

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**COUNTY OF COLUSA  
WILLIAMS, CALIFORNIA**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

# **WILLIAMS UNIFIED SCHOOL DISTRICT**

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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Williams Unified School District  
Williams, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Williams Unified School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund, Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Pension Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

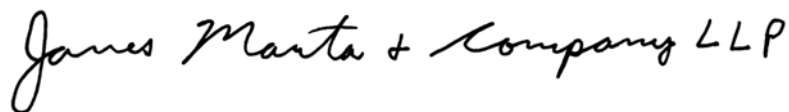
### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *supplementary information as listed in the table of contents* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2022 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 4, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2022**

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This section of the Williams Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the Independent Auditor's Report and the District's financial statements, which immediately follows this section.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, presented on pages 10 and 11, 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 12 through 15, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

**FINANCIAL HIGHLIGHTS**

The District's net position increased by 110.3% from 2020-21 to 2021-22. This was brought about primarily by the decrease in the long-term liabilities.

- Capital assets decreased by \$570,792 due primarily to the depreciation expense.
- Total long-term liabilities decreased \$7,605,642 or -22.4%, primarily due to the decrease in the net pension liability.
- The District was funded in 2021-22 based on the District's 2019-20 P-2 ADA of 1,259.
- 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 2021-22, total General Fund expenditures and other financing uses totaled \$18,527,293. At June 30, 2022, the District has a reserve for economic uncertainty of \$555,819 in the Unrestricted General Fund, which represents a reserve of 3.0%.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives, District-wide and funds.

District-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.



**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2022**

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- Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
- Short and long-term financial information about the activities of the District that operate like businesses are provided in the proprietary fund statements.
- Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

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

**Reporting the District as a Whole**

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

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

Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.

Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

**Governmental 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 contracts and grants, and local revenues.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2022**

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**Business-type Activities:**

The District does not provide any services that should be included in this category.

**Reporting the District's Most Significant Funds**

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

**Governmental Funds**

The major governmental fund of the Williams Unified School District is only the General Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the information helps to determine the level of financial resource balances that remain at the end of the year. A modified accrual basis of accounting measures for cash and all other financial assets that can readily be converted to cash are being presented. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

**Proprietary Funds**

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore, no reconciling entries are required. Internal service funds are reported with the Governmental Funds. The District does not have funds of this type.

**Fiduciary Funds**

Funds used to account for assets held by a Local Educational Agency (LEA) in a trustee or agency capacity for others that cannot be used to support the LEA's own programs. The District does not have funds of this type.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2022**

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

<b>Condensed Statement of Net Position</b>				
	June 30, 2021	June 30, 2022	Change	Percentage Change
<b>Assets</b>				
Current assets	\$ 12,702,707	\$ 16,145,613	\$ 3,442,906	27.1%
Capital assets	24,065,038	23,494,246	(570,792)	-2.4%
Total assets	36,767,745	39,639,859	2,872,114	7.8%
<b>Deferred Outflows of Resources</b>	7,225,605	6,843,553	(382,052)	-5.3%
Current liabilities	2,042,608	2,938,389	895,781	43.9%
Long-term liabilities	33,957,266	26,351,624	(7,605,642)	-22.4%
Total liabilities	35,999,874	29,290,013	(6,709,861)	-18.6%
<b>Deferred Inflows of Resources</b>	3,313,171	7,350,976	4,037,805	121.9%
<b>Net Position</b>				
Invested in capital assets	5,787,321	5,657,222	(130,099)	-2.2%
Restricted	3,140,835	3,898,405	757,570	24.1%
Unrestricted	(4,247,851)	286,796	4,534,647	-106.8%
Total net position	\$ 4,680,305	\$ 9,842,423	\$ 5,162,118	110.3%

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2022**

**Condensed Statement of Activities for the Fiscal Years Ended June 30**

	2021	2022	Change	Percentage Change
<b>Revenues</b>				
Charges for services	\$ 126,633	\$ 254,702	\$ 128,069	101.1%
Operating grants and contributions	5,089,238	5,255,121	165,883	3.3%
Taxes levied for general purposes	3,709,658	4,295,481	585,823	15.8%
Taxes levied for debt services	492,311	215,513	(276,798)	-56.2%
Federal and state aid not restricted for specific purposes	11,632,282	12,456,499	824,217	7.1%
Interest and investment earnings	139,659	56,952	(82,707)	-59.2%
Miscellaneous	392,160	276,322	(115,838)	-29.5%
Total revenues	<u>21,581,941</u>	<u>22,810,590</u>	<u>1,228,649</u>	<u>5.7%</u>
<b>Expenses</b>				
Instruction	10,025,831	8,258,003	(1,767,828)	-17.6%
Instruction related services	2,783,235	1,989,788	(793,447)	-28.5%
Pupil services	1,599,038	1,202,543	(396,495)	-24.8%
General administration	1,543,976	1,377,863	(166,113)	-10.8%
Plant services	1,739,824	1,731,013	(8,811)	-0.5%
Ancillary services	183,387	426,680	243,293	132.7%
Interest on long-term debt	579,162	586,741	7,579	1.3%
Other outgo	895,373	1,010,070	114,697	12.8%
Depreciation (unallocated)	884,706	1,065,771	181,065	20.5%
Total expenses	<u>20,234,532</u>	<u>17,648,472</u>	<u>(2,586,060)</u>	<u>-12.8%</u>
Change in net position	<u>\$ 1,347,409</u>	<u>\$ 5,162,118</u>	<u>\$ 3,814,709</u>	<u>283.1%</u>

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As the District completed the school year, the governmental funds reported a combined fund balance of \$14,111,509.

**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 revised figures. In addition, the District revises its budget at First and Second Interim and any other time there are significant changes.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2022**

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

- Capital assets decreased \$570,792 due primarily to the depreciation expense.

**Long-Term Liabilities**

- Total long-term liabilities decreased \$7,605,642 or -22.4%, primarily due to the decrease in the net pension liability

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.

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

Student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California. Enrollment is expected to decrease in fiscal year 2022-23.

The future predictions require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

## **BASIC FINANCIAL STATEMENTS**

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**JUNE 30, 2022**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 15,561,892
Receivables	550,089
Prepaid expenses	19,143
Stores inventory	14,489
Capital assets, net of accumulated depreciation	23,494,246
Total Assets	39,639,859
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Discount on Certificate of Participation	39,514
Deferred outflows on OPEB (Note 7)	158,088
Deferred outflows on pensions (Note 6)	6,645,951
Total Deferred Outflows	6,843,553
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	1,725,657
Unearned revenue	692,248
Long-term liabilities:	
Due within one year	520,484
Due in more than one year	26,351,624
Total Liabilities	29,290,013
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred bond premium revenue	863,468
Deferred COP premium revenue	243,105
Deferred inflows on OPEB (Note 7)	244,792
Deferred inflows on pensions (Note 6)	5,999,611
Total Deferred Inflows	7,350,976
<b>NET POSITION</b>	
Net investment in capital assets	5,657,222
Restricted	3,898,405
Unrestricted	286,796
Total Net Position	\$ 9,842,423

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

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

		<b>Program Revenues</b>			<b>Net (Expense) Revenues and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Governmental Activities					
Instruction	\$ 8,258,003	\$ 1,007	\$ 2,994,725	\$ -	\$ (5,262,271)
Instruction-related services:					
Instructional supervision and administration	188,191	-	181,046	-	(7,145)
Instructional library, media and technology	627,971	-	44,729	-	(583,242)
School site administration	1,173,626	-	260,038	-	(913,588)
Pupil Services:					
Home-to-school transportation	154,794	-	472	-	(154,322)
Food services	896,723	40,254	1,166,853	-	310,384
All other pupil services	151,026	216	17,541	-	(133,269)
General administration:					
Centralized data processing	46,102	-	-	-	(46,102)
All other general administration	1,331,761	1,346	188,367	-	(1,142,048)
Plant services	1,731,013	129	205,104	-	(1,525,780)
Ancillary services	426,680	137,612	46,777	-	(242,291)
Interest on long-term debt	586,741	-	-	-	(586,741)
Other outgo	1,010,070	74,138	149,469	-	(786,463)
Depreciation (unallocated)	1,065,771	-	-	-	(1,065,771)
Total governmental activities	<u>\$ 17,648,472</u>	<u>\$ 254,702</u>	<u>\$ 5,255,121</u>	<u>\$ -</u>	<u>(12,138,649)</u>
General Revenues					
Taxes and subventions:					
Taxes levied for general purposes					4,295,481
Taxes levied for debt service					215,513
Federal and state aid not restricted to specific purposes					12,456,499
Interest and investment earnings					56,952
Miscellaneous					276,322
Total General Revenues					<u>17,300,767</u>
Change in Net Position					5,162,118
Net Position, July 1, 2021					<u>4,680,305</u>
Net Position, June 30, 2022					<u>\$ 9,842,423</u>



**WILLIAMS UNIFIED SCHOOL DISTRICT****BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2022**

	<b>General Fund</b>	<b>All Non-Major Funds</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,464,884	\$ 3,097,008	\$ 15,561,892
Accounts receivable	520,225	29,864	550,089
Due from other funds	31,593	935	32,528
Prepaid expenses	19,143	-	19,143
Stores inventory	-	14,489	14,489
Total Assets	<u>\$ 13,035,845</u>	<u>\$ 3,142,296</u>	<u>\$ 16,178,141</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 1,319,967	\$ 21,889	\$ 1,341,856
Due to other funds	935	31,593	32,528
Unearned revenue	692,248	-	692,248
Total Liabilities	<u>2,013,150</u>	<u>53,482</u>	<u>2,066,632</u>
Fund balances			
Nonspendable	25,143	14,539	39,682
Restricted	2,025,892	1,872,513	3,898,405
Assigned	8,415,841	1,201,762	9,617,603
Unassigned	555,819	-	555,819
Total Fund Balances	<u>11,022,695</u>	<u>3,088,814</u>	<u>14,111,509</u>
Total liabilities and fund balances	<u>\$ 13,035,845</u>	<u>\$ 3,142,296</u>	<u>\$ 16,178,141</u>

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

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Total fund balances - governmental funds	\$ 14,111,509
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Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

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

Capital assets at historical cost	\$ 35,256,209	
Accumulated depreciation	<u>(11,761,963)</u>	
Net		23,494,246

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. (383,801)

Unamortized premiums and discounts: In governmental funds, bond premiums are recognized as revenues in the period they are received while bond discounts are recognized as expenditures in the period they are incurred. In the government-wide statements, premiums and discounts are amortized over the life of the debt. Unamortized premiums and discounts at year-end consist of:

Unamortized portion of COP discounts	39,514
Unamortized portion of bond premiums	(863,468)
Unamortized portion of COP premiums	(243,105)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Net pension liabilities	\$ 7,858,636	
General obligation bonds payable:		
Current Interest	10,005,000	
Net OPEB liability	1,125,165	
Capital lease payable	2,047,024	
Certificate of participation	5,785,000	
Compensated absences payable	<u>51,283</u>	
		(26,872,108)

Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources relating to OPEB	158,088
Deferred inflows of resources relating to OPEB	<u>(244,792)</u>

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 pension are reported.

Deferred outflows of resources relating to pensions	6,645,951
Deferred inflows of resources relating to pensions	<u>(5,999,611)</u>

Total net position - governmental activities	<u>\$ 9,842,423</u>
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The accompanying notes are an integral part of these financial statements.

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>General Fund</b>	<b>All Non-Major Funds</b>	<b>Totals</b>
<b>REVENUES</b>			
LCFF sources	\$ 16,474,225	\$ -	\$ 16,474,225
Federal revenue	1,100,009	1,050,751	2,150,760
Other state revenues	3,196,877	63,528	3,260,405
Other local revenues	382,816	519,948	902,764
Total revenues	21,153,927	1,634,227	22,788,154
<b>EXPENDITURES</b>			
Certificated salaries	6,838,032	-	6,838,032
Classified salaries	2,390,381	363,099	2,753,480
Employee benefits	3,894,012	152,592	4,046,604
Books and supplies	1,279,940	591,551	1,871,491
Services and other operating expenditures	2,072,140	78,197	2,150,337
Capital outlay	493,195	1,784	494,979
Other outgo	978,477	31,593	1,010,070
Debt service expenditures			
Principal	270,693	170,000	440,693
Interest	109,488	538,100	647,588
Total expenditures	18,326,358	1,926,916	20,253,274
Excess (deficiency) of revenues over expenditures	2,827,569	(292,689)	2,534,880
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	200,935	200,935
Operating transfers out	(200,935)	-	(200,935)
Total other financing sources (uses)	(200,935)	200,935	-
Net change in fund balances	2,626,634	(91,754)	2,534,880
Fund balances, July 1, 2021	8,396,061	3,180,568	11,576,629
Fund balances, June 30, 2022	\$ 11,022,695	\$ 3,088,814	\$ 14,111,509

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2022**

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Total net change in fund balances - governmental funds	\$ 2,534,880
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Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay	\$ 494,979	
Depreciation expense	<u>(1,065,771)</u>	(570,792)

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

440,693

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

4,018

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

(46,453)

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

2,717,753

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

36,734

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

45,285

Total change in net position - governmental activities	<u><u>\$ 5,162,118</u></u>
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**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. HISTORY OF THE ORGANIZATION**

The Williams Unified 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 Governing Board elected by registered voters of the District, which comprises an area in Colusa County. The District serves students in transitional kindergarten through twelfth grade.

**B. REPORTING ENTITY**

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

**C. ACCOUNTING POLICIES**

The District prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

**D. BASIS OF PRESENTATION**

Government-Wide Financial Statements

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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**D. BASIS OF PRESENTATION (CONTINUED)**

Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

**E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)**

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 specified 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.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**F. 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's accounts are organized into major, non-major, and fiduciary funds as follows:

*Governmental Funds*

The **General Fund** is the general operating fund of the District and accounts for all revenues and expenditures of the District, not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. The General Fund includes the following funds:

- The **Deferred Maintenance Fund** is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (Education Code Section 17582).
- The **Special Reserve Fund for Postemployment Benefits** is used to account for amounts the District has earmarked for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for the postemployment benefit plan.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**F. FUND ACCOUNTING (CONTINUED)**

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- The **Student Activity Fund** accounts for student body activities (ASB) to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body.
- The **Cafeteria Fund** is used to account separately for federal, state, and local resources to operate the food service program.

The **Capital Projects Funds** are used to account for resources used for the acquisition or construction of major capital facilities and equipment.

- The **Capital Facilities Fund** is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (Education Code sections 17620–17626).
- The **County Schools Facilities Fund** is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District is using this fund to account for the Certificates of Participation activity.

The **Debt Service Funds** are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The District maintains one debt service fund:

- The **Bond Interest and Redemption Fund** is maintained by the County Treasurer and is used to account for the accumulation of resources for, and the repayment of, District bonds, interest, and related costs.

*Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of other parties in a trustee or agent capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements. The District does not have any fiduciary funds.



**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**G. BUDGETS AND BUDGETARY ACCOUNTING**

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

These budgets are revised by the District's Governing Board and Superintendent during the year to give consideration to unanticipated income and expenditures.

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.

**H. 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.

**I. DEPOSITS AND INVESTMENTS**

The District is authorized to maintain cash in banks and revolving funds that are insured up 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 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.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**J. INVENTORY**

Inventory in the Cafeteria Fund consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

The Cafeteria Fund records supplies expense which includes a handling charge for the delivery of government surplus food commodities. The state requires the Cafeteria Fund to record the fair market value of these commodities.

**K. CAPITAL ASSETS**

Capital assets purchased or acquired with an original cost of \$5,000 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 as follows: buildings and improvements, 5 to 50 years; furniture and equipment, 2 to 15 years; and vehicles, 8 years.

**L. UNEARNED REVENUE**

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

**M. INTERFUND BALANCES**

Interfund activity is 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/expenses. Reimbursements are when one fund incurs at cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**N. 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.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**O. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

In addition to assets, the statement of net position includes 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(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position 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(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

**P. RESTRICTED NET POSITION**

Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

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.

**Q. ELIMINATIONS AND RECLASSIFICATIONS**

In the process of aggregating data for the government-wide statements, some amounts reported as interfund activity and balances in the fund financial statements were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**R. 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.

**S. PENSIONS**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Williams Unified School District's California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**T. FUND BALANCE**

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

*Nonspendable Fund Balance* reflects assets not in spendable form, either because they will never convert to cash (e.g. prepaid expense) or must remain intact pursuant to legal or contractual requirements.

*Restricted Fund Balance* reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

*Committed Fund Balance* reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Trustees. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

*Assigned Fund Balance* reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Trustees is authorized to assign amounts for specific purposes.

*Unassigned Fund Balance* represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

**U. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan (OPEB Plan) and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**V. LOCAL CONTROL FUNDING FORMULA/PROPERTY TAX**

The District's local control funding formula is received from a combination of local property taxes, state apportionments, and other local sources.

The County of Colusa is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. Taxes are levied for each fiscal year on taxable real and personal property in the county. Secured property taxes attach as an enforceable lien on property as of March 1. Property taxes become delinquent after December 10 and April 10, respectively.

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 control funding formula (LCFF) sources by the District.

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the State General Fund, and is known as the state apportionment.

**W. FINANCING LEASES**

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, \$500,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2022, the District did not have any financial leases that met the threshold.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**2. CASH AND CASH EQUIVALENTS**

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

	Governmental Activities
Cash in County Treasury	\$ 14,354,078
Cash in revolving fund	6,050
Cash with fiscal agent	<u>1,201,764</u>
Total	<u><u>\$ 15,561,892</u></u>

**A. CASH ON HAND AND IN BANKS**

Cash on hand and in banks consists of all cash held by the District and all cash maintained in commercial bank accounts owned by the District. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation.

**B. CASH IN REVOLVING FUNDS**

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

**C. CASH WITH FISCAL AGENT**

Cash with Fiscal Agent represents funds held by third parties restricted for the repayment of the capital lease.

**D. CASH IN COUNTY TREASURY**

County pool investments consist of District cash held by the Colusa 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 weighted average maturity of the pool is 2,515 days. The pool is rated AAA by Standard and Poor's.

**Interest Rate Risk.** California Government Code Section 53601 limits the District's investments to maturities of five years. 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.

**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.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**3. INTERFUND TRANSACTIONS**

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 are imbursement. All other interfund transactions are treated as transfers. The unpaid balances at year-end, as a result of such transactions, are shown as due to and due from other funds.

	<u><b>Interfund Receivables</b></u>	<u><b>Interfund Payables</b></u>
Major Funds		
General Fund	\$ 31,593	\$ 935
Nonmajor Funds		
Cafeteria Fund	-	31,593
County School Facilities Fund	935	-
Totals	<u>\$ 32,528</u>	<u>\$ 32,528</u>

**Interfund Transfers**

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. As of June 30, 2022, the interfund transfers were as follows:

Transfer from General Fund to Capital Facilities Fund to cover K-1 complex payment.	\$ 200,000
Transfer from General Fund to County School Facilities Fund to cover negative interest.	935
Total Transfers	<u>\$ 200,935</u>

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**4. CAPITAL ASSETS**

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

	Balance July 1, 2021	Additions and Adjustments	Deductions and Adjustments	Balance June 30, 2022
Non-depreciable assets:				
Land	\$ 589,309	\$ -	\$ -	\$ 589,309
Work in progress	2,232,260	1,784	-	2,234,044
Subtotal	2,821,569	1,784	-	2,823,353
Depreciable assets:				
Sites and improvements	6,036,876	49,968	-	6,086,844
Building and improvements	23,171,960	318,797	-	23,490,757
Furniture and equipment	2,746,834	124,430	16,009	2,855,255
Subtotal	31,955,670	493,195	16,009	32,432,856
Totals, at cost	34,777,239	494,979	16,009	35,256,209
Accumulated depreciation:				
Sites and improvements	(2,413,537)	(274,021)	-	(2,687,558)
Building and improvements	(6,893,922)	(546,929)	-	(7,440,851)
Furniture and equipment	(1,404,742)	(244,821)	(16,009)	(1,633,554)
Subtotal	(10,712,201)	(1,065,771)	(16,009)	(11,761,963)
Depreciable assets, net	21,243,469	(572,576)	-	20,670,893
Capital assets, net	\$ 24,065,038	\$ (570,792)	\$ -	\$ 23,494,246

The entire amount of depreciation expense was unallocated.



**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**5. LONG TERM LIABILITIES**

**A. SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES**

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2022, is shown below:

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2022</b>	<b>Due Within One Year</b>
GO Bonds	\$ 10,060,000	\$ -	\$ 55,000	\$ 10,005,000	\$ 65,000
Capital Lease	2,202,717	-	155,693	2,047,024	164,201
Certificate of Participation	6,015,000	-	230,000	5,785,000	240,000
Net OPEB Liability	1,106,446	18,719	-	1,125,165	-
Net Pension Liability	15,013,796	-	7,155,160	7,858,636	-
Compensated Absences	88,017	-	36,734	51,283	51,283
	<u>\$ 34,485,976</u>	<u>\$ 18,719</u>	<u>\$ 7,632,587</u>	<u>\$ 26,872,108</u>	<u>\$ 520,484</u>

The General Fund and Capital Facilities Fund make payments for the capital leases. The accrued vacation (compensated absences) and other postemployment benefits will be paid by the fund for which the employee works. Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. The Certificates of Participation will be paid by the County School Facilities Fund.

**B. QZAB PROGRAM**

On January 29, 2014, the District entered a QZAB Lease program for the amount of \$2,885,000. The QZAB program consists generally of solar installation and lighting, retrofits to install energy efficient lighting and building repair and rehabilitation, along with electrical distribution upgrades at Williams Junior Senior High School, Williams Upper Elementary School, and Williams Elementary School, and is known as the Williams Unified School District Zone Academies, as more particularly described in the District's application to the California Department of Education, School Facilities Planning Division.

The equipment and improvements are financed by the lease, including (without limitation) installation of solar array energy system, photovoltaic equipment and related property, including (without limitation) photovoltaic modules, inverters, transformers, switches and interconnection equipment, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions located on the Leased Property.

The lease details are included under the capital lease schedules on the following page.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**5. LONG TERM LIABILITIES (CONTINUED)**

**C. CAPITAL LEASES**

Description	Date of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Outstanding July 1, 2021	Additions	Redeemed Current Year	Outstanding June 30, 2022
John Deere	10/1/2017	4.50%	9/4/2022	\$ 55,069	\$ 11,646	\$ -	\$ 11,646	\$ -
QZAB Lease	1/29/2014	1.40% - 5.34%	1/29/2032	2,885,000	2,191,071	-	144,047	2,047,024
				<u>\$ 2,940,069</u>	<u>\$ 2,202,717</u>	<u>-</u>	<u>\$ 155,693</u>	<u>\$ 2,047,024</u>

The leases have minimum payments as follows:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 164,201	\$ 27,799	\$ 192,000
2024	166,512	25,488	192,000
2025	175,856	23,144	199,000
2026	199,478	20,522	220,000
2027	202,285	17,715	220,000
2028-2032	1,138,692	41,935	1,180,627
Totals	<u>\$ 2,047,024</u>	<u>\$ 156,603</u>	<u>\$ 2,203,627</u>

**D. CERTIFICATES OF PARTICIPATION**

In 2016, the District issued Certificates of Participation in the aggregate principal amount of \$3,490,000 for the purpose of financing the acquisition, construction, installation, improvement and equipping of various District facilities, the Certificates, purchase a reserve fund municipal bond insurance policy in lieu of cash funding a bond reserve fund for the Certificates, and pay costs of delivery of the Certificates. The 2016 Certificates of Participation mature through May 2041, and have interest rates ranging from 2.0% to 3.125%.

In 2019, the District issued Certificates of Participation in the aggregate principal amount of \$3,185,000 to (a) finance the acquisition, construction, installation, improvement and equipping of various District facilities, as described herein, (b) purchase a municipal bond insurance policy and a reserve fund municipal bond insurance policy in lieu of cash funding a bond reserve fund for the Certificates; and (c) pay the costs of the execution and delivery of the Certificates. The 2019 Certificates of Participation mature through November 2039, and have interest rates ranging from 2.0% to 4.0%.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**5. LONG TERM LIABILITIES (CONTINUED)**

**D. CERTIFICATES OF PARTICIPATION (CONTINUED)**

Description	Date Of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Outstanding July 1, 2021	Additions	Redeemed Current Year	Outstanding June 30, 2022
2016 COP	4/14/2016	2.00% - 3.125%	5/1/2041	\$ 3,490,000	\$ 2,945,000	\$ -	\$ 115,000	\$ 2,830,000
2019 COP	7/11/2019	2.00% - 4.000%	11/1/2039	3,185,000	3,070,000	-	115,000	2,955,000
				<u>\$ 6,675,000</u>	<u>\$ 6,015,000</u>	<u>-</u>	<u>\$ 230,000</u>	<u>\$ 5,785,000</u>

The table below is a schedule of the future payments for the 2016 Certificates of Participation as of June 30, 2022.

Year Ended June 30,	Principal	Interest	Total
2023	\$ 240,000	\$ 181,238	\$ 421,238
2024	245,000	175,238	420,238
2025	250,000	168,988	418,988
2026	255,000	162,738	417,738
2027	265,000	155,913	420,913
2028-2032	1,445,000	643,456	2,088,456
2033-2037	1,715,000	371,270	2,086,270
2038-2041	1,370,000	73,851	1,443,851
Totals	<u>\$ 5,785,000</u>	<u>\$ 1,932,692</u>	<u>\$ 7,717,692</u>

Payments of Certificates of Participation are made from the General Fund.

**E. GENERAL OBLIGATION BONDS**

On August 23, 2017, the District issued Measure C Series A (2017) General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$4,000,000 for the purpose of financing the school facility improvements and to pay certain costs of issuance associated therewith.

On May 23, 2018, the District issued Measure C Series B (2018) General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$4,000,000 for the purpose of financing the school facility improvements and to pay certain costs of issuance associated therewith.

On July 11, 2019, the District issued Measure C Series C (2019) General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$3,000,000 to modernize, renovate and/or construct classrooms, restrooms, libraries and school facilities, make health, safety and handicapped accessibility improvements, replace temporary portables and upgrade P.E. fields and facilities for school and community use.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
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**5. LONG TERM LIABILITIES (CONTINUED)**

**E. GENERAL OBLIGATION BONDS (CONTINUED)**

The Bonds are payable from the proceeds of *ad valorem* property taxes which the Board of Supervisors of the Colusa County are obligated to levy and collect on all taxable property in the District for the payment of principal and interest on the Bonds when due. The Series A, Series B, and Series C bonds carry interest rates ranging from 2.0% to 5.0% and mature in staggered amounts each year starting in August 1, 2018 up through August 1, 2048.

Description	Date Of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Outstanding July 1, 2021	Additions	Redeemed Current Year	Outstanding June 30, 2022
GO Bond Election of 2016, Series A	8/23/2017	2.25% - 5.00%	8/1/2047	\$ 4,000,000	\$ 3,060,000	\$ -	\$ 55,000	\$ 3,005,000
GO Bond Election of 2016, Series B	5/3/2018	2.00% - 5.00%	8/1/2047	4,000,000	4,000,000	-	-	4,000,000
GO Bond Election of 2016, Series C	7/11/2019	2.00% - 5.00%	8/1/2048	3,000,000	3,000,000	-	-	3,000,000
				<u>\$ 11,000,000</u>	<u>\$ 10,060,000</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$10,005,000</u>

The annual requirements to amortize the bonds as of June 30, 2022 are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 65,000	\$ 426,975	\$ 491,975
2024	20,000	424,375	444,375
2025	45,000	423,975	468,975
2026	60,000	423,150	483,150
2027	80,000	421,800	501,800
2028-2032	730,000	2,065,576	2,795,576
2033-2037	1,415,000	1,903,381	3,318,381
2038-2041	2,395,000	1,566,900	3,961,900
2042-2046	3,805,000	905,350	4,710,350
2047-2050	1,390,000	97,250	1,487,250
Totals	<u>\$ 10,005,000</u>	<u>\$ 8,658,732</u>	<u>\$ 18,663,732</u>

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**6. EMPLOYEE RETIREMENT SYSTEMS**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS).

**Plan Description**

**California Public Employees' Retirement System (CalPERS)**

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

**State Teachers' Retirement System (STRS)**

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<b>CalPERS</b>		<b>CalSTRS</b>	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	7%	10.25%	10.205%
Required employer contribution rates	22.910%	22.910%	16.92%	16.92%

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

Contributions

**CalPERS**

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. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

**STRS**

Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2022, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	<u><b>CalPERS</b></u>	<u><b>STRS</b></u>	<u><b>Total</b></u>
Contributions - employer	\$ 562,995	\$ 1,083,078	\$ 1,646,073
On behalf contributions - state	-	665,604	665,604
Total	<u>\$ 562,995</u>	<u>\$ 1,748,682</u>	<u>\$ 2,311,677</u>

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

As of June 30, 2022, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	<u><b>Proportionate Share of Net Pension Liability</b></u>
CalPERS	\$ 3,148,770
STRS	4,709,866
Total Net Pension Liability	<u>\$ 7,858,636</u>

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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 for the Plan as of June 30, 2020 and 2021 was as follows:

<b>Measurement Dates</b>	<b>Fiscal Year</b>	<b>CalPERS</b>	<b>STRS</b>
June 30, 2020	2020-21	0.01446%	0.01091%
June 30, 2021	2021-22	0.01548%	0.01035%
Change - Increase (Decrease)		0.00102%	-0.00056%

For the year ended June 30, 2022, the District recognized pension expense of \$2,717,753. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>CalPERS</b>		<b>STRS</b>		<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 562,995	\$ -	\$ 1,748,682	\$ -	\$ 2,311,677	\$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2020-21	41,752	89,926	70,490	178,550	112,242	268,476
Changes of Assumptions	62,750	-	3,247,869	-	3,310,619	-
Differences between Expected and Actual Experience	266,245	5,567	62,151	947,094	328,396	952,661
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	211,983	114,488	371,034	680,104	583,017	794,592
Net differences between projected and actual investment earnings on pension plan investments	-	920,146	-	3,063,736	-	3,983,882
Total	<u>\$ 1,145,725</u>	<u>\$ 1,130,127</u>	<u>\$ 5,500,226</u>	<u>\$ 4,869,484</u>	<u>\$ 6,645,951</u>	<u>\$ 5,999,611</u>

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended June 30</b>	<b>CalPERS</b>	<b>STRS</b>	<b>Total Deferred Outflows/ (Inflows) of Resources</b>
2023	\$ (60,615)	\$ (177,851)	\$ (238,466)
2024	(95,064)	(117,353)	(212,417)
2025	(150,038)	(249,049)	(399,087)
2026	(241,680)	(603,347)	(845,027)
2027	-	71,677	71,677
Thereafter	-	(42,017)	(42,017)
Total	<u>\$ (547,397)</u>	<u>\$ (1,117,940)</u>	<u>\$ (1,665,337)</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<b>CalPERS</b>	<b>STRS</b>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return <sup>(1)</sup>	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

<sup>(1)</sup> Net of pension plan investment expenses, including inflation



**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

STRS changed the mortality assumptions based on the July 1, 2015 through June 30, 2018, experience study adopted by the board in January 2020. STRS 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 in life expectancies each year into the future. The base mortality tables are STRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

**Discount Rate**

**CalPERS**

The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for 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.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

<b>Asset Class</b>	<b>CalPERS</b>		
	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10 <sup>(a)</sup></b>	<b>Real Return Years 11+ <sup>(b)</sup></b>
Public 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%
	<u>100.0%</u>		

<sup>(a)</sup> An expected inflation of 2.00% used for this period

<sup>(b)</sup> An expected inflation of 2.92% used for this period

**Discount Rate**

**STRS**

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases actuarially determined. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from STRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, STRS' 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 the June 30, 2021 measurement date, are summarized in the following table:

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

Asset Class	STRS	
	Assumed Asset Allocation	Long-Term Expected Real Rate of Return <sup>(a)</sup>
Public Equity	42.0%	4.80%
Real Estate	15.0%	3.60%
Private Equity	13.0%	6.30%
Fixed Income	12.0%	1.30%
Risk Mitigating Strategies	10.0%	1.80%
Inflation Sensitive	6.0%	3.30%
Cash/Liquidity	2.0%	-0.40%
Total	100%	

<sup>(a)</sup> 20-year average

**Sensitivity of the 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 for each Plan, calculated using the discount rate for each Plan, 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 or 1-percentage point higher than the current rate:

	CalPERS		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability/(Asset)	\$ 5,309,268	\$ 3,148,770	\$ 1,355,093

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability/(Asset)	\$ 9,587,602	\$ 4,709,866	\$ 661,439

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and STRS comprehensive annual financial reports available on the CalPERS' and STRS' websites.

**Payable to the Pension Plan**

As of June 30, 2022, the District had no outstanding required contributions to the pension plans.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
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**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

General Information about the OPEB Plan

*Plan description.* The plan is a single-employer defined benefit plan. The plan provides other medical, dental, and vision coverage for eligible certificated, classified, and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Plan does not issue financial statements.

*Benefits provided.* For retirees who meet the additional age and service requirements shown below, the District pays up to 100% of the medical, dental, and/or vision premiums for the retiree only, not to exceed the maximum amount(s) shown below. Coverage ends when the retiree reaches age 65.

Employee Type	Certificated		Classified	Management & Confidential
District Date of Hire	Before 7/1/2014	On/After 7/1/2014	Any	Before 7/1/2011
Benefit Provided	Medical		Medical, Dental, & Vision	
Duration of Benefits	To age 65			
Required Service	15	20	15	15
Minimum Age at Retirement	55	59	60	55
District Contribution	100% Retiree Only Premium up to District Cap			
District Cap	\$900		\$800	Follows Certificated or Classified

*Contributions.* The contribution requirements of Plan members and the District are established and may be amended by the District, the Williams Teachers Association (WTA), and the local California School Employees Association (CSEA) chapter. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2021-22, the District contributed \$63,175 to the Plan, all of which was used for current premiums.

*Employees covered by benefit terms.* At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	1
Active employees	87
Total	<u>92</u>

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

*Actuarial assumptions.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Not applicable (\$0; no OPEB trust has been established)
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered.
Municipal Bond Index	Bond Buyer GO 20 Bond Index
Discount Rate	2.16% as of June 30, 2021 2.21% as of June 30, 2020
General Inflation Rate	2.5% per year
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Healthcare cost trend rates	5.6% grading down to 3.9% for years 2076 and later

Demographic actuarial assumptions used in this valuation are based on the following two studies:

*For CalPERS members:* From the December 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Representative mortality rates were those published by CalPERS adjusted to back out 15 years of Scale MP 2016 to central year 2015 before being projected forward.

*For CalSTRS members:* On the December 2016 CalSTRS experience study report. The representative mortality rates were those published by CalSTRS in the 2016 study before projection; applying the mortality improvement described below.

Mortality Improvement	MacLeod Watts Scale 2022 applied generationally, from 2015 for CalPERS members and from 2016 for CalSRES members
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**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

Changes in the Net OPEB Liability

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balances at June 30, 2021	\$ 1,106,446	\$ -	\$ 1,106,446
Changes for the year:			
Service cost	78,440	-	78,440
Interest cost	25,488	-	25,488
Plan experience	(34,627)	-	(34,627)
Employer contributions	-	63,175	(63,175)
Assumption changes	12,593	-	12,593
Net investment income	-	-	-
Benefit payments	(63,175)	(63,175)	-
Administrative expense	-	-	-
Net changes	18,719	-	18,719
Balances at June 30, 2022	<u>\$ 1,125,165</u>	<u>\$ -</u>	<u>\$ 1,125,165</u>

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	<b>1% Decrease (1.16%)</b>	<b>Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
Net OPEB liability (asset)	\$ 1,209,959	\$ 1,125,165	\$ 1,043,235

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Trend</b>	<b>1% Increase</b>
Net OPEB liability (asset)	\$ 1,009,285	\$ 1,125,165	\$ 1,260,153

*OPEB plan fiduciary net position.* The plan has no assets.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of (\$46,453). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 244,792
Changes of assumptions	113,639	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions made subsequent to measurement date	44,449	-
Total	<u>\$ 158,088</u>	<u>\$ 244,792</u>

The District will recognize the contributions made subsequent to the measurement date in the next fiscal year. Other amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Year Ended June 30</b>	<b>Total Deferred Outflows/(Inflows) of Resources</b>
2023	\$ (13,026)
2024	(13,026)
2025	(13,026)
2026	(13,026)
2027	(13,026)
Thereafter	(66,023)
Total	<u>\$ (131,153)</u>

Payable to the OPEB Plan

At June 30, 2022, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**8. FUND BALANCES**

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	<b>General Fund</b>	<b>All Non-Major Funds</b>	<b>Total</b>
Nonspendable:			
Revolving Cash	\$ 6,000	\$ 50	\$ 6,050
Stores	-	14,489	14,489
Prepaid Items	19,143	-	19,143
Total Nonspendable	<u>25,143</u>	<u>14,539</u>	<u>39,682</u>
Restricted:			
Expanded Learning Opportunities Program	733,356	-	733,356
California Clean Energy Jobs Act	56,802	-	56,802
Educator Effectiveness, FY 2021-22	289,968	-	289,968
Lottery: Instructional Materials	488,501	-	488,501
Child Nutrition: Kitchen Infrastructure Upgrade Funds	44,044	-	44,044
Classified School Employee Professional Development Block Grant	8,994	-	8,994
A-G Access/Success Grant	106,714	-	106,714
A-G Learning Loss Mitigation Grant	75,000	-	75,000
Low-Performing Students Block Grant	9,311	-	9,311
Student Activity Funds	-	133,518	133,518
Child Nutrition: School Programs	-	325,061	325,061
Child Nutrition: Child Care Food Program	-	1,422	1,422
Other Restricted State	13,835	-	13,835
Other Restricted Local	199,367	1,412,512	1,611,879
Total Restricted	<u>2,025,892</u>	<u>1,872,513</u>	<u>3,898,405</u>
Assigned:			
Affordable Care Act	50,000	-	50,000
Construction Contingency	1,500,000	-	1,500,000
Board Reserve Policy	3,468,508	-	3,468,508
Lottery	445,825	-	445,825
Other Assignments	2,951,508	1,201,762	4,153,270
Total Assigned	<u>8,415,841</u>	<u>1,201,762</u>	<u>9,617,603</u>
Unassigned:			
Reserve for Economic Uncertainties	555,819	-	555,819
Total Unassigned	<u>555,819</u>	<u>-</u>	<u>555,819</u>
Total Fund Balances	<u>\$ 11,022,695</u>	<u>\$ 3,088,814</u>	<u>\$ 14,111,509</u>



**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**9. JOINT VENTURES**

The District participates in three joint ventures under joint powers agreements (JPAs); the Tri-Counties Self Insurance Group (Tri-Counties SIG), the North Valley Schools Insurance Group (NVSIG) and the Schools Excess Liability Fund (SELF) for property, liability, workers' compensation, health benefits and excess liability coverage. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs arrange for and provide coverage for its members. The JPAs are governed by a board consisting of a representative from each member district. Each board controls the operations of their JPAs, 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 JPAs.

The JPAs are audited on an annual basis. Financial information can be obtained by contacting each JPAs management. Condensed financial information for the JPAs for the most recent fiscal year are available as follows:

	Tri-Counties SIG	NVSIG	SELF
	June 30, 2021*	June 30, 2021*	June 30, 2021*
Total Assets	\$ 35,687,368	\$ 3,605,700	\$ 193,642,022
Deferred Outflows of Resources	189,048	-	241,554
Total Liabilities	11,255,003	1,433,365	153,709,630
Deferred Inflows of Resources	61,410	-	5,124
Net Position	\$ 24,560,003	\$ 2,172,335	\$ 40,168,822
Revenues	\$ 47,221,064	\$ 13,570,342	\$ 44,573,829
Expenditures	44,446,127	13,389,642	38,080,919
Change in Net Position	\$ 2,774,937	\$ 180,700	\$ 6,492,910

\* Latest available audited financial reports.

**10. COMMITMENTS AND CONTINGENCIES**

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. If the review or audit discloses exceptions, the District may incur a liability to grantor agencies.

**11. SUBSEQUENT EVENTS**

The District's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2022 through November 4, 2022, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budget</b>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
LCFF sources	\$ 15,778,200	\$ 17,202,060	\$ 16,474,225	\$ (727,835)
Federal revenue	718,506	2,574,621	1,100,009	(1,474,612)
Other state revenues	1,790,614	3,809,791	3,196,877	(612,914)
Other local revenues	296,520	423,932	382,816	(41,116)
Total revenues	18,583,840	24,010,404	21,153,927	(2,856,477)
<b>EXPENDITURES</b>				
Certificated salaries	7,399,246	7,246,659	6,838,032	408,627
Classified salaries	2,385,375	2,525,295	2,390,381	134,914
Employee benefits	4,371,903	4,028,159	3,894,012	134,147
Books and supplies	1,136,005	2,089,254	1,279,940	809,314
Services and other operating expenditures	2,142,716	2,438,835	2,072,140	366,695
Capital outlay	46,402	628,463	493,195	135,268
Other outgo	1,098,106	1,078,050	978,477	99,573
Debt service expenditures				
Principal	108,586	109,488	270,693	(161,205)
Interest	265,552	270,693	109,488	161,205
Total expenditures	18,953,891	20,414,896	18,326,358	2,088,538
Excess (deficiency) of revenues over expenditures	(370,051)	3,595,508	2,827,569	(767,939)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	(290,867)	(200,935)	(200,935)	-
Total other financing sources (uses)	(290,867)	(200,935)	(200,935)	-
Net change in fund balances	(660,918)	3,394,573	2,626,634	(767,939)
Fund balances, July 1, 2021	8,396,061	8,396,061	8,396,061	-
Fund balances, June 30, 2022	\$ 7,735,143	\$ 11,790,634	\$ 11,022,695	\$ (767,939)

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS**

**JUNE 30, 2022**

	<b>2022*</b>	<b>2021*</b>	<b>2020*</b>	<b>2019*</b>	<b>2018*</b>
<b>Total OPEB liability</b>					
Service cost	\$ 78,440	\$ 60,436	\$ 79,094	\$ 76,977	\$ 74,917
Interest	25,488	34,978	42,849	41,744	39,349
Plan experience	(34,627)	-	(275,171)	-	-
Changes of assumptions	12,593	104,189	17,500	-	-
Benefit payments	(63,175)	(58,509)	(88,140)	(90,445)	(82,286)
<b>Net change in total OPEB liability</b>	<b>18,719</b>	<b>141,094</b>	<b>(223,868)</b>	<b>28,276</b>	<b>31,980</b>
<b>Total OPEB liability - beginning</b>	<b>1,106,446</b>	<b>965,352</b>	<b>1,189,220</b>	<b>1,160,944</b>	<b>1,128,964</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 1,125,165</b>	<b>\$ 1,106,446</b>	<b>\$ 965,352</b>	<b>\$ 1,189,220</b>	<b>\$ 1,160,944</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 63,175	\$ 58,509	\$ 88,140	\$ 90,445	\$ 82,286
Benefit payments	(63,175)	(58,509)	(88,140)	(90,445)	(82,286)
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>District's net OPEB liability - ending (a) - (b)</b>	<b>\$ 1,125,165</b>	<b>\$ 1,106,446</b>	<b>\$ 965,352</b>	<b>\$ 1,189,220</b>	<b>\$ 1,160,944</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 8,645,588	\$ 8,608,752	\$ 8,330,082	\$ 8,297,710	\$ 8,297,710
District's net OPEB liability as a percentage of covered-employee payroll	13.0%	12.9%	11.6%	14.3%	14.0%

\* GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Since this is the fifth year of implementation, only results for fiscal years 2018 through 2022 are shown in this table.

**WILLIAMS UNIFIED SCHOOL DISTRICT**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>CalPERS</b>	<b>June 30, 2014 <sup>(1)</sup></b>	<b>June 30, 2015 <sup>(1)</sup></b>	<b>June 30, 2016 <sup>(1)</sup></b>	<b>June 30, 2017 <sup>(1)</sup></b>	<b>June 30, 2018 <sup>(1)</sup></b>	<b>June 30, 2019 <sup>(1)</sup></b>	<b>June 30, 2020 <sup>(1)</sup></b>	<b>June 30, 2021 <sup>(1)</sup></b>
Proportion of the net pension liability (asset)	0.01468%	0.01719%	0.01773%	0.01694%	0.01593%	0.01462%	0.01446%	0.01548%
Proportionate share of the net pension liability (asset)	\$ 1,666,423	\$ 2,533,116	\$ 3,502,388	\$ 4,044,654	\$ 4,248,155	\$ 4,260,752	\$ 4,436,793	\$ 3,148,770
Covered payroll <sup>(2)</sup>	\$ 1,497,859	\$ 1,890,360	\$ 1,814,840	\$ 1,931,962	\$ 1,807,031	\$ 1,854,607	\$ 2,615,894	\$ 2,007,294
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	111.25%	134.00%	192.99%	209.35%	235.09%	229.74%	169.61%	156.87%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.38%	79.43%	73.90%	71.87%	70.85%	70.05%	70.00%	80.97%
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 176,313	\$ 223,951	\$ 252,045	\$ 300,053	\$ 326,386	\$ 365,747	\$ 541,490	\$ 459,871
<b>STRS</b>	<b>June 30, 2014 <sup>(1)</sup></b>	<b>June 30, 2015 <sup>(1)</sup></b>	<b>June 30, 2016 <sup>(1)</sup></b>	<b>June 30, 2017 <sup>(1)</sup></b>	<b>June 30, 2018 <sup>(1)</sup></b>	<b>June 30, 2019 <sup>(1)</sup></b>	<b>June 30, 2020 <sup>(1)</sup></b>	<b>June 30, 2021 <sup>(1)</sup></b>
Proportion of the net pension liability (asset)	0.01066%	0.01002%	0.01069%	0.01063%	0.01148%	0.01098%	0.01091%	0.01035%
Proportionate share of the net pension liability (asset)	\$ 6,228,709	\$ 6,746,556	\$ 8,643,019	\$ 9,830,722	\$ 10,548,191	\$ 9,913,646	\$ 10,577,003	\$ 4,709,866
Covered payroll <sup>(2)</sup>	\$ 4,410,664	\$ 3,849,292	\$ 4,542,464	\$ 4,911,594	\$ 5,415,135	\$ 5,617,082	\$ 6,615,703	\$ 6,274,900
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	141.22%	175.27%	190.27%	200.15%	194.79%	176.49%	159.88%	75.06%
Plan fiduciary net position as a percentage of the total pension liability (asset)	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 391,667	\$ 413,029	\$ 571,442	\$ 708,743	\$ 881,584	\$ 960,521	\$ 1,068,436	\$ 1,061,713

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>(2)</sup> Covered payroll is the payroll on which contributions to a pension plan are based.

<sup>(3)</sup> The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>CalPERS</b>	<b>Fiscal Year 2014-15 <sup>(1)</sup></b>	<b>Fiscal Year 2015-16 <sup>(1)</sup></b>	<b>Fiscal Year 2016-17 <sup>(1)</sup></b>	<b>Fiscal Year 2017-18 <sup>(1)</sup></b>	<b>Fiscal Year 2018-19 <sup>(1)</sup></b>	<b>Fiscal Year 2019-20 <sup>(1)</sup></b>	<b>Fiscal Year 2020-21 <sup>(1)</sup></b>	<b>Fiscal Year 2021-22 <sup>(1)</sup></b>
Contractually required contribution <sup>(2)</sup>	\$ 176,313	\$ 223,951	\$ 252,045	\$ 300,053	\$ 326,386	\$ 365,747	\$ 541,490	\$ 459,871
Contributions in relation to the contractually required contribution <sup>(2)</sup>	(225,913)	(252,463)	(299,662)	(326,946)	(367,253)	(412,647)	(459,974)	(562,995)
Contribution deficiency (excess)	<u>\$ (49,600)</u>	<u>\$ (28,512)</u>	<u>\$ (47,617)</u>	<u>\$ (26,893)</u>	<u>\$ (40,867)</u>	<u>\$ (46,900)</u>	<u>\$ 81,516</u>	<u>\$ (103,124)</u>
Covered payroll <sup>(3)</sup>	\$ 1,497,859	\$ 1,890,360	\$ 1,814,840	\$ 1,931,962	\$ 1,807,031	\$ 1,854,607	\$ 2,615,894	\$ 2,007,294
Contributions as a percentage of covered payroll <sup>(3)</sup>	11.771%	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%
<b>STRS</b>	<b>Fiscal Year 2014-15 <sup>(1)</sup></b>	<b>Fiscal Year 2015-16 <sup>(1)</sup></b>	<b>Fiscal Year 2016-17 <sup>(1)</sup></b>	<b>Fiscal Year 2017-18 <sup>(1)</sup></b>	<b>Fiscal Year 2018-19 <sup>(1)</sup></b>	<b>Fiscal Year 2019-20 <sup>(1)</sup></b>	<b>Fiscal Year 2020-21 <sup>(1)</sup></b>	<b>Fiscal Year 2021-22 <sup>(1)</sup></b>
Contractually required contribution <sup>(2)</sup>	\$ 391,667	\$ 413,029	\$ 571,442	\$ 708,743	\$ 881,584	\$ 960,521	\$ 1,068,436	\$ 1,061,713
Contributions in relation to the contractually required contribution <sup>(2)</sup>	(433,994)	(575,762)	(723,721)	(894,120)	(967,748)	(1,045,555)	(969,750)	(1,083,078)
Contribution deficiency (excess)	<u>\$ (42,327)</u>	<u>\$ (162,733)</u>	<u>\$ (152,279)</u>	<u>\$ (185,377)</u>	<u>\$ (86,164)</u>	<u>\$ (85,034)</u>	<u>\$ 98,686</u>	<u>\$ (21,365)</u>
Covered payroll <sup>(3)</sup>	\$ 4,410,664	\$ 3,849,292	\$ 4,542,464	\$ 4,911,594	\$ 5,415,135	\$ 5,617,082	\$ 6,615,703	\$ 6,274,900
Contributions as a percentage of covered payroll <sup>(3)</sup>	8.880%	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>(2)</sup> Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

<sup>(3)</sup> Covered payroll is the payroll on which contributions to a pension plan are based.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**1. PURPOSE OF SCHEDULES**

- A - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

- B - Schedule of Changes in the District's Net OPEB Liability and Related Ratios

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Since this is the fifth year of implementation, only results for fiscal years 2018 through 2022 are shown in this table.

Changes in Assumptions

The discount rate changed from 2.21% to 2.16%, with the new rate equal to the applicable municipal bond index on the measurement date.

Changes in Benefit Terms

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

- C - Schedule of Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Assumptions

There were no changes in the assumptions used in the calculation of both the CalPERS and STRS collective net pension liabilities.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for both CalPERS and STRS Plans.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**1. PURPOSE OF SCHEDULES (CONTINUED)**

**D - Schedule of Pension Contributions**

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll. In the future, as data becomes available, ten years of information will be presented.

Fiscal year 2014-15 was the first year of implementation, therefore only eight years are shown.

	<b>CalPERS</b>	<b>STRS</b>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return <sup>(1)</sup>	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

<sup>(1)</sup> Net of pension plan investment expenses, including inflation



## **SUPPLEMENTARY INFORMATION**

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**COMBINING BALANCE SHEET**

**ALL NON-MAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

	<b>Student Activity Fund</b>	<b>Cafeteria Fund</b>	<b>Capital Facilities Fund</b>	<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>Totals</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 133,518	\$ 351,935	\$ 617,964	\$ 1,199,043	\$ 794,548	\$ 3,097,008
Accounts receivable	-	28,080	-	1,784	-	29,864
Stores inventory	-	14,489	-	-	-	14,489
Due from other funds	-	-	-	935	-	935
Total Assets	<u>\$ 133,518</u>	<u>\$ 394,504</u>	<u>\$ 617,964</u>	<u>\$ 1,201,762</u>	<u>\$ 794,548</u>	<u>\$ 3,142,296</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 21,889	\$ -	\$ -	\$ -	\$ 21,889
Due to other funds	-	31,593	-	-	-	31,593
Total Liabilities	<u>-</u>	<u>53,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,482</u>
<b>Fund balances</b>						
Nonspendable	-	14,539	-	-	-	14,539
Restricted	133,518	326,483	617,964	-	794,548	1,872,513
Assigned	-	-	-	1,201,762	-	1,201,762
Total Fund Balances	<u>133,518</u>	<u>341,022</u>	<u>617,964</u>	<u>1,201,762</u>	<u>794,548</u>	<u>3,088,814</u>
Total Liabilities and Fund Balances	<u>\$ 133,518</u>	<u>\$ 394,504</u>	<u>\$ 617,964</u>	<u>\$ 1,201,762</u>	<u>\$ 794,548</u>	<u>\$ 3,142,296</u>

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**ALL NON-MAJOR GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Student Activity Fund</b>	<b>Cafeteria Fund</b>	<b>Capital Facilities Fund</b>	<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>Totals</b>
<b>REVENUES</b>						
Federal revenue	\$ -	\$ 1,050,751	\$ -	\$ -	\$ -	\$ 1,050,751
Other state revenues	-	62,846	-	-	682	63,528
Other local revenues	167,380	42,259	77,069	15,749	217,491	519,948
Total revenues	167,380	1,155,856	77,069	15,749	218,173	1,634,227
<b>EXPENDITURES</b>						
Classified salaries	-	363,099	-	-	-	363,099
Employee benefits	-	152,592	-	-	-	152,592
Books and supplies	108,431	483,120	-	-	-	591,551
Services and other operating expenditures	68,946	9,251	-	-	-	78,197
Capital outlay	-	-	-	1,784	-	1,784
Other outgo	-	31,593	-	-	-	31,593
Debt service expenditures						
Principal	-	-	115,000	-	55,000	170,000
Interest	-	-	108,525	-	429,575	538,100
Total expenditures	177,377	1,039,655	223,525	1,784	484,575	1,926,916
Excess (deficiency) of revenues over expenditures	(9,997)	116,201	(146,456)	13,965	(266,402)	(292,689)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	200,000	935	-	200,935
Total other financing sources (uses)	-	-	200,000	935	-	200,935
Net change in fund balances	(9,997)	116,201	53,544	14,900	(266,402)	(91,754)
Fund balances, July 1, 2021	143,515	224,821	564,420	1,186,862	1,060,950	3,180,568
Fund balances, June 30, 2022	\$ 133,518	\$ 341,022	\$ 617,964	\$ 1,201,762	\$ 794,548	\$ 3,088,814

# **WILLIAMS UNIFIED SCHOOL DISTRICT**

## **ORGANIZATION**

**JUNE 30, 2022**

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The Williams Unified School District (the “District”) is located in Williams, California and was established in 1954. There were no changes in the boundaries of the District during the current year. The District is currently operating one elementary school, one upper elementary school, one junior high school, one junior senior high school, and a continuation high school.

### **GOVERNING BOARD**

<u>Name</u>	<u>Office</u>	<u>Term Expires December</u>
Patricia Ash	President	2024
Kathleen Bautista	Vice President	2024
Heather Covarrubias	Member	2022
Edward Davis	Member	2022
Cesar Perez	Member	2024

### **ADMINISTRATION**

Sandra Ayón, Ed.D.  
Superintendent

Mechele Coombs  
Director of Fiscal Services and Accountability

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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	<b>Second Period Report</b>	<b>Revised Second Period Report*</b>	<b>Annual Report</b>
Elementary			
TK through Third	355.31	355.31	358.82
Fourth through Sixth	262.91	262.91	264.12
Seventh through Eighth	198.64	198.79	199.81
	<u>816.86</u>	<u>817.01</u>	<u>822.75</u>
Secondary			
Ninth through Twelfth	350.36	352.60	351.36
Continuation Education	12.90	12.90	12.89
	<u>363.26</u>	<u>365.50</u>	<u>364.25</u>
Total ADA	<u>1,180.12</u>	<u>1,182.51</u>	<u>1,187.00</u>

\* The revision to the Second Period Report of Attendance was not the result of the audit.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF INSTRUCTIONAL TIME**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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<b>Grade Level</b>	<b>Standard Minutes Requirement</b>	<b>2021-22 Actual Minutes</b>	<b>Instructional Days</b>	<b>Status</b>
Kindergarten	36,000	50,260	180	In compliance
Grade 1	50,400	52,825	180	In compliance
Grade 2	50,400	52,825	180	In compliance
Grade 3	50,400	52,825	180	In compliance
Grade 4	54,000	55,510	180	In compliance
Grade 5	54,000	55,510	180	In compliance
Grade 6	54,000	55,510	180	In compliance
Grade 7	54,000	66,193	180	In compliance
Grade 8	54,000	66,193	180	In compliance
Grade 9	64,800	66,193	180	In compliance
Grade 10	64,800	66,193	180	In compliance
Grade 11	64,800	66,193	180	In compliance
Grade 12	64,800	66,193	180	In compliance

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS**

**FOR FISCAL YEAR ENDED JUNE 30, 2022**

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<u>Charter School ID Number</u>	<u>Charter Schools Chartered by the District</u>	<u>Included in the District Financial Statements, or Separate Report</u>
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There are currently no charter schools chartered by the District.

**WILLIAMS UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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	<b>County School Facilities Fund</b>
Balance, June 30, 2022, Annual Financial and Budget Report	\$ 1,235,744
Adjustments and Reclassifications	
Decrease in:	
Cash with a Fiscal Agent/Trustee	(33,962)
Accounts Receivable	(20)
Net Adjustments and Reclassifications	(33,982)
Balance, June 30, 2022, Audited Financial Statements	\$ 1,201,762

There were no adjustments made to any of the other funds of the District.



**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>Assistance Listing Number</b>	<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Pass- Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Education</u>			
<i>Passed through California Department of Education</i>			
<b><u>Education Stabilization Fund (ESF) Cluster</u></b>			
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund	15536	\$ 16,112
84.425D	Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	62,373
84.425D	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	135,317
84.425C	Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	15517	30,193
84.425	Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	15618	69,336
84.425U	American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	15566	1,253
	Education Stabilization Fund (ESF) Cluster Total		314,584
84.010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	14329	106,190
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	125,930
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341	43,475
84.365	ESEA (ESSA): Title III, English Learner Student Program	14346	65,346
84.287	ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers Program	14349	175,502
84.424	ESEA (ESSA): Title IV, Part A, Student Support and Academic Enrichment Grants	15396	18,145
84.377A	NCLB: Title I, School Improvement Grant (SIG) Cohort 4 L/A	15364	250,837
	Total U.S. Department of Education		1,100,009
<u>U.S. Department of Agriculture</u>			
<i>Passed through California Department of Education</i>			
<b><u>Child Nutrition Cluster</u></b>			
10.555	Child Nutrition: School Programs (NSL Sec 11)	13524	* 936,265
10.553	SNP COVID-19 Emergency Operational Costs Reimbursement (ECR)	15637	* 60,497
10.555	School Lunch Program - Nonmonetary Assistance	13391	* 42,892
	Child Nutrition Cluster Total		1,039,654
	Total U.S. Department of Agriculture		1,039,654
	Total Federal Programs		\$ 2,139,663

\* Tested as a major program

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Adopted Budget 2022/2023</b>	<b>Actuals 2021/2022</b>	<b>Actuals 2020/2021</b>	<b>Actuals 2019/2020</b>
<b><u>General Fund</u></b>				
Revenues and Other Financial Sources	\$ 20,666,046	\$ 21,153,927	\$ 20,384,741	\$ 18,110,881
Expenditures	19,167,089	18,326,358	17,660,206	16,681,460
Other Uses and Transfers Out	200,000	200,935	506,939	315,944
Total Outgo	19,367,089	18,527,293	18,167,145	16,997,404
Change in Fund Balance	1,298,957	2,626,634	2,217,596	1,113,477
Ending Fund Balance	\$ 12,321,652	\$ 11,022,695	\$ 8,396,061	\$ 6,178,465
Available Reserves	\$ 591,013	\$ 555,819	\$ 543,704	\$ 509,922
Reserve for Economic Uncertainties	\$ 591,013	\$ 555,819	\$ 543,704	\$ 509,922
Unappropriated Fund Balance	\$ -	\$ -	\$ -	\$ -
Available Reserves as a Percentage of Total Outgo	3.1%	3.0%	3.0%	3.0%
Total Long-Term Debt	\$ 26,351,624	\$ 26,872,108	\$ 34,485,976	\$ 33,924,009
Average Daily Attendance at P-2	1,213	1,183	1,259	1,259

The general fund balance has increased by \$5,957,707 over the past three years. The fiscal year 2022-2023 budget projects an increase of \$1,298,957. For a District this size, the State of California recommends available reserves of at least 3 percent of total general fund expenditures, transfers out, and other uses (total outgo). The District met this requirement.

The District had an operating surplus all of the past three fiscal years.

Total long-term liabilities have decreased by \$7,051,901 over the past two years due to decreases of the net pension liability.

Average Daily Attendance (ADA) has decreased by 76 over the past two years. The District anticipates ADA for the fiscal year 2022-2023 to increase.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**1. 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.

**2. Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206. Districts must maintain their instructional minutes at the State's standard requirements as required by Education Code Section 46201(b).

**3. Schedule of Charter Schools**

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

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

This schedule provides information necessary to reconcile the Annual Financial and Budget Report to the audited financial statements.

**5. Schedule of Expenditures of Federal Awards**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. The April 2022 Edition of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The schedule on the following page provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**5. Schedule of Expenditures of Federal Awards (Continued)**

	<b>Federal Catalog Number</b>	<b>Amount</b>
Total Federal Revenues From the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 2,150,760
Reconciling items		
Child Nutrition: School Programs (NSL Sec 11)	10.555	(11,097)
Total Schedule of Expenditures of Federal Awards		<u>\$ 2,139,663</u>

**6. 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**



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH STATE LAWS AND REGULATIONS**

Board of Trustees  
Williams Unified School District  
Williams, California

**Report on Compliance for Each State Program**

We have audited the compliance of Williams Unified School District (the "District") with the types of compliance requirements described in the State of California's 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2022.

**Management's Responsibility**

Compliance with the requirements of state laws and regulations is the responsibility of District's management.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the District's compliance based on our audit.

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 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed below occurred. An audit includes examining, on a test basis, evidence about the 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

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**Local Education Agencies Other Than Charter Schools**

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<b>Description</b>	<b>Procedures Performed</b>
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes

### **Local Education Agencies Other Than Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below

### **School Districts, County Offices of Education, and Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	
General Requirements	Yes
After School	Yes
Before School	No, see below
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	No, see below
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In-Person Instruction Grant	Yes

### **Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform any procedures related to Independent Study and Continuation Education because the ADA reported was not material.

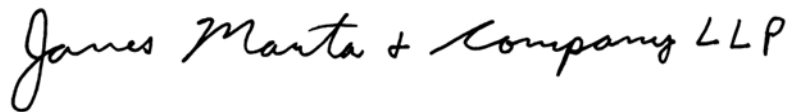
We did not perform any procedures related to Early Retirement Incentive, Juvenile Court Schools, Apprenticeship: Related and Supplemental Instruction, District of Choice, the Before School portion of the After/Before School Education and Safety Program, and Independent Study-Course Based because the District did not offer these programs.

We did not perform any procedures related to Immunization as none of the District's schools appeared on the lists of schools that did not submit immunization assessment reports to the California Department of Public Health or those that reported combined conditional admission and overdue rates greater than 10 percent in kindergarten and in 7th grade.

We did not perform any procedures related to Charter Schools Attendance, Mode of Instruction, Nonclassroom-Based Instruction/Independent Study, Determination of Funding for Nonclassroom-Based Instruction, Annual Instructional Minutes – Classroom-Based, and Charter School Facility Grant Program because the District did not have any charter schools.

### **Opinion on Compliance with State Laws and Regulations**

In our opinion, Williams Unified School District complied, in all material respects, with the other applicable state compliance requirements referred to above for the year ended June 30, 2022.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 4, 2022





**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Williams Unified School District  
Williams, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Williams Unified School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2022.

**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.

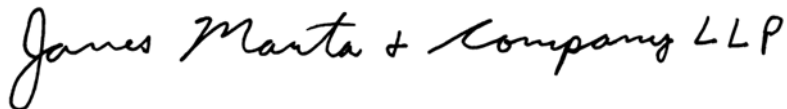
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 4, 2022



**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Williams Unified School District  
Williams, California

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

We have audited Williams Unified School District's (the "District") compliance with the types of compliance requirements described in the April 2022 Edition of the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. 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 the April 2022 Edition of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the 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, 2022.

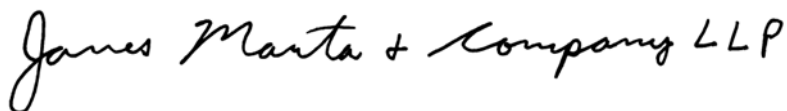
## Report on Internal Control Over Compliance

Management of the 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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 4, 2022

## **FINDINGS AND RECOMMENDATION**

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Section I – Summary of Audit Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	_____ Yes	<u>  X  </u> None reported

Noncompliance material to financial statements noted?

_____ Yes	<u>  X  </u> No
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**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	_____ Yes	<u>  X  </u> 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 the Uniform Guidance Section 200.516(a)

_____ Yes	<u>  X  </u> No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555, 10.553	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?

<u>  X  </u> Yes	_____ No
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**State Awards**

Internal control over state programs:

Material weakness(es) identified?	_____ Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	_____ Yes	<u>  X  </u> None reported

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

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Section II – Financial Statement Findings**

No matters were reported.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.



**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Section IV – State Award Findings and Questioned Costs**

No matters were reported.

**WILLIAMS UNIFIED SCHOOL DISTRICT**  
**STATUS OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**2021-01 Comprehensive School Safety Plan (40000)**

Criteria

Education Code Sections 32280-32289 requires all California public schools operated by school districts develop a comprehensive school safety plan that addresses the safety concerns identified through a systematic planning process, reviewed, updated, and adopted by March 1.

Condition

The District's safety plan was not updated by March 1, 2021. The plan was last updated on February 25, 2020.

Recommendation

It is recommended that management ensures oversight and a process of review and understanding of the District's comprehensive school safety plan to ensure compliance with statutory requirements.

Status

Implemented.