



2021-2022 AUDIT

PRESENTED TO THE BOARD OF TRUSTEES ON

JANUARY 10, 2023

# REPORT OVERVIEW

- Combined (all funds) net position increased from \$13,006,808 on June 30, 2021 to \$15,911,687 on June 30, 2022 due to the \$2,811,849 in State Facilities Funding (Fund 35- State Facilities and Capital Improvement)
- Outside of Fund 35, decrease of **-\$959,87** in combined fund balances
- The General Fund balance decreased specifically by **-\$254,994** due to the restatement of the District's fair market value of assets held in the treasury (GASB 31)
- Removal of all independent study ADA generated from Hillcrest, totaling a lost of 6.78 ADA or approximately \$150,000 in LCFF funding

# FINDINGS

- 2022-01; 1) GASB 31 – restatement to Fair Market Value  
2) Invoices and Contractor Retention
- 2022-02; Cafeteria Sheets
- 2022-03; Form 700
- 2022-04; Independent Study
- 2022-05; Digital Signatures of Attendance Logs by Teachers
- 2022-06; Teacher Attendance Tacking

# RESTATEMENTS

**GRAVENSTEIN UNION SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT  
WITH AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue - Special Reserve Fund	Special Reserve Fund For Post-Employment Benefits	County School Facilities Fund	Capital Projects - Special Reserve	Deferred Maintenance Fund	Cafeteria Fund	Child Development Fund	Bond Interest & Redemption Fund	Capital Facilities Fund
June 30, 2022 Annual Financial and Budget Report Fund Balances	\$ 8,520,826	\$ 544,113	\$ 860,004	\$ 1,368,590	\$ 841,086	\$ 6,038	\$ 111,821	\$ 3,103	\$ 414,008	\$ 171,927
Reclassifications and Adjustments										
Increasing (Decreasing) Fund Balances:										
Overstatement in the Fair Value of Investments	(381,850)			(74,373)	(20,605)	(208)	(2,384)	(277)	(14,242)	(5,879)
Understatement of Food and Supplies Expenditures							(19,709)			
Understatement (Overstatement) of Capital Outlay Expenditures				80,694	(21,324)					
Reclassifications of Fund Balances	1,404,117	(544,113)	(860,004)							
Net Adjustments and Reclassifications										
Increasing (Decreasing) Fund Balances	1,022,267	(544,113)	(860,004)	6,321	(41,929)	(208)	(22,093)	(277)	(14,242)	(5,879)
June 30, 2022 Audited Financial Statements Fund Balances	\$ 9,543,093	\$ 0	\$ 0	\$ 1,374,911	\$ 799,157	\$ 5,830	\$ 89,728	\$ 2,826	\$ 399,766	\$ 166,048

Auditor's Comments

The fund balances of the General Fund, Special Revenue - Special Reserve Fund and Special Reserve for Postemployment Benefits Fund have been combined for financial reporting purposes in accordance with GASB Statement No. 54.

**Gravenstein Union Elementary School District  
Report of General Fund Activities: Funds 01, 03, 04**

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
2020-21 Unaudited Actuals	Actuals	Actuals	Actuals	Actuals	1st Interim	Projection	Projection
<b>REVENUES</b>	<b>2.71%</b>	<b>3.26%</b>	<b>0.00%</b>	<b>5.07%</b>	<b>13.56%</b>	<b>5.38%</b>	<b>4.07%</b>
COLA							
LCFF Sources	8,404,099	8,827,880	8,933,391	9,276,743	8,729,661	9,304,177	9,672,128
Federal Revenue	135,896	148,904	442,145	508,479	400,870	125,000	125,000
Other State Revenue	1,031,610	709,968	1,247,899	1,491,858	1,989,567	1,493,518	1,394,326
Other Local Revenue	690,231	498,228	311,220	534,255	540,794	540,794	540,794
Other Financing Sources 89xx	23,000	1,505,875	1,389,000	2,001,356	0	0	0
<b>Total Revenues, transfer-in/sources</b>	<b>\$10,284,836</b>	<b>\$11,690,855</b>	<b>\$12,323,654</b>	<b>\$13,812,690</b>	<b>\$11,660,892</b>	<b>\$11,463,489</b>	<b>\$11,732,248</b>
<b>EXPENDITURES</b>							
Certificated Salary	4,108,728	4,350,428	4,632,448	5,195,299	5,410,571	5,749,140	5,880,962
Classified Salary	703,739	1,108,598	1,223,246	1,515,793	1,677,832	1,738,696	1,806,157
Employee Benefits	2,056,374	2,295,038	2,336,253	2,674,500	3,139,120	3,295,149	3,335,655
Books & Supplies	412,066	574,127	546,710	284,867	534,241	564,584	570,229
Service & other operating	1,191,267	994,773	865,306	967,293	2,028,444	2,130,128	1,949,430
Capital Outlay	149,978	232,904	28,231	1,053,727	228,518	39,400	39,400
Other Outgo 7100-7299	10,700	0	0	0	0	0	0
Direct Support/Indirect Cost 73xx	0	0	0	0	0	0	0
Other Financing Sources 76xx	983,004	1,550,812	3,279,942	2,001,356	0	0	0
<b>Total Expenditures, transfer-out/uses</b>	<b>\$9,615,857</b>	<b>\$11,106,681</b>	<b>\$12,912,135</b>	<b>\$13,692,834</b>	<b>\$13,018,726</b>	<b>\$13,517,097</b>	<b>\$13,581,833</b>
<b>Net Effect</b>	<b>668,979</b>	<b>584,174</b>	<b>(588,481)</b>	<b>119,856</b>	<b>(1,357,834)</b>	<b>(2,053,608)</b>	<b>(1,849,585)</b>
Beginning Fund Balance	8,144,406	8,813,385	9,268,645	8,400,968	8,266,831	6,908,997	4,855,389
audit adjustment		(128,913)	(279,196)	(253,994)			
Ending Fund Balance	8,813,385	9,268,645	8,400,968	8,266,831	6,908,997	4,855,389	3,005,804
Ending Cash Balance	8,666,246	8,647,582	8,368,444	8,179,259	6,089,096	Not Available	Not Available
Reserve for economic uncertainty	384,634	444,267	412,160	467,659	520,749	540,684	543,273
Fund 17, ending fund balance	526,261	536,850	541,013	544,113	546,613	551,613	555,513
Enrollment	763	768	753	748	769	779	780
P2 ADA	728	734	734	713	699	714	712
<b>Total Expenditures per ADA (less trfs out &amp; uses)</b>	<b>\$ 11,859</b>	<b>\$ 13,013</b>	<b>\$ 13,117</b>	<b>\$ 16,398</b>	<b>\$ 19,117</b>	<b>\$ 18,943</b>	<b>\$ 19,077</b>
<b>Total Revenue Limit Per ADA</b>	<b>\$ 11,545</b>	<b>\$ 12,022</b>	<b>\$ 12,165</b>	<b>\$ 13,011</b>	<b>\$ 12,819</b>	<b>\$ 13,039</b>	<b>\$ 13,585</b>

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All Funds													Total
01	08	12	13	14	17	20	21	26	36	40			
General Fund	Student Activity Fund	Child Development	Cafeteria	Deferred Maint	Special Reserve*	Post Employment Benefits*	Bonds	Developer Fee	County Schools Facilities Fund	Special Reserve for Capital Facilities			
Beginning Balance	\$ 8,520,826	\$ 7,089	\$ 3,103	\$ 111,821	\$ 6,038	\$ 544,113	\$ 860,004	\$ 0.04	\$ 171,927	\$ 1,368,590	\$ 841,086	\$ 12,434,597	
Audit Adjustment	\$ (381,850)		\$ (277)	\$ (22,093)	\$ (208)				\$ (6,879)	\$ 6,321	\$ (41,929)	\$ (446,916)	
Beginning Balance After Audit Adjustment	\$ 8,138,976	\$ 7,089	\$ 2,826	\$ 89,728	\$ 5,830	\$ 544,113	\$ 860,004	\$ 0	\$ 166,048	\$ 1,374,911	\$ 799,157	\$ 11,988,682	
Revenues:													
LCFF Sources	\$ 8,729,661	\$ -	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,839,661	
Federal Revenue	\$ 400,870	\$ -	\$ -	\$ 366,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 766,179	
State Revenue	\$ 1,989,667	\$ -	\$ -	\$ 18,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,008,138	
Local Revenue	\$ 640,794	\$ -	\$ 270,276	\$ 443	\$ 50	\$ 2,600	\$ 4,000	\$ -	\$ 15,936	\$ 800	\$ 60	\$ 834,847	
<b>TOTAL REVENUES</b>	<b>\$ 11,660,892</b>	<b>\$ -</b>	<b>\$ 270,276</b>	<b>\$ 384,323</b>	<b>\$ 110,050</b>	<b>\$ 2,600</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ 15,936</b>	<b>\$ 800</b>	<b>\$ 50</b>	<b>\$ 12,448,825</b>	
Expenditures:													
Certificated Salaries	\$ 6,410,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,410,671	
Classified Salaries	\$ 1,677,832	\$ -	\$ 167,206	\$ 106,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,941,524	
Employee Benefits	\$ 3,139,120	\$ -	\$ 87,013	\$ 62,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,288,439	
Books and Supplies	\$ 634,241	\$ -	\$ 9,360	\$ 281,100	\$ -	\$ -	\$ -	\$ -	\$ 18,417	\$ -	\$ -	\$ 843,108	
Services and Other Op Ex	\$ 2,028,444	\$ -	\$ 1,600	\$ 6,120	\$ 104,000	\$ -	\$ -	\$ -	\$ -	\$ 3,320	\$ 34,146	\$ 2,176,629	
Capital Outlay	\$ 228,618	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692,173	\$ 62,468	\$ 1,013,149	
Other Outgo - excluding transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ 6,000	
Other Outgo - transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,018,726</b>	<b>\$ -</b>	<b>\$ 255,068</b>	<b>\$ 485,013</b>	<b>\$ 104,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 713,910</b>	<b>\$ 96,603</b>	<b>\$ 14,678,320</b>	
Excess of Revenues over Expenditures	\$ (1,357,834)	\$ -	\$ 15,207	\$ (100,690)	\$ 6,050	\$ 2,600	\$ 4,000	\$ -	\$ 10,936	\$ (713,110)	\$ (96,553)	\$ (2,229,495)	
Other Financing Sources/Uses:													
Interfund Transfers													
In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Sources/Uses													
Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>NET INCREASE/DECREASE TO FUND BALANCE</b>	<b>\$ (1,357,834)</b>	<b>\$ -</b>	<b>\$ 15,207</b>	<b>\$ (100,690)</b>	<b>\$ 6,050</b>	<b>\$ 2,600</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ 10,936</b>	<b>\$ (713,110)</b>	<b>\$ (96,553)</b>	<b>\$ (2,229,495)</b>	
Ending Fund Balances	\$ 6,781,142	\$ 7,089	\$ 18,033	\$ (10,962)	\$ 11,880	\$ 546,613	\$ 864,004	\$ 0	\$ 176,983	\$ 661,801	\$ 702,604	\$ 9,759,187	
Components of Ending Fund Balances													
Nonspendable													
Revolving Cash	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000	
Stores	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Prepaid Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
All Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Restricted	\$ 1,241,138	\$ 7,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,983	\$ 661,801	\$ -	\$ 2,087,011	
Committed													
Stabilization Arrangements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Commitments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Assigned													
Other Assignments	\$ 4,210,000	\$ -	\$ 18,033	\$ -	\$ 11,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,604	\$ 4,942,617	
Unassigned/Unappropriated													
Reserve for Economic Uncertainties	\$ 620,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 620,749	
Unassigned/Unappropriated	\$ 804,255	\$ -	\$ -	\$ (10,962)	\$ -	\$ 546,613	\$ 864,004	\$ 0	\$ -	\$ -	\$ -	\$ 2,203,910	

\* per Auditor, Fund 17 & 20 are considered extensions of the General Fund and therefore unrestricted

# MACROECONOMIC FACTORS FOR FUTURE CONSIDERATION

- COVID-19 continues in conjunction with additional highly contagious flu like illnesses
- Increase to food service program
- Expansion of Transitional Kindergarten
- Increasingly prolonged and aggressive negotiations with labor partners
- Forecasted recession on the horizon



# Questions?