761
<u>1,899,037</u>	<u>1,920,635</u>	<u>593,924</u>	<u>13,500,855</u>
<u>\$ 1,899,037</u>	<u>\$ 1,920,635</u>	<u>\$ 608,412</u>	<u>\$ 15,689,726</u>

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

Total Fund Balances - Governmental Funds \$ 13,500,855

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	\$ 93,912,237	
Accumulated Depreciation	(32,362,697)	
Net		61,549,540

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: 6,169,435

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 reported at the end of the period are:

Compensated Absences	58,375	
General Obligation Bonds	26,815,771	
Certificates of Participation	11,500,000	
Net Pension Liabilities	38,801,918	
Total		(77,176,064)

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 statements of activities, it is recognized in the period that it is incurred. The additional liability for unmaturred interest owed at the end of the period was: (307,191)

Total Net Position - Governmental Activities \$ 3,736,575

**RESCUE UNION 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>Revenues</u>		
LCFF Sources:		
State Apportionment / Transfers	\$ 17,963,787	
Local Taxes	12,655,961	
Total LCFF Sources	30,619,748	
Federal Revenue	998,077	
State Revenue	3,753,470	
Local Revenue	3,398,465	\$ 2,030,544
Total Revenues	<u>38,769,760</u>	<u>2,030,544</u>
<u>Expenditures</u>		
Current:		
Instruction	23,133,560	
Supervision of Instruction	1,199,001	
Instructional Library and Technology	477,334	
School Site Administration	2,440,998	
Home-To-School Transportation	2,445,553	
Food Services	43,274	
Other Pupil Services	1,818,040	
Data Processing Services	253,972	
Other General Administration	1,651,614	
Plant Services	3,472,097	
Facilities Acquisition and Construction	111,455	
Ancillary Services	133,690	
Other Outgo	639,454	
Debt Service: Principal Retirement		1,394,700
Debt Service: Interest and Issuance Costs		595,724
Total Expenditures	<u>37,820,042</u>	<u>1,990,424</u>
Excess of Revenues Over (Under) Expenditures	<u>949,718</u>	<u>40,120</u>
<u>Other Financing Sources (Uses)</u>		
Operating Transfers In		
Operating Transfers Out	(2,762)	
Total Other Financing Sources (Uses)	<u>(2,762)</u>	<u>0</u>
Net Change in Fund Balances	946,956	40,120
Fund Balances - July 1, 2019 (As Restated - Note 15)	<u>6,217,017</u>	<u>1,883,166</u>
Fund Balances - June 30, 2020	<u>\$ 7,163,973</u>	<u>\$ 1,923,286</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

<u>Community Facilities District</u>	<u>Capital Facilities</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
			\$ 17,963,787
			12,655,961
			<u>30,619,748</u>
		\$ 502,010	1,500,087
		30,444	4,710,320
\$ 926,406	\$ 375,239	623,054	6,459,912
32,610			<u>43,290,067</u>
<u>959,016</u>	<u>375,239</u>	<u>1,155,508</u>	
			23,133,560
			1,199,001
			477,334
			2,440,998
			2,445,553
		1,108,896	1,152,170
			1,818,040
			253,972
	67,267	29,508	1,748,389
12,234		48,136	3,532,467
	91,625	413,611	616,691
			133,690
			639,454
		405,000	1,799,700
		473,023	1,068,747
<u>12,234</u>	<u>158,892</u>	<u>2,478,174</u>	<u>42,459,766</u>
<u>946,782</u>	<u>216,347</u>	<u>(1,322,666)</u>	<u>830,301</u>
<u>(713,000)</u>	<u>(162,801)</u>	<u>880,785</u>	<u>880,785</u>
		<u>(2,222)</u>	<u>(880,785)</u>
<u>(713,000)</u>	<u>(162,801)</u>	<u>878,563</u>	<u>0</u>
233,782	53,546	(444,103)	830,301
<u>1,665,255</u>	<u>1,867,089</u>	<u>1,038,027</u>	<u>12,670,554</u>
<u>\$ 1,899,037</u>	<u>\$ 1,920,635</u>	<u>\$ 593,924</u>	<u>\$ 13,500,855</u>

**RESCUE UNION 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		\$ 830,301
<p>Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds due to the following:</p>		
<p>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:</p>		
Capital Outlay Expenditures	\$ 2,409,673	
Depreciation Expense	<u>(2,538,338)</u>	
Net		(128,665)
<p>Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statements of activities, compensated absences are measured by the amounts earned during the fiscal year. The difference between amounts paid and amounts earned was:</p>		
		(18,577)
<p>Amortization of gain or loss from debt refunding: In governmental funds, any gain or loss resulting from debt refunding activities is recognized in the current year. In the government-wide statements, the gain or loss is deferred and amortized as interest over the life of the new or refunded debt, whichever period is shorter. Refunding costs less current year amortization of deferred amounts from refunding were:</p>		
		(77,188)
<p>Pensions: 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:</p>		
		(1,717,996)
<p>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, including bond issue premium, were:</p>		
		1,958,990
<p>Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, interest expense is recognized in the period that it is incurred. Unmatured interest owed at the end of the period, less matured interest paid during the period but owed from the prior period, was:</p>		
		<u>(818,427)</u>
Change in Net Position of Governmental Activities		<u>\$ 28,438</u>

RESCUE UNION 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 Rescue Union 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 Trustees elected by registered voters of the District, which comprises an area in El Dorado County. The District was established in 1950 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).

The financial reporting entity consists of the following:

- The primary government
- Organizations for which the primary government is financially accountable
- Other organizations for which the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit.

Component Units are legally separate organizations for which elected officials of the primary government (District) are financially accountable. The District has financial and operational relationships with the El Dorado School Financing Community Facilities District No. 2007-1 (the "Agency") and the Rescue District Facilities Corporation (the "Corporation"). The Agency meets the definition of a joint venture. The Corporation meets the reporting entity definition for inclusion as a component unit of the District. Accordingly, the financial activities of the Agency and Corporation have been included in the financial statements of the District.

El Dorado School Financing Community Facilities District: The El Dorado School Financing Community Facilities District No. 2007-1 (Agency) was formed by a Joint Powers Agreement among the Rescue Union School District, Buckeye Union School District and El Dorado Union High School District pursuant to the Mello-Roos Community Facilities Act of 1982. The Agency was formed for the purpose of administering and collecting special taxes for its member districts. The Agency has no employees or property and equipment, and its powers are limited to the implementation of the Mello-Roos financing plan contemplated in the Joint Powers Agreement.

The Agency is governed by an elected board consisting of one representative from each member district. Board members are elected by the participating districts' governing boards and have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Oversight responsibility; the ability to conduct independent financial affairs, issue debt instruments, approve budgets, sign contracts, levy taxes, and otherwise influence operations and account for fiscal matters, is exercised by the Agency's Governing Board. Accordingly, the Agency is considered to be a separate legal entity from the District and is designated as a joint venture for financial reporting purposes. The District's financial statements must include the Mello-Roos activity on behalf of the District in this joint venture. This information is presented in these financial statements as the Community Facilities District Fund.

Rescue District Facilities Corporation: The Rescue District Facilities Corporation (Corporation) is a nonprofit, public benefits corporation, incorporated under the laws of the State of California and recorded by the Secretary of State in March, 2001. The Corporation was formed for the sole purpose of providing financial assistance to the District by financing the design, development, acquisition, construction, improvement and remodeling of facilities and equipment, together with site acquisition, development, landscaping, utilities, furnishings, improvements, parking and all appurtenant and related facilities. When the Corporation's certificates of participation have been paid with State reimbursements and the District's developer fees, title to all Corporation property will pass to the District for no additional consideration.

The following are those aspects of the relationship between the District and the Corporation that satisfy the financial reporting entity criteria:

- The Corporation is governed by the elected Board of Trustees of the Rescue Union School District ex officio. Board members have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.
- The Corporation has no employees. The District's Superintendent and the Assistant Superintendent of Business Services function as agents of the Corporation. Neither individual receives additional compensation for work performed in this capacity.
- The District exercises significant influence over operations of the Corporation as the District will always be the sole lessee of all facilities owned by the Corporation.
- All major financing arrangements, contracts, and financial transactions of the Corporation must have the consent of the District.
- Any deficits incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period.
- The District's lease payments will be the sole revenue source of the Corporation.
- The District has assumed a "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation.

The Corporation's financial activity is blended with the District's financial data and is presented in the Rescue District Facilities Corporation Fund. Certificates of participation issued by the Corporation are reported as a liability in the Statement of Net Position.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Concluded)

Governmental Accounting Standards Board Statement No. 39 (GASB 39), *Determining Whether Certain Organizations are Component Units*, provides further guidance, stating that a legally separate organization should be reported as a component unit if specific criteria are met. The District has determined that there are no organizations, for which the District is not financially accountable, which should be reported within its financial reporting entity under GASB 39.

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 and its component units. 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 proprietary fund and 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.

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.

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.

RESCUE UNION 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)

Fund Financial Statements (Concluded):

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.

C. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. 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. 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 aid 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. Certain grants 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.

RESCUE UNION 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)

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:

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 and non-major funds as follows:

Major Governmental Funds:

The *General Fund* is the general operating fund of the District.

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

RESCUE UNION 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)

Major Governmental Funds (Concluded):

The *Community Facilities District Fund* is a debt service fund used for the purpose of administering and collecting special taxes for the District. The District's respective activity within the El Dorado School Financing Community Facilities District 2007-1 joint venture is reflected in this fund.

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

Non-major Governmental Funds:

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

The *Rescue District Facilities Corporation Debt Service Fund* is a debt service fund used to account for the accumulation of resources for, and the payment of, certificates of participation debt principal, interest, and related costs.

The *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).

The *Rescue District Facilities Corporation Fund* is a capital projects fund used for the purpose of administering and collecting special taxes for the District. The District's respective activity within the El Dorado School Financing Community Facilities District 2007-1 joint venture is reflected in this fund.

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. 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 57.

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.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 and Prepaid Expenses/Expenditures

Inventory is recorded using the consumption method in that inventory acquisitions are initially recorded in inventory asset accounts and are recorded as expenditures when the supplies are used. Inventory is valued at average cost and consists of expendable supplies held for consumption.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Stores Inventory and Prepaid Expenses/Expenditures (Concluded)

Prepaid expenses/expenditures represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

Reported inventory and prepaid expense/expenditures are equally offset by a reserve, which indicates that these amounts are 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, and capital improvement, acquisition, or construction with an original cost of \$50,000 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.

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>
Site and Improvements	20
Buildings and Improvements	20-50
Furniture and Equipment	5-20

4. Deferred Outflows of Resources

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

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

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Unearned Revenue

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

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 obligations are reported as liabilities in the Statement of Net Position. Premiums and discounts as well as refunding costs are deferred and amortized over the life of the obligation, when applicable. Liabilities are reported net of applicable premiums, discounts or refunding costs.

In the fund financial statements, governmental funds recognize premiums and discounts as well as issuance and refunding costs, when the debt is issued. The face amount of the debt issued, premiums, discounts, issuance and refunding costs are reported as other financing sources or uses.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must be maintained intact.

Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority (Governing Board). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken 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's highest level of decision-making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. The Governing Board delegated authority to the Assistant Superintendent of Business Services to identify intended uses of assigned funds.

Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All Funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The District established a minimum fund balance policy of 10% of the District's general fund annual operating expenditures.

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.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

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

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

The formula for determining the level of funding per student is the "Local Control Funding Formula" (LCFF). District funding under the LCFF is generally provided by a mix of state aid and local property taxes.

The County of El Dorado 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. 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

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

Cash in Revolving Funds	\$	10,206
Cash with Fiscal Agent		1,899,037
County Pool Investments		8,756,505
Total		\$ 10,665,748

Cash in Revolving Funds

Cash in revolving funds consist of all cash maintained in commercial bank accounts that are used as revolving funds as well as petty cash funds.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash with Fiscal Agent

The cash with fiscal agent represents debt proceeds that have been set aside for capital projects and the repayment of long-term liabilities, and is held by a third party custodian in the District's name.

County Pool Investments

County pool investments consist of District cash held by the El Dorado 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 following schedule:

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	N/A	None	None
Local Agency Investment Fund	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

RESCUE UNION 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 El Dorado 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	\$ 8,756,505	\$ 8,781,000	386

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

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

RESCUE UNION 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 El Dorado 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:

Investment Type	Fair Value	Uncategorized
County Pool Investments	\$ 8,781,000	\$ 8,781,000

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

RESCUE UNION 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	Non-Major Governmental Funds	Totals
Federal Government	\$ 341,623	\$ 101,563	\$ 443,186
State Government	4,214,188	4,067	4,218,255
Local Governments	124,739		124,739
Miscellaneous	103,734	50,486	154,220
Totals	\$ 4,784,284	\$ 156,116	\$ 4,940,400

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. Due From/Due To Other Funds

There were no interfund receivables and payables balances as of June 30, 2020.

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 during the 2019-20 fiscal year were as follows:

General Fund transfer to the Cafeteria Fund to reimburse the bad debts balance	\$ 2,762
Community Facilities District Fund transfer to the Rescue District Facilities Corporation Debt Service Fund for COP payment	713,000
Capital Facilities Fund transfer to the Rescue District Facilities Corporation Debt Service Fund for COP payment	162,801
Rescue District Facilities Corporation transfer to the Rescue District Facilities Corporation Debt Service Fund for COP payment	2,222
Total	\$ 880,785

RESCUE UNION 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 shown below:

	Balances July 1, 2019	Additions	Deletions	Balances June 30, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 4,640,099			\$ 4,640,099
Construction-in-Progress	9,767,722	\$ 520,136	\$ 9,799,428	488,430
Total Capital Assets Not Being Depreciated	<u>14,407,821</u>	<u>520,136</u>	<u>9,799,428</u>	<u>5,128,529</u>
Capital Assets Being Depreciated:				
Sites and Improvements	7,735,946	89,944		7,825,890
Buildings and Improvements	64,427,866	9,806,040		74,233,906
Furniture and Equipment	6,242,082	1,792,981	1,311,151	6,723,912
Total Capital Assets Being Depreciated	<u>78,405,894</u>	<u>11,688,965</u>	<u>1,311,151</u>	<u>88,783,708</u>
Less Accumulated Depreciation:				
Sites and Improvements	3,803,016	272,636		4,075,652
Buildings and Improvements	22,575,580	1,853,547		24,429,127
Furniture and Equipment	4,756,914	412,155	1,311,151	3,857,918
Total Accumulated Depreciation	<u>31,135,510</u>	<u>2,538,338</u>	<u>1,311,151</u>	<u>32,362,697</u>
Total Capital Assets Being Depreciated, Net	<u>47,270,384</u>	<u>9,150,627</u>	<u>0</u>	<u>56,421,011</u>
Capital Assets, Net	<u>\$ 61,678,205</u>	<u>\$ 9,670,763</u>	<u>\$ 9,799,428</u>	<u>\$ 61,549,540</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 1,562,788
Instruction-Related Services	298,249
Pupil Services	271,545
General Administration	147,234
Plant Services	258,522
Total	<u>\$ 2,538,338</u>

NOTE 6 - GENERAL OBLIGATION BONDS

The general obligation bonds are secured by the full faith and credit of the District. El Dorado County is obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the bonds upon all property subject to taxation in the District.

The outstanding general obligation debt of the District as of June 30, 2020, excluding \$475,370 of unamortized bond premiums, is as follows:

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 6 - GENERAL OBLIGATION BONDS (CONTINUED)

A. Current Interest Bonds

<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>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2020</u>
2005	3.50-5.00	2023	\$ 5,510,000	\$ 5,235,000			\$ 5,235,000
2013	2.00-4.00	2030	7,610,000	7,260,000		\$ 50,000	7,210,000
2016	2.48	2024	2,719,500	2,512,000		149,700	2,362,300
			<u>\$ 15,839,500</u>	<u>\$ 15,007,000</u>	<u>\$ 0</u>	<u>\$ 199,700</u>	<u>\$ 14,807,300</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	\$ 683,500	\$ 575,754	\$ 1,259,254
2022	1,522,500	526,623	2,049,123
2023	1,707,300	448,803	2,156,103
2024	1,882,100	362,087	2,244,187
2025	2,086,900	290,171	2,377,071
2026-2030	5,605,000	1,059,700	6,664,700
2031-2035	1,320,000	19,800	1,339,800
Totals	<u>\$ 14,807,300</u>	<u>\$ 3,282,938</u>	<u>\$ 18,090,238</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>Redeemed Current Year</u>	<u>Outstanding June 30, 2020</u>
1998	5.0-11.0	2020	\$ 3,947,612	\$ 1,890,792	\$ 47,825	\$ 1,195,000	\$ 743,617
2005	4.68-5.59	2027	1,709,889	3,576,961	195,929		3,772,890
2007	4.47-5.96	2032	3,802,070	6,685,005	331,589		7,016,594
Totals			<u>\$ 9,459,571</u>	<u>\$ 12,152,758</u>	<u>\$ 575,343</u>	<u>\$ 1,195,000</u>	<u>\$ 11,533,101</u>

RESCUE UNION 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 is as follows:

Year Ended June 30	Amount of Original Issue (Principal)	Accreted Interest	Totals
2021	\$ 287,118	\$ 556,117	\$ 843,235
2022	68,711	69,119	137,830
2023	67,267	68,652	135,919
2024	74,328	76,731	151,059
2025	70,341	73,448	143,789
2026-2030	2,589,975	2,644,270	5,234,245
2031-2035	2,591,241	2,295,783	4,887,024
Totals	<u>\$ 5,748,981</u>	<u>\$ 5,784,120</u>	<u>\$ 11,533,101</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	\$ 287,118	\$ 562,882	\$ 850,000
2022	68,711	76,289	145,000
2023	67,267	82,733	150,000
2024	74,328	100,672	175,000
2025	70,341	104,659	175,000
2026-2030	2,589,975	4,585,025	7,175,000
2031-2035	2,591,241	6,098,759	8,690,000
Totals	<u>\$ 5,748,981</u>	<u>\$ 11,611,019</u>	<u>\$ 17,360,000</u>

NOTE 7 - CERTIFICATES OF PARTICIPATION

On May 13, 2010, the District issued 2010 Certificate of Participation, in the aggregate amount of \$8,000,000 with interest rates ranging from 3.00% to 4.25%. The proceeds from the sale of 2010 Certificates of Participations were used to finance the acquisition of an additional school site and to refinance the construction of a middle school by refunding the District's outstanding 2008 Certificate of Participation in addition to paying the costs of issuance. The 2008 Certificates of Participation were paid in full as of October 1, 2010.

On August 22, 2017, the District issued 2017 Certificate of Participation, in the aggregate amount of \$5,355,000 with interest rates ranging from 2.00% to 3.25%. The proceeds from the sale of 2017 Certificates of Participations were used to finance the acquisition and improvement of real property to be used by the District for educational facilities.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7 - CERTIFICATES OF PARTICIPATION (CONCLUDED)

At June 30, 2020, the outstanding principal balance for the certificates of participation was \$11,500,000. The certificates of participation mature through fiscal year 2040-41 as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 415,000	\$ 456,644	\$ 871,644
2022	430,000	444,294	874,294
2023	435,000	431,644	866,644
2024	450,000	418,509	868,509
2025	465,000	404,544	869,544
2026-2030	2,570,000	1,765,028	4,335,028
2031-2035	3,130,000	1,198,528	4,328,528
2036-2040	3,110,000	487,481	3,597,481
2041-2045	495,000	13,612	508,612
Totals	<u>\$ 11,500,000</u>	<u>\$ 5,620,284</u>	<u>\$ 17,120,284</u>

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:

<u>Pension Plan</u>	<u>Net Pension Liabilities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 26,951,152	\$ 7,662,026	\$ 3,852,135	\$ 5,061,539
CalPERS	11,850,766	2,770,317	410,773	2,586,425
Totals	<u>\$ 38,801,918</u>	<u>\$ 10,432,343</u>	<u>\$ 4,262,908</u>	<u>\$ 7,647,964</u>

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.

RESCUE UNION 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)

Plan Description (Concluded)

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 services 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.

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.

RESCUE UNION 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 - CalSTRS 2% at 60 (Concluded)

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 \$2,750,296 to the plan for the fiscal year ended June 30, 2020.

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.

RESCUE UNION 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

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	\$ 26,951,152
State's proportionate share of the net pension liability associated with the District	<u>14,703,653</u>
Total net pension liability attributed to District	<u><u>\$ 41,654,805</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	0.0298%
Proportion - June 30, 2018	<u>0.0294%</u>
Change - Increase (Decrease)	<u><u>0.0004%</u></u>

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$5,061,539, which includes \$2,051,011 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District contributions subsequent to the measurement date	\$ 2,750,296	
Differences between expected and actual experience	67,540	\$ 769,801
Changes of assumptions	3,383,400	
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,460,790	2,131,430
Net differences between projected and actual earnings on plan investments		<u>950,904</u>
Totals	<u><u>\$ 7,662,026</u></u>	<u><u>\$ 3,852,135</u></u>

RESCUE UNION 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)

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 June 30	
2021	\$ 360,960
2022	(424,813)
2023	635,286
2024	554,182
2025	(47,461)
2026	(18,559)

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 average of the expected remaining service lives of all active and inactive plan members. The average expected remaining service life for STRP members based on the financial reporting actuarial valuation as of June 30, 2018, 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.

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 ¹	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

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

RESCUE UNION 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)

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:

<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.

RESCUE UNION 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)

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:

	Discount Rate 1% Decrease 6.10%	Discount Rate Current Rate 7.10%	Discount Rate 1% Increase 8.10%
District's proportionate share of the net pension liability	\$ 40,132,497	\$ 26,951,152	\$ 16,021,308

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.

B. 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.

RESCUE UNION 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)

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 50.0% 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 \$1,137,926.

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 \$11,850,766 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	0.0407%
Proportion - June 30, 2018	0.0424%
Change - Increase (Decrease)	-0.0017%

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$2,586,425. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

RESCUE UNION 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)

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 1,137,926	
Differences between expected and actual experience	873,371	
Changes of assumptions	565,010	
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	194,010	\$ 294,439
Net differences between projected and actual earnings on plan investments		116,334
Totals	\$ 2,770,317	\$ 410,773

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 June 30	
2021	\$ 1,009,412
2022	169,826
2023	11,229
2024	31,151

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.

RESCUE UNION 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)

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.

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.

RESCUE UNION 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 (Concluded)

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.

<u>Asset Class ¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 ²</u>	<u>Real Return Years 11+ ³</u>
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.

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 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate:

	<u>Discount Rate 1% Decrease 6.15%</u>	<u>Discount Rate Current Rate 7.15%</u>	<u>Discount Rate 1% Increase 8.15%</u>
District's proportionate share of the net pension liability	\$ 17,082,100	\$ 11,850,766	\$ 7,511,013

RESCUE UNION 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)

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.

	<u>Balances</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2020</u>	<u>Due within</u> <u>One Year</u>
Long-Term Debt:					
General Obligation Bonds	\$ 27,551,105	\$ 818,656	\$ 1,553,990	\$ 26,815,771	\$ 1,622,869
Certificates of Participation	11,905,000		405,000	11,500,000	415,000
Other Long-Term Liabilities:					
Compensated Absences	39,798	58,375	39,798	58,375	58,375
Net Pension Liabilities	38,292,000	509,918		38,801,918	
Totals	<u>\$ 77,787,903</u>	<u>\$ 1,386,949</u>	<u>\$ 1,998,788</u>	<u>\$ 77,176,064</u>	<u>\$ 2,096,244</u>

The general obligation bonds are obligations of the Bond Interest and Redemption Fund, which is primarily funded by property tax collections. The certificates of participation are financed by special taxes levied by the El Dorado School Financing Community Facilities District and deposited in the Community Facilities District Fund, and developer fees. The compensated absences are obligations primarily of the General Fund and Cafeteria Fund, and net pension liabilities will be financed by contributions made to the pension plans from the General Fund and Cafeteria Fund.

RESCUE UNION 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	Community Facilities District Fund	Capital Facilities Fund	Non-Major Governmental Funds	Totals
Nonspendable:						
Revolving Cash	\$ 6,206				\$ 4,000	\$ 10,206
Stores Inventory					27,109	27,109
Prepaid Expenditures	<u>56,469</u>					56,469
Total Nonspendable	<u>62,675</u>				<u>31,109</u>	<u>93,784</u>
Restricted:						
Categorical Programs	1,104,133					1,104,133
Food Services Program					358,582	358,582
Capital Projects				\$ 1,920,635		1,920,635
Debt Service		\$ 1,923,286	\$ 1,899,037			3,822,323
Total Restricted	<u>1,104,133</u>	<u>1,923,286</u>	<u>1,899,037</u>	<u>1,920,635</u>	<u>358,582</u>	<u>7,205,673</u>
Assigned:						
Other Assignments	<u>2,407,537</u>				<u>207,100</u>	<u>2,614,637</u>
Unassigned:						
Economic Uncertainties - District	3,589,628					3,589,628
Other Unassigned (Deficit)					(2,867)	(2,867)
Total Unassigned (Deficit)	<u>3,589,628</u>				<u>(2,867)</u>	<u>3,586,761</u>
Totals	<u>\$ 7,163,973</u>	<u>\$ 1,923,286</u>	<u>\$ 1,899,037</u>	<u>\$ 1,920,635</u>	<u>\$ 593,924</u>	<u>\$ 13,500,855</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 \$2,051,011 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 risk. There were no significant reductions in coverage during the year. Settlements have not exceeded coverage for each of the past three years.

NOTE 13 - JOINT VENTURES

The District participates in one joint venture under a joint powers agreement with Schools Insurance Authority (SIA) for workers' compensation, property and liability insurance. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13 - JOINT VENTURES (CONCLUDED)

The JPA arranges for and/or provides coverage for its members. The JPA is governed by a board consisting of representatives from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in the JPA.

The JPA is audited on an annual basis. Financial information can be obtained by contacting the JPA's Management.

NOTE 14 - 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.

NOTE 15 - RESTATEMENT OF NET POSITION / FUND BALANCE

The July 1, 2019 fund balance of the Rescue District Facilities Corporation Fund presented by the District's prior auditors in the District's 2018-19 audit report, has been restated to reflect the correction of the overstatement of cash with fiscal agent and accounts payable. The effects of the restatement on the current year financial statements are as follows:

	Statement of Activities	Rescue District Facilities Corporation Fund
Net Position - July 1, 2019 (as originally stated)	\$ 4,579,606	\$ 881,549
Overstatement of Cash with Fiscal Agent	(881,540)	(881,540)
Overstatement of Accounts Payable	10,071	10,071
Net Restatement	(871,469)	(871,469)
Net Position - July 1, 2019 (as restated)	\$ 3,708,137	\$ 10,080

RESCUE UNION SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 16 - 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 17 - 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 December 22, 2020, 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, except as below.

TAX AND REVENUE ANTICIPATION NOTES

The District issued \$3,220,000 of Tax and Revenue Anticipation Notes (TRAN) on August 11, 2020. The notes mature on May 3, 2021, and yield 2% interest. The notes were sold to supplement cash flow. Repayment requirements are that 50% of principal be deposited with the Fiscal Agent by January 31, 2021, and 100% of principal and interest is due on April 30, 2021.

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REQUIRED SUPPLEMENTARY INFORMATION SECTION

RESCUE UNION 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>
<u>Revenues</u>				
LCFF Sources:				
State Apportionment / Transfers	\$ 19,149,405	\$ 17,963,787	\$ 17,963,787	
Local Sources	11,495,451	12,655,961	12,655,961	
Total LCFF Sources	<u>30,644,856</u>	<u>30,619,748</u>	<u>30,619,748</u>	
Federal Revenue	746,403	998,077	998,077	
Other State Revenue	2,767,298	3,746,380	3,753,470	\$ 7,090
Other Local Revenue	2,568,841	3,369,628	3,398,465	28,837
Total Revenues	<u>36,727,398</u>	<u>38,733,833</u>	<u>38,769,760</u>	<u>35,927</u>
<u>Expenditures</u>				
Current:				
Certificated Salaries	16,226,846	14,881,508	16,233,989	(1,352,481)
Classified Salaries	6,488,854	6,524,906	6,439,058	85,848
Employee Benefits	8,686,105	8,837,999	8,948,133	(110,134)
Books and Supplies	1,240,069	1,207,688	887,130	320,558
Services and Other				
Operating Expenditures	2,972,650	3,096,879	2,817,583	279,296
Capital Outlay	1,791,361	1,884,203	1,884,203	
Other Expenditures	561,654	609,946	609,946	
Total Expenditures	<u>37,967,539</u>	<u>37,043,129</u>	<u>37,820,042</u>	<u>(776,913)</u>
Excess of Revenues Over (Under) Expenditures	(1,240,141)	1,690,704	949,718	(740,986)
<u>Other Financing (Uses)</u>				
Operating Transfers Out		(2,762)	(2,762)	
Net Change in Fund Balances	(1,240,141)	1,687,942	946,956	\$ (740,986)
Fund Balances - July 1, 2019	<u>6,217,017</u>	<u>6,217,017</u>	<u>6,217,017</u>	
Fund Balances - June 30, 2020	<u>\$ 4,976,876</u>	<u>\$ 7,904,959</u>	<u>\$ 7,163,973</u>	

RESCUE UNION SCHOOL DISTRICT

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

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>State's Proportionate Share of the NPL Associated to District</u>	<u>Total NPL Attributed to District</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	0.0298%	\$ 26,951,152	\$ 14,703,653	\$ 41,654,805	\$ 16,048,661	167.93%	72.56%
2019	0.0290%	26,979,000	15,447,000	42,426,000	15,884,248	169.85%	70.99%
2018	0.0300%	27,395,000	16,207,000	43,602,000	15,700,000	174.49%	69.46%
2017	0.0320%	25,564,000	14,555,000	40,119,000	15,752,060	162.29%	70.04%
2016	0.0290%	19,550,490	10,340,000	29,890,490	14,730,169	132.72%	74.02%
2015	0.0330%	19,284,210	11,486,000	30,770,210	15,167,952	127.14%	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.

RESCUE UNION 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	0.0407%	\$ 11,850,766	\$ 5,673,740	208.87%	70.05%
2019	0.0420%	11,313,000	5,611,332	201.61%	70.85%
2018	0.0400%	9,645,000	5,151,743	187.22%	71.87%
2017	0.0410%	8,010,000	4,865,569	164.63%	73.90%
2016	0.0390%	5,766,792	4,332,000	133.12%	79.43%
2015	0.0400%	4,529,622	4,205,000	107.72%	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.

RESCUE UNION 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	\$ 2,750,296	\$ 2,750,296	\$ 0	\$ 16,083,602	17.10%
2019	2,612,722	2,612,722	0	16,048,661	16.28%
2018	2,292,097	2,292,097	0	15,884,248	14.43%
2017	1,975,060	1,975,060	0	15,700,000	12.58%
2016	1,690,196	1,690,196	0	15,752,060	10.73%
2015	1,251,356	1,251,356	0	14,730,169	8.25%

* 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.

RESCUE UNION 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	\$ 1,137,926	\$ 1,137,926	\$ 0	\$ 5,770,123	19.721%
2019	1,024,791	1,024,791	0	5,673,740	18.062%
2018	871,496	871,496	0	5,611,332	15.531%
2017	715,474	715,474	0	5,151,743	13.888%
2016	576,424	576,424	0	4,865,569	11.847%
2015	481,183	481,183	0	4,332,000	11.110%

* 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.

RESCUE UNION 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. These schedules present 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). Excess of expenditures over appropriations in the General Fund as of June 30, 2020 were as follows:

	Excess Expenditures
Certificated Salaries	\$ 1,352,481
Employee Benefits	110,134

The District incurred unanticipated expenditures in excess of appropriations in each of the above expenditure classifications for which the budget was not revised.

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.

RESCUE UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 in 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

**RESCUE UNION SCHOOL DISTRICT
ORGANIZATION/BOARD OF TRUSTEES/ADMINISTRATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ORGANIZATION

The District is located in Rescue, California. There was no change in District boundaries during the year. The District was established in 1950, and operates five elementary schools and two middle schools.

BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Kim White	President	December 2022
Stephanie Kent	Vice President	December 2020
Tagg Neal	Clerk	December 2020
Nancy Brownell	Member	December 2022
Suzanna George	Member	December 2022

ADMINISTRATION

Cheryl Olson
Superintendent

Sean Martin
Assistant Superintendent of Business Services

Dave Scroggins
Assistant Superintendent of Curriculum and Instruction

**RESCUE UNION SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>Cafeteria</u>	<u>Rescue District Facilities Corporation Debt Service</u>	<u>County School Facilities</u>	<u>Rescue District Facilities Corporation</u>	<u>Total Non-Major Governmental Funds</u>
<u>Assets</u>					
Deposits and Investments	\$ 220,954		\$ 207,100	\$ (2,867)	\$ 425,187
Receivables	156,116				156,116
Stores Inventory	27,109				27,109
Total Assets	<u>\$ 404,179</u>	<u>\$ 0</u>	<u>\$ 207,100</u>	<u>\$ (2,867)</u>	<u>\$ 608,412</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts Payable	\$ 14,488				\$ 14,488
Fund Balances:					
Nonspendable	31,109				31,109
Restricted	358,582				358,582
Assigned			\$ 207,100		207,100
Unassigned (Deficit)				\$ (2,867)	(2,867)
Total Fund Balances (Deficit)	<u>389,691</u>		<u>207,100</u>	<u>(2,867)</u>	<u>593,924</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 404,179</u>	<u>\$ 0</u>	<u>\$ 207,100</u>	<u>\$ (2,867)</u>	<u>\$ 608,412</u>

**RESCUE UNION 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>Cafeteria</u>	<u>Rescue District Facilities Corporation Debt Service</u>	<u>County School Facilities</u>	<u>Rescue District Facilities Corporation</u>	<u>Total Non-Major Governmental Funds</u>
<u>Revenues</u>					
Federal Revenue	\$ 502,010				\$ 502,010
State Revenue	30,444				30,444
Local Revenue	617,883		\$ 5,171		623,054
Total Revenues	<u>1,150,337</u>		<u>5,171</u>		<u>1,155,508</u>
<u>Expenditures</u>					
Current:					
Food Services	1,108,896				1,108,896
Other General Administration	29,508				29,508
Plant Services	37,411			\$ 10,725	48,136
Facilities Acquisition and Construction			413,611		413,611
Debt Service:					
Principal Retirement		\$ 405,000			405,000
Interest and Issuance Costs		473,023			473,023
Total Expenditures	<u>1,175,815</u>	<u>878,023</u>	<u>413,611</u>	<u>10,725</u>	<u>2,478,174</u>
Excess of Revenues (Under) Expenditures	<u>(25,478)</u>	<u>(878,023)</u>	<u>(408,440)</u>	<u>(10,725)</u>	<u>(1,322,666)</u>
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	2,762	878,023			880,785
Operating Transfers Out				(2,222)	(2,222)
Total Other Financing Sources (Uses)	<u>2,762</u>	<u>878,023</u>	<u>0</u>	<u>(2,222)</u>	<u>878,563</u>
Net Change in Fund Balances	(22,716)	0	(408,440)	(12,947)	(444,103)
Fund Balances - July 1, 2019 (As Restated - Note 15)	<u>412,407</u>	<u>0</u>	<u>615,540</u>	<u>10,080</u>	<u>1,038,027</u>
Fund Balances (Deficit) - June 30, 2020	<u>\$ 389,691</u>	<u>\$ 0</u>	<u>\$ 207,100</u>	<u>\$ (2,867)</u>	<u>\$ 593,924</u>

SEE NOTES TO SUPPLEMENTARY INFORMATION

RESCUE UNION SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

RESCUE UNION SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Grade Level</u>	<u>Minutes Required</u>	<u>2019-20 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
Kindergarten	36,000	36,000	180	N/A	In Compliance
Grade 1	50,400	50,680	180	N/A	In Compliance
Grade 2	50,400	50,680	180	N/A	In Compliance
Grade 3	50,400	50,680	180	N/A	In Compliance
Grade 4	54,000	54,060	180	N/A	In Compliance
Grade 5	54,000	54,060	180	N/A	In Compliance
Grade 6	54,000	54,588	180	N/A	In Compliance
Grade 7	54,000	54,588	180	N/A	In Compliance
Grade 8	54,000	54,588	180	N/A	In Compliance

RESCUE UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identification Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:				
Passed Through El Dorado County Office of Education: Forest Reserve	10.665	10044		\$ 70,044
Passed Through California Department of Education (CDE):				
<i>Child Nutrition Cluster:</i>				
National School Lunch	10.555	13524		309,876
Basic Breakfast	10.553	13525		47,483
School Needy Breakfast	10.553	13526		58,157
USDA Food Commodities	10.555	*		86,494
Subtotal Child Nutrition Cluster				<u>502,010</u>
Total U.S. Department of Agriculture				<u>572,054</u>
U.S. Department of Education:				
Passed Through CDE:				
Title I Part A Basic Grant Low-Income & Neglected	84.010	14329		322,561
Title II Part A Supporting Effective Instruction	84.367	14341		89,807
Title IV, Part A Student Support & Academic Enrichment	84.424	15396		20,922
Title III English Learner Student Program	84.365	14346		30,427
Title X McKinney-Vento Homeless Assistance	84.196A	14332		685
Passed Through El Dorado County SELPA:				
IDEA Part B Basic Local Assistance	84.027	13379		261,691
IDEA Part B Mental Health Allocation Plan	84.027A	15197		48,650
Subtotal Special Education Cluster				<u>310,341</u>
Total U.S. Department of Education				<u>774,743</u>
U.S. Department of Health and Human Services:				
<i>Medicaid Cluster:</i>				
Passed Through Stanislaus County SELPA:				
Medi-Cal Billing Option	93.778	10013		48,449
Passed Through Sutter County Office of Education:				
Medi-Cal Administrative Activities	93.778	10060		90,899
Total U.S. Department of Health and Human Services				<u>139,348</u>
Totals			\$ 0	<u>\$ 1,486,145</u>

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

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

	General Fund
June 30, 2020 Annual Financial and Budget Report Fund Balances	\$ 7,338,860
Adjustments Increasing (Decreasing) Fund Balances:	
Understatement of Employee Benefits Expenditures	(174,887)
June 30, 2020 Audited Financial Statements Fund Balances	\$ 7,163,973

Auditor's Comments

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.

RESCUE UNION 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	\$ 35,900,545	\$ 38,769,760	\$ 37,469,485	\$ 35,108,625
Expenditures	38,152,963	37,820,042	38,206,030	35,339,486
Other Uses and Transfers Out	0	2,762	1,972	2,002
Total Outgo	38,152,963	37,822,804	38,208,002	35,341,488
Change in Fund Balance	(2,252,418)	946,956	(738,517)	(232,863)
Ending Fund Balance	\$ 4,911,555	\$ 7,163,973	\$ 6,217,017	\$ 6,955,534
Available Reserves	\$ 3,584,238	\$ 3,589,628	\$ 1,144,859	\$ 1,058,789
Reserve for Economic Uncertainties *	\$ 3,584,238	\$ 3,589,628	\$ 1,144,859	\$ 1,058,789
Available Reserves as a Percentage of Total Outgo	9.4%	9.5%	3.0%	3.0%
Average Daily Attendance at P-2	3,490	3,490	3,521	3,522
Total Long-Term Liabilities	\$ 75,079,820	\$ 77,176,064	\$ 77,787,903	\$ 77,720,424

* Reported balances are a component of available reserves.

The fund balance of the General Fund increased \$208,439 (3%) over the past two years. The fiscal year 2020-21 budget projects a decrease of \$2,252,418 (31.4%). 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 incurred operating deficits of \$232,863 and \$738,517 during fiscal years 2017-18 and 2018-19, respectively, and produced an operating surplus of \$946,956 during fiscal year 2019-20.

Average daily attendance (ADA) decreased 32 ADA over the past two years. The District projects no change in ADA during fiscal year 2020-21

Total long-term liabilities decreased \$544,360 over the past two years.

RESCUE UNION 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 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. The District submitted the Covid-19 School Closure Certification on June 25, 2020 and reported 49 total number of instructional days school closed due to Covid-19.

D. 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 of the District.

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.

RESCUE UNION SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES (CONCLUDED)

E. 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.

F. 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.

OTHER INDEPENDENT AUDITOR'S REPORTS SECTION

STEPHEN ROATCH ACCOUNTANCY CORPORATION

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Rescue Union School District
Rescue, California

Report on State Compliance

We have audited Rescue Union 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 Rescue Union 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 Rescue Union School District's compliance with those requirements.

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

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies Other Than Charter Schools:	
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
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform procedures for the independent study program because the average daily attendance claimed by the District does not exceed the threshold that requires testing.

Opinion on State Compliance

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *2019-20 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* and which are described in the accompanying Schedule of Findings and Questioned Costs, as noted in **Findings 2020-001** and **2020-002**. Further, the results of our auditing procedures disclosed instances of noncompliance with other state laws and regulations, which are described in the accompanying Schedule of Findings and Questioned Costs, as noted in **Finding 2020-003**. Our opinion on state compliance on the programs previously identified is not modified with respect to these matters.

The District's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

December 22, 2020

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 Trustees
Rescue Union School District
Rescue, 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 Rescue Union 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 December 22, 2020.

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

December 22, 2020

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 Trustees
Rescue Union School District
Rescue, California

Report on Compliance for Each Major Federal Program

We have audited the Rescue Union 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 Rescue Union 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 Rescue Union 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 Rescue Union School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Rescue Union 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 Rescue Union 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

December 22, 2020

FINDINGS AND QUESTIONED COSTS SECTION

RESCUE UNION 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:

CFDA Numbers	Federal Program
10.553 / 10.555 84.027	Child Nutrition Cluster 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? X Yes _____ No

Any audit findings required to be reported in accordance with other State laws or regulations? X Yes _____ No

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

**RESCUE UNION 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.

RESCUE UNION 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.

RESCUE UNION SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2020 - 001 / 10000

ATTENDANCE - DIGITAL TEACHER SIGNATURES

- Criteria:** In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.
- Condition:** Attendance log reports were not signed on a consistent basis by the teachers who recorded the attendance.
- Questioned Costs:** None. Attendance is recorded on-line in the classrooms by the teachers. In addition, we determined that the attendance recorded was based on the actual attendance of the students, and could be relied upon for attendance reporting purposes.
- Context:** The condition was noted District-wide throughout fiscal year 2019-20.
- Effect:** No certifications were made, by the teachers who recorded the attendance, as to the accuracy or completeness of the reported attendance.
- Cause:** The District has not adequately enforced procedures that require attendance log reports to be signed annually by the teachers who recorded the attendance.
- Recommendation:** The District should enforce procedures that require attendance log reports to be signed annually by the teachers who recorded the attendance.
- District Response:** The District has taken action to properly train their student service secretaries and site administration to ensure in future year's teachers annually will be certifying the attendance they have taken that school year by printing themselves an attendance log report from Aeries. The District is taking the recommendation and asking each teacher to sign the log once printed. The report will be kept with all attendance records for that school year.

RESCUE UNION SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2020 - 002 / 10000

ATTENDANCE

- Criteria:** In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.
- Condition:** The school secretary is not monitoring whether teachers are logging into the attendance system and taking attendance on a daily basis.
- Questioned Costs:** None. Attendance is recorded on-line in the classrooms by the teachers. In addition, we determined that the attendance recorded was based on the actual attendance of the students, and could be relied upon for attendance reporting purposes.
- Context:** The condition was noted at Marina Village Middle School throughout fiscal year 2019-20.
- Effect:** There is no documented evidence that attendance was taken when teachers do not log into the attendance system and record attendance on a daily basis.
- Cause:** The school secretary did not follow established District attendance procedures.
- Recommendations:** The District should enforce policies and procedures that require the school secretary to track whether teachers are logging into the attendance system and recording attendance on a daily basis, perform follow-up procedures on delinquent teachers, and report those delinquent teachers to the appropriate supervisor(s).
- District Response:** The District has taken action to properly train the student services secretary at all school locations throughout the District (not just Marine Village Middle School) on how to run Missing Attendance reports in Aeries on a daily basis. The sites are now required to submit to the District office this report with their monthly summary reports to ensure compliance. Any known teachers who are not complying will be directed to District administration to be counseled.

RESCUE UNION SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONCLUDED)

2020 - 003 / 40000

EXPENDITURES IN EXCESS OF APPROPRIATIONS

<u>Criteria:</u>	In accordance with Education Code Section 42600, the total amount budgeted as the proposed expenditure of the school district for each major classification of school district expenditures listed in the school district budget forms prescribed by the Superintendent of Public Instruction shall be the maximum amount which may be expended for that classification of expenditures for the school year.
<u>Condition:</u>	Total General Fund expenditures exceeded total General Fund appropriations by \$776,913 during fiscal year 2019-20.
<u>Questioned Cost:</u>	None.
<u>Context:</u>	Total expenditures exceeded total appropriations in the General Fund as of June 30, 2020, see page 57.
<u>Effect:</u>	The District did not comply with the legal requirements for expenditure appropriations.
<u>Cause:</u>	Expenditures were made when no appropriations for such expenditures were available.
<u>Recommendation:</u>	Transfers may be made from available reserves in unspent expenditure classifications, designated fund balance, or unappropriated fund balance, to any expenditure classifications with Board approval under Education Code Section 42600. No payments should be made when there are no available appropriations in the expenditure classification.
<u>District Response:</u>	The District is aware of the finding and has taken measures to ensure this issue will be resolved in future fiscal years. Going forward the District will ensure expenditures are budgeted and board approved within appropriations.

**RESCUE UNION SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

There were no matters reported for the fiscal year ended June 30, 2019.

RESCUE UNION SCHOOL DISTRICT

SUMMARY 2019-20 FISCAL YEAR AUDIT

Page 1	Page 57	Page 75	Page 79		Page 83			Page 89
REPORT ON FINANCIAL STATEMENTS	REPORT ON SUPPLEMENTARY INFORMATION	REPORT ON STATE COMPLIANCE (STATE AUDIT GUIDE)	REPORT ON COMPLIANCE AND INTERNAL CONTROLS (GOVERNMENT AUDITING STANDARDS)		SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS			SCHEDULE OF PRIOR YEAR FINDINGS
ARE FINANCIAL STATEMENTS PRESENTED FAIRLY?	IS SUPPLEMENTARY FINANCIAL AND STATISTICAL INFORMATION, INCLUDING SCHEDULE OF STATE AND FEDERAL FINANCIAL ASSISTANCE, PRESENTED FAIRLY?	DID THE DISTRICT COMPLY WITH APPLICABLE STATE LAWS AND REGULATIONS TESTED IN ACCORDANCE WITH THE AUDIT GUIDE?	WERE INSTANCES OF NONCOMPLIANCE FOUND?	ARE THERE MATERIAL WEAKNESSES OR REPORTABLE CONDITIONS IN THE SYSTEM OF INTERNAL CONTROLS	<p>2020-001 / 10000</p> <p><u>Criteria</u> In accordance with Ed Code 4600, attendance in all schools and classes shall be recorded and kept in accordance to regulations prescribed by the State Board of Education.</p> <p><u>Condition</u> Attendance log reports were not signed on a consistent basis by the teachers who recorded attendance.</p> <p><u>Questioned Costs</u> None.</p> <p><u>Context</u> The condition was noted District-wide throughout 2019-20.</p> <p><u>Effect</u> No certifications were made, by the teachers who recorded the attendance, as to the accuracy or completeness of the reported attendance.</p> <p><u>Cause</u> The District has not adequately enforced procedures that require attendance log reports to be signed annually by the teachers who recorded attendance.</p> <p><u>Recommendation</u> The Audit firm recommends the District should enforce procedures that require attendance log reports to be signed annually by the teachers who recorded the attendance.</p>	<p>2020-002/ 10000</p> <p><u>Criteria</u> In accordance with Ed Code 4600, attendance in all schools and classes shall be recorded and kept in accordance to regulations prescribed by the State Board of Education.</p> <p><u>Condition</u> The school secretary is not monitoring whether teachers are logging into the attendance system and taking attendance on a daily basis.</p> <p><u>Questioned Costs</u> None.</p> <p><u>Context</u> The condition was noted at Marina Village throughout 2019-20.</p> <p><u>Effect</u> There is no documented evidence that attendance was taken when teachers do not log into the attendance system and record attendance on a daily basis.</p> <p><u>Cause</u> The school secretary did not follow established District attendance procedures.</p> <p><u>Recommendation</u> The Audit firm recommends the District should enforce policies and procedures that require the school secretary to track whether teachers are logging into the attendance system and recording attendance on a daily basis, perform follow-up procedures on delinquent teachers, and report those delinquent teachers to the appropriate supervisor(s).</p>	<p>2020-003 / 40000</p> <p><u>Criteria</u> In accordance with Ed Code 42600, the total amount of budgeted as the proposed expenditure of the school district for each major classification of school district expenditures listed in the school district budget forms prescribed by the SPI shall be the maximum amount which may be expended for that classification of expenditures for the school year.</p> <p><u>Condition</u> Total General Fund expenditures exceeded total General Fund appropriations by \$776,913 during fiscal year 2019-20.</p> <p><u>Questioned Costs</u> None.</p> <p><u>Context</u> Total expenditures exceeded total appropriations in the General Fund as of June 30, 2020.</p> <p><u>Effect</u> The District did not comply with the legal requirements for expenditure appropriations.</p> <p><u>Cause</u> Expenditures were made when no appropriations for such expenditures were available.</p> <p><u>Recommendation</u> The Audit firm recommends Transfers may be made from available reserves if unspent expenditure classifications, designated fund balance, or unappropriated fund balance, to an expenditure classifications with Board approval under ED Code 42600. No payments should be made when there are no available appropriations in the expenditure classification.</p>	NO MATTERS WERE REPORTED.
YES	YES	YES	NO	NO	<p><u>District Action</u></p> <p>The District has taken action to properly train their student service secretaries and site administration to ensure in future year's teachers annually will be certifying the attendance they have taken that school year by printing themselves an attendance log report from Aeries. The District is taking the recommendation and asking each teacher to sign the log once printed. The report will be kept with all attendance records for that school year.</p>	<p><u>District Action</u></p> <p>The District has taken action to properly train the student service secretary at all school locations throughout the District (not just MV) on how to run missing attendance reports in Aeries on a daily basis. The sites are now required to submit to the District Office this report with their monthly summary reports to ensure compliance.</p>	<p><u>District Action</u></p> <p>The District is aware of the finding and has taken measures to ensure this issue will be resolved in future fiscal years. Going forward the District will ensure expenditures are budgeted and board approved within appropriations.</p>	N/A

RESCUE UNION SCHOOL DISTRICT

AGENDA ITEM: Sunshine Document for 2021-2022 CSEA Negotiations

BACKGROUND:

The Board is required to set a date for public comment on collective bargaining unit re-openers for the upcoming sessions.

STATUS:

The California School Employees Association, and its Rescue Chapter #737 (CSEA) bargaining unit has presented the District with the following topics to be discussed in the negotiations for 2021-2022.

- **Article V – Hours & Working Conditions** - CSEA hereby proposes to negotiate changes to this article to memorialize the process for negotiation mandatory subjects of bargaining regarding hours and terms and conditions of employment.
- **Article XIII – Reassignment and Filling of Vacancies** - CSEA hereby proposes to negotiate changes to this article allowing current employees to have priority over outside candidates when applying for vacancies and promotional opportunities.
- **Article XV – Health Benefits** - CSEA hereby proposes a fair and equitable benefit increase.
- **Article XVI – Salary** - CSEA hereby proposes to negotiate a fair and equitable salary increase for all job classifications in the Classified bargaining unit.

The Administration presents the following topics to be discussed in negotiations for 2021-2022:

- **The Rescue Union School District Administration is not proposing any additional re-openers this year.**

The Board is asked to set February 9, 2021 the next regularly scheduled Board meeting, as the date for public comments.

FISCAL IMPACT:

Unknown at this time.

BOARD GOAL:

Board Focus Goal IV - STAFF NEEDS

Attract and retain diverse, knowledgeable, dedicated employees who are skilled and supported in their commitment to provide quality education for our students.

Board Focus Goal VI – CULTURE OF EXCELLENCE

Create and promote programs that support, reward and incentivize employees to perform at exceptional levels for the benefit of our students.

RECOMMENDATION:

District Administration recommends the Board of Trustees set the February 9, 2021 Board Meeting for public comment on CSEA negotiations re-openers.

RESCUE UNION SCHOOL DISTRICT

AGENDA ITEM: California Healthy Kids Survey Results

BACKGROUND:

The CalSCHLS system, which includes the California Healthy Kids Survey (CHKS), is the largest statewide survey of resiliency, protective factors, risk behaviors, and school climate in the nation. Across California the CHKS has led to a better understanding of the relationships between students' health behaviors and academic performance. The information gathered from this survey, along with additional climate measures, is incorporated into the Local Control and Accountability Plan regarding school climate and engagement.

The CalSCHLS system was created by the California Department of Education (CDE) in 1997 to efficiently and cost-effectively provide school districts and their partner communities with quality local data which can be used to improve student academic performance and social-emotional, behavioral and physical health of all youth. It assess key indicators linked to success in school and career, and life. The majority of district in California now use CalSCHLS data as Local Control and Accountability Plan (LCAP) indicators.

STATUS:

The Board will receive information regarding Rescue Union School District's results for the California Healthy Kids Survey administered to 5th and 7th grade students. The CHKS Core Module provides data on nearly all domains of school climate including: perceived school safety, violence, bullying, caring adult relationships, high expectations, opportunities for meaningful participation, substance abuse, and social emotional supports. Additionally, survey results from the Social Emotional Health Module will be shared.

FISCAL IMPACT:

N/A

BOARD GOAL(S):

Board Focus Goal I - STUDENT NEEDS

- A. Student Safety and Well Being: Enhance and encourage social, emotional, ethical and civic learning by providing a safe supportive and diverse environment.
- B. Curriculum and Instruction: Provide a meaningful, innovative learning environment using Common Core, and other student content standards and research-based, progressive, effective instructional methodology, instructional materials, staff development and technology that will ensure student success in career and college.

RECOMMENDATION:

Information and discussion only.

California Healthy Kids Survey

A person is surfing a large, curling wave in the ocean. The water is a vibrant turquoise color, and the wave is breaking over the surfer, creating a tunnel-like effect. The surfer is wearing a dark wetsuit and is positioned in the lower center of the frame, riding the wave's face. The background shows the ocean extending to the horizon under a bright sky.

Results from
October 2020
Administration

California Healthy Kids Survey (CHKS)

THE SURVEY

The California Department of Education (CDE) has funded the CHKS since 1997 to provide data to assist schools in: (1) **fostering safe and supportive school climates, social-emotional competencies, and engagement in learning**; (2) **preventing youth health-risk behaviors** and other barriers to academic achievement; and (3) **promoting positive youth development**, resilience, and well-being.

California Healthy Kids Survey

THE STUDENTS

Each year, Rescue Union Students in **grades 5 and 7** participate in the California Healthy Kids Survey. Students in 5th grade require active consent, while students in 7th grade require passive consent.

California Healthy Kids Survey

THE IMPACT

In order to improve school climate and the overall social, emotional, and physical health of our students, the results of the California Healthy Kids Survey **are examined alongside other data including:**

- Parent survey results
- Student listening circle feedback
- Reports from teachers, classified employees, and administrators
- Previous CHKS results
- Discipline referrals and suspension rates
- Behavioral observations
- Attendance rates

California Healthy Kids Survey

Elementary Results

Core Module Results

1. Survey Sample

Table A1.1

Student Sample Characteristics

	Grade 5
<i>Student Sample Size</i>	
Target sample	375
Final number	227
Response Rate	61%

Table A1.2

Number of Respondents by Instructional Model

	Grade 5
In-school learning only	26
Remote learning only	28
Hybrid learning	173

2019-2020
Response Rate
51%

California Healthy Kids Survey

Elementary Results

Table A3.2

Gender of Sample

	Grade 5 %
Female	52
Male	48

Question ES A.2: Are you female or male?

Note: Cells are empty if there are less than 10 respondents.

2019-2020
Female - 46%
Male - 54%

California Healthy Kids Survey

Elementary Results

2020-21 CHKS Elementary Survey Response Rates

Eligible Schools	5th %
Green Valley Elementary	67
Jackson Elementary	87
Lake Forest Elementary	43
Lakeview Elementary	64
Rescue Elementary	68

Notes: Response rates are presented by grade level. Eligible schools listed are based on CBEDS 2020-21 public school and 2019-20 enrollment data files. Directly funded charter schools have been excluded from the list.

2019-2020 Response Rates

GV	60%
JS	67%
LF	55%
LV	24%
RS	57%

Summary of Key Indicators - Elementary

2020-2021

	Grade 5 %
School Engagement and Supports	
School connectedness ^{†Φ}	81
Academic motivation [†]	85
Caring adults in school [†]	79
High expectations-adults in school [†]	90
Meaningful participation ^{†Φ}	38
Interest in schoolwork done at school ^{†Φ}	54
Facilities upkeep ^{†Φ}	94
Parent involvement in schooling [†]	80
Social and emotional learning supports ^{†Φ}	79
Anti-bullying climate ^{†Φ}	84
School Safety	
Feel safe at school ^{†Φ}	89
Feel safe on way to and from school ^{†Φ}	91
Been hit or pushed ^Φ	14
Mean rumors spread about you ^Φ	22
Called bad names or target of mean jokes ^Φ	27
Saw a weapon at school ^{†Φ}	9
School Disciplinary Environment	
Rule clarity ^{†Φ}	90
Students well behaved ^{†Φ}	82
Students treated fairly when break rules ^{†Φ}	69
Students treated with respect ^{†Φ}	93
Substance Use	
Alcohol or drug use ^Φ	16
Marijuana use ^Φ	0
Cigarette use	1
Vaping	1

2019-2020 Comparison

School connectedness	81%	-1%
Academic motivation	85%	-7%
Caring adults in school	79%	-4%
High expectations	90%	+0%
Meaningful participation	38%	-8%
Interest in Schoolwork at school	54%	New Question
Facilities upkeep	94%	+7%
Parent Involvement	80%	-2%
Social emotional supports	79%	+2%
Anti-bully climate	84%	+6%
Feel safe at school	89%	+1%
Feel safe to and from school	91%	-2%
Been hit or pushed	14%	-25%
Mean rumors spread about you	22%	-22%
Called bad names (even once)	27%	-14%
Saw a weapon	9%	+0%
Rule Clarity	90%	-1%
Students well behaved	82%	+22%
Students treated fairly	69%	+14%
Students treated w/respect	93%	-1%
Alcohol/drug use	16%	+1%
Marijuana use	0%	-2%
Cigarette or e-cigarette use	1%	-1%
Vaping	1%	-1%

Summary of Key Indicators (cont.) - Elementary

2020-2021

Table A2.2
Key Indicators of Student Well-Being, Remote Learning, and Social and Emotional Health

	Grade 5 %
Routines	
Late bedtime (after 10 pm)	28
Sleep duration (8 hours or more)	95
Eating of breakfast [†]	87
Physical exercise (4 days or more)	63
Learning from Home	
Average days worked on schoolwork (≥ 5) ^{¶δ}	27
Synchronous instruction (4 days or more) ^δ	15
Interest in schoolwork done from home ^{†δ}	37
Meaningful opportunities ^{†δ}	37
Peer Relationships	
Peer supports [†]	69
Virtual peer interactions (4 days or more)	48
Cyberbullying [¶]	10
Social and Emotional Health	
Frequent sadness [†]	12
Self-efficacy [†]	87
Problem solving [†]	60
Wellness [†]	80

2019-2020 Comparison

Late bedtime	+14%
Eating breakfast	- 4%
Peer supports	-12%
Cyberbullying	-2%
Frequent sadness	-2%
Self Efficacy	-4%
Problem solving	-8%

Note: Indicators not listed above represent new questions

Social Emotional Health - Elementary

Table F2.1

Key Indicators of Social Emotional Health

	Grade 5 %
Covitality^{†‡}	78
Belief in self [†]	86
Belief in others ^{†‡}	77
Empathy [†]	77
Engaged living [†]	68
Growth mindset[†]	84
Collaboration[†]	80

2019-2020 Comparison

Belief in self	-6%
Belief in others	-7%
Empathy	-1%
Engaged living	-1%
Growth mindset	+2%
Collaboration	-7%

California Healthy Kids Survey

Middle School Results

Core Module Results

1. Survey Sample

Table A1.1

Student Sample for Core Module

	Grade 7	Grade 9	Grade 11	NT ^A
<i>Student Sample Size</i>				
Target sample	399	–	–	–
Final number	376	–	–	–
Response Rate	94%	–	–	–

Note: ^ANT includes continuation, community day, and other alternative school types.

Table A1.2

Number of Respondents by Instructional Model

	Grade 7	Grade 9	Grade 11	NT
In-school learning only	43	–	–	–
Remote learning only	68	–	–	–
Hybrid learning	265	–	–	–

2019-2020
Response Rate
85%

California Healthy Kids Survey

Middle School Results

Table A3.2

Gender of Sample

	Grade 7 %	Grade 9 %	Grade 11 %	NT %
Male	46	–	–	–
Female	51	–	–	–
Nonbinary	2	–	–	–
Something else	1	–	–	–

Question HS/MS A.3: What is your gender?

Note: Cells are empty if there are less than 10 respondents.

2019-2020

Male - 49%

Female - 51%

California Healthy Kids Survey

Middle School Results

2020-21 CHKS Secondary Survey Response Rates

Eligible Schools	7th %	9th %	11th %	NT %
Marina Village Middle	95			
Pleasant Grove Middle	93			

Notes: Response rates are presented by grade level. Eligible schools listed are based on CBEDS 2020-21 public school and 2019-20 enrollment data files. Directly funded charter schools have been excluded from the list.

Summary of Key Indicators - Middle School

2020-2021

Table A2.1

Key Indicators of School Climate and Substance Use

	Grade 7 %	Grade 9 %	Grade 11 %	NT %	Table
School Engagement and Supports					
School connectedness [†] Φ	67	–	–	–	A6.7
Academic motivation [†]	64	–	–	–	A6.7
Monthly Absences (3 or more) ^Φ	9	–	–	–	A6.2
Maintaining focus on schoolwork [†]	36	–	–	–	A6.13
Caring adult relationships [‡]	58	–	–	–	A6.7
High expectations-adults in school [‡]	74	–	–	–	A6.7
Meaningful participation [‡] Φ	24	–	–	–	A6.7
Facilities upkeep [†] Φ	76	–	–	–	A6.16
Promotion of parent involvement in school [†]	59	–	–	–	A6.7
School Safety					
School perceived as very safe or safe ^Φ	72	–	–	–	A8.1
Experienced any harassment or bullying [§] Φ	28	–	–	–	A8.2
Had mean rumors or lies spread about you [§] Φ	30	–	–	–	A8.3
Been afraid of being beaten up [§] Φ	14	–	–	–	A8.3
Been in a physical fight [§] Φ	8	–	–	–	A8.4
Seen a weapon on campus [§] Φ	10	–	–	–	A8.6
Substance Use					
Current alcohol or drug use [¶]	5	–	–	–	A9.5
Current marijuana use [¶]	1	–	–	–	A9.5
Current binge drinking [¶]	0	–	–	–	A9.5
Very drunk or “high” 7 or more times, ever	0	–	–	–	A9.7
Been drunk or “high” on drugs at school, ever	0	–	–	–	A9.9
Current cigarette smoking [¶]	0	–	–	–	A10.3
Current vaping [¶]	1	–	–	–	A10.3

2019-2020 Comparison

School connectedness	67%	+0%
Academic motivation	64%	-11%
Monthly Absences	9% (new question)	
Hard to Maintain focus - schoolwork	36% (new question)	
Caring adult relationships	58%	-8%
High expectations	74%	-5%
Meaningful participation	24%	-9%
Facilities Upkeep	76%	+14%
Parent involvement	59%	-5%
Safe school	72%	+5%
Harassment/bullying	28%	-1%
Mean rumors spread about you	30%	-10%
Afraid of being beaten up	14%	-2%
Been in a physical fight	10%	-1%
Saw a weapon	10%	-6%
Current alcohol or drug use	5%	+2%
Current marijuana use	1%	+0%
Current binge drinking	0%	-2%
Current cigarette use	0%	-1%
Current vaping	1%	-1%

Summary of Key Indicators (cont.) - Middle School

2020-2021

Key Indicators of Student Well-Being, Remote Learning, and Social and Emotional Health

	Grade 7 %	Grade 9 %	Grade 11 %	NT %	Table
Routines					
Eating of breakfast ^l	66	–	–	–	A11.2
Bedtime (before 11 pm)	69	–	–	–	A4.1
Sleep deprivation (less than 8 hours)	20	–	–	–	A4.1
Physical exercise (meets standards) ^{ll}	81	–	–	–	A4.4
Learning from Home					
Average days worked on schoolwork (≥ 5) ^{¶δ}	35	–	–	–	A5.1
Synchronous instruction (4 days or more) ^{llδ}	20	–	–	–	A5.1
Interest in schoolwork done from home ^δ	21	–	–	–	A5.3
Meaningful opportunities ^{†δ}	51	–	–	–	A5.2
Adult and Peer Relationships					
Adult supports [†]	83	–	–	–	A7.7
Peer supports [†]	72	–	–	–	A7.6
Virtual peer interactions (4 days or more) ^{ll}	72	–	–	–	A4.3
Cyberbullying [§]	22	–	–	–	A8.3
Social and Emotional Health					
Social emotional distress [†]	26	–	–	–	A7.10
Experienced chronic sadness/hopelessness [§]	31	–	–	–	A7.1
Considered suicide [§]	18	–	–	–	A7.2
Self-Efficacy [†]	77	–	–	–	A7.3
Self-Awareness [†]	70	–	–	–	A7.4
Problem Solving [†]	50	–	–	–	A7.5
Optimism [†]	60	–	–	–	A7.8
Gratitude [†]	74	–	–	–	A7.9

2019-2020 Comparison

Eating breakfast	66%	-4%
Sleep deprivation	20%	-16%
Adult supports (home)	83%	-3%
Peer supports	72%	-13%
Cyberbullying	22%	+1%
Social emotional distress	26%	-2%
Chronic sadness	31%	+9%
Considered suicide	18%	+7%
Self efficacy	77%	-3%
Self awareness	70%	-9%
Problem solving	50%	-19%
Optimism	60%	-11%
Gratitude	74%	-8%

Note: Indicators not listed above represent new questions

Social Emotional Health - Middle School

Key Indicators of Social Emotional Health

	Grade 7 %	Grade 9 %	Grade 11 %	NT %	Table
Covitality [†]	69	–	–	–	
Belief in self [†]	65	–	–	–	P2.2
Belief in others [†]	74	–	–	–	P2.2
Emotional competence [†]	75	–	–	–	P2.2
Engaged living [†]	65	–	–	–	P2.2
Growth mindset [‡]	75	–	–	–	P7.1
Goals [†]	83	–	–	–	P8.1
Collaboration [†]	77	–	–	–	P9.1

2019-2020 Comparison

Belief in self	65%	-10%
Belief in others	74%	-9%
Emotional competence	75%	-8%
Engaged living	65%	-9%
Growth mindset	75%	+7%
Goals	83%	-4%
Collaboration	77%	-5%

Analysis of the Data - Elementary School

Bright Spots

- Participation rates are higher, providing more confidence in the data.
- Inappropriate behaviors at school, including bullying, spreading rumors, name calling, and hitting are down.
- Our anti-bully climate has improved.
- Students are perceived to be behaving much better and treated more respectfully.
- Perceptions of facility upkeep are higher.

Areas of Concern

- Academic motivation and meaningful participation are notably lower this year.
- Students reported a decrease in peer support and a lowered ability to solve problems on their own.
- Survey results indicate students feel less belief in self and others, and less ability to engage in collaboration.

Analysis of the Data - Middle School

Bright Spots

- Participation rates were remarkably high, providing more confidence in the data.
- Inappropriate behaviors at school, including bullying, spreading rumors, and fighting were down
- Students reported feeling safer at school and reported seeing fewer weapons.
- Perceptions of facility upkeep were considerably higher.
- Reports of sleep deprivation were down.
- Students reported having a higher growth mindset.

Areas of Concern

- Academic motivation, high expectations, and meaningful participation were all notably lower this year.
- Students reported a decrease in caring adults at school, less peer support, and lower parent involvement.
- More students reported feeling chronically sad and more students said they have considered suicide.
- Survey results indicate students feel less optimistic, less belief in self and others, and less excitement about their days (engaged living).

Analysis of the Data - Overall

Bright Spots

- We've seen a general improvement in student behaviors and overall school climate, possibly attributed to lower class sizes.
- Facility upkeep is reportedly improved at both the elementary and middle schools. This may be a result of increased cleaning and disinfecting as part of our COVID mitigation plans.

Areas of Concern

- Academic motivation and meaningful participation are lower at both elementary and middle school, perhaps due to shortened school days and reduced instructional minutes.
- Students reported a decrease in caring adults at school and less peer support. This may be directly related to the decreased amount of time students have with staff members and peers.
- Survey results indicate students feel less optimistic, less belief in self and others, and less excitement about their days (engaged living). More middle school students reported feeling chronically sad and more said they have considered suicide. This is especially concerning and may be attributed to stressors associated with COVID, isolation, etc.

What's next?

CHKS results for each individual school have been shared with site administrators.

Site leadership teams, School Site Councils, Safety Teams, Student Councils, and other groups will be planning ways to strategically improve student perceptions and outcomes.

It will be especially important to ensure that we continue to provide quality mental health services and social emotional supports, including counseling, PBIS, SEL competency building lessons, etc.

Additionally, we must be mindful of students' decreased levels of academic motivation and feelings regarding meaningful participation, and look for ways to rebuild these areas while simultaneously ensuring that their social emotional and mental health needs are addressed.

Looking ahead to next time

In addition to the California Healthy Kids Survey (CHKS), we also administer the California School Staff Survey (CSSS) and the California School Parent Survey (CSPS).

Those results are expected soon, and at our next meeting, we'll share those results and compare them with the results from the CHKS.