

YUBA COUNTY BOARD OF EDUCATION

935 14th Street
Marysville, CA 95901

Agenda

April 14, 2021



Marjorie Renicker, Vice President

John Nicoletti

Angela Lewis

Desiree Hastey, President

Eva Teagarden

Trustee Area 1

Trustee Area 2

Trustee Area 3

Trustee Area 4

Trustee Area 5



Francisco Reveles, Ed.D.
Superintendent

**YUBA COUNTY BOARD OF EDUCATION
REGULAR MEETING
WEDNESDAY, APRIL 14, 2021 – 4:30 P.M.**

NOTICES:

The Yuba County Office of Education encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meeting, contact the Superintendent's Office at 530-749-4853 well in advance of the meeting so that we may make every reasonable effort to accommodate you (Cal. Gov. Code, § 54954.2, subd. (a)(1)).

The agenda packet and supporting materials can be viewed at the Yuba County Office of Education located at 935 14th Street, Marysville, CA, or <https://www.yubacoe.org/> . For more information, please call 530-749-4853.

NOTE: This meeting is being agendized to allow staff and the public to participate in the meeting via teleconference, pursuant to the Governor's Executive Order N-29-20 dated March 17, 2020. Executive Order N-29-20 authorizes local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically to all members of the public and staff in effort to observe social distancing recommendations. Members of the public are encouraged to participate in the teleconference.

JOIN ZOOM MEETING:

Meeting ID: 993 6773 4468
Password: 561629

<https://zoom.us/j/99367734468?pwd=aU9lWkw0Y0VwSVJpSnBlVVNjbzhmZz09>

or

One tap mobile:
+16699009128,,99367734468# US

or

Dial by your location:
+1 669 900 9128 US

PUBLIC PARTICIPATION:

NOTE: Please mute your phone or microphone when you are not speaking. If you would like to participate in the Public Comments portion of the meeting, or comment on a specific agenda item, you may do so by calling or texting your FIRST AND LAST NAME to 530-645-2560. The Clerk will notify the Chair that you would like to comment. Please wait for the Chair to recognize you before speaking. Remember to unmute your phone or microphone to speak.

AGENDA

1. CALL TO ORDER, ATTENDANCE, AND PLEDGE OF ALLEGIANCE
2. APPROVAL OF AGENDA **ACTION ITEM**
3. CONSENT AGENDA **ACTION ITEM**
 - 3.1 APPROVAL OF MARCH 10, 2021 BOARD MEETING MINUTES - Pages 1-5
 - 3.2 TEMPORARY COUNTY TEACHER CERTIFICATES - Page 6

The above items are self-explanatory. All items on the Consent Agenda are considered a routine item or one that has been previously discussed. Any Board Member may request that an item be pulled for further discussion.

4. PUBLIC COMMENTS ON NON-AGENDA ITEMS

This item is being placed on the agenda to allow any member of the public to speak on non-agenda items or to share information with the Board. Please follow the Public Participation instructions listed above under Notices if you would like to participate in the Public Comments portion of the meeting. Individual speakers will be allowed five minutes to address the Board ~ fifteen minutes' total time for public input on each item.

The California Government Code, Section 54595.2(a)(2) states, "No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3."

5. SUPERINTENDENT'S REPORT

- 5.1 OPEN SESSION – REAL PROPERTY NEGOTIATIONS **INFORMATION/
ACTION ITEM**
President Hastey

Prior to holding a closed session for real property negotiations, the County Board shall hold an open and public session to identify:

- Negotiators: Francisco Reveles, Ed.D., Marjorie Renicker, John Nicoletti, Angela Lewis, Desiree Hastey, Eva Teagarden, and David Shirah
- Property Under Negotiation: 10th Street Vacant Lot (Parcel No. 010-061-017), Marysville, CA, 95901
- Person(s) with Whom the Negotiator May Negotiate: Pat Laughlin

- 5.2 CLOSED SESSION – CONFERENCE WITH REAL **ACTION ITEM**
PROPERTY NEGOTIATORS – President Hastey
Government Code 54956.8
Property: 10th Street Vacant Lot (Parcel No. 010-061-017), Marysville, CA, 95901
Negotiators: Francisco Reveles, Ed.D., Marjorie Renicker, John Nicoletti, Angela Lewis, Desiree Hastey, Eva Teagarden, and David Shirah
Negotiating Parties: Pat Laughlin
Under Negotiation: Price and Terms of Payment

- 5.3 QUARTERLY REPORT ON WILLIAMS UNIFORM COMPLAINTS – Page 7 **INFORMATION ITEM**
Dr. Reveles

Dr. Reveles will share the Quarterly Report on Williams Uniform Complaints for January 1, 2021 – March 31, 2021, 3rd Quarter, pursuant to Education Code §35186.

- 5.4 SUBMISSION OF CLASSIFIED OPENERS FOR 2021-2022 NEGOTIATIONS (CSEA) – Pages 8-9 **INFORMATION ITEM**
Dr. Reveles

Requests have been submitted to the Superintendent from the classified employee group asking that this item be placed on the agenda as required by law. No action is necessary.

- 5.5 PUBLIC HEARING - CLASSIFIED OPENERS **ACTION ITEM**
President Hastey

This is a routine process required by law to allow the public an opportunity to comment on the classified openers for 2021-2022 negotiations.

- 5.6 THIS ITEM PROVIDES AN OPPORTUNITY FOR THE DIRECTORS/SUPERINTENDENT/BOARD MEMBERS TO SHARE VARIOUS ITEMS OF INTEREST **INFORMATION ITEM**

- 5.7 COMMUNITY ENGAGEMENT LIAISON UPDATE **INFORMATION ITEM**
Amy Nore

6. EDUCATIONAL SERVICES

- 6.1 TITLE XV ANNUAL JUVENILE HALL EDUCATIONAL PROGRAM INSPECTION – Pages 10-15 **ACTION ITEM**
Bobbi Abold

Pursuant to Title 15, California Code of Regulations, Article 6, Section 1370, Subsection (a): The facility administrator shall request an annual review of each required element of the education program by the Superintendent of Schools, and report or review checklist on compliance, deficiencies, and corrective action needed to achieve compliance with this section.

- 6.2 CONSOLIDATED APPLICATION FOR TITLE I PART A FUNDS - Pages 16-24 **ACTION ITEM**
Bobbi Abold

Yuba County Office of Education is eligible for Title I, Part A and Elementary and Secondary School Emergency Relief Fund (ESSER) II funds. ESSER II is one of the federal coronavirus relief programs under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021. To receive these funds, each LEA needs to receive Title I, Part A in 2020–21. To receive Title I, Part A each LEA must complete the Consolidated Application and Reporting System (CARS) Application for Funding page for Title I, Part A and the Local Control and Accountability Plan (LCAP) Federal Addendum for Title I, Part A.

- 6.3 LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP) **ACTION ITEM**
FEDERAL ADDENDUM- TITLE I PART A PROGRAM
Pages 16-24
Bobbi Abold

Yuba County Office of Education is eligible for Title I, Part A and Elementary and Secondary School Emergency Relief Fund (ESSER) II funds. ESSER II is one of the federal coronavirus relief programs under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021. To receive these funds, each LEA needs to receive Title I, Part A in 2020–21. To receive Title I, Part A each LEA must complete the Consolidated Application and Reporting System (CARS) Application for Funding page for Title I, Part A and the Local Control and Accountability Plan (LCAP) Federal Addendum for Title I, Part A.

7. FISCAL SERVICES

- 7.1 ACCEPTANCE OF AUDIT REPORT FOR 2019-2020 **ACTION ITEM**
Dr. Reveles - Pages 25-137

The Audit Report for 2019-2020 will be presented for review and approval.

Recommend the Board accept the Audit Report for 2019-2020.

8. POLICY UPDATES

- 8.1 APPROVAL OF BOARD BYLAW No. 9100 – **ACTION ITEM**
ORGANIZATION - Pages 138-139
Halee Pomeroy

BB 9100 - Organization is a new Board Bylaw outlining the Annual Organizational meeting of the Governing board to include new regulations.

YCOE Policy Committee is **recommending** adoption of BB 9100 – Organization.

- 8.2 APPROVAL OF BOARD BYLAW No. 9320 – MEETINGS **ACTION ITEM**
AND NOTICES – Pages 140-145
Halee Pomeroy

BB 9320 – Meetings and Notices was last updated in September 2002. This Board Bylaw has been revised to include new regulations.

YCOE Policy Committee is **recommending** adoption of BB 9320 – Meetings and Notices.

9. OTHER ITEMS TO COME TO THE ATTENTION OF THE BOARD **INFORMATION ITEM**

10. ADVANCED PLANNING

10.1 NEXT REGULAR BOARD MEETING
May 12, 2021 – 4:30P.M.
LOCATION: Zoom Conference

**INFORMATION/
ACTION ITEM**

11. ADJOURN

ACTION ITEM

In compliance with the Americans with Disabilities Act, if you need special assistance to access the Board Meeting room or to otherwise participate at this meeting, including auxiliary aids or services, please contact the Superintendent's Office at 530-749-4853. Notification at least 48 hours prior to the meeting will enable the Superintendent's Office to make reasonable arrangements to ensure accessibility to the Board meeting.

All Open Session Agenda related documents are available to the public for viewing at the Yuba County Office of Education located at 935 14th Street, Marysville, CA 95901.

**YUBA COUNTY BOARD OF EDUCATION
REGULAR MEETING MINUTES**

Wednesday, March 10, 2021 – 4:30pm
Zoom Conference

TOPIC	DISCUSSION	ACTION TAKEN
1. CALL TO ORDER	President Desiree Hastey called a meeting of the Yuba County Board of Education to order on March 10, 2021 at 4:30pm virtually via Zoom conference.	CALLED TO ORDER: 4:30pm
ATTENDANCE, PLEDGE OF ALLEGIANCE	Present via Zoom conference; Desiree Hastey, Marjorie Renicker, John Nicoletti, Angela Lewis, and Eva Teagarden. Trustee Renicker led the recital of the Pledge of Allegiance.	QUORUM PRESENT
2. APPROVAL OF AGENDA	President Desiree Hastey directed board members to the March 10, 2021 Agenda for their review and approval.	MOTION: To approve the March 10, 2021 Agenda as presented MOTION: John Nicoletti SECOND: Marjorie Renicker ROLE CALL VOTE: Marjorie Renicker – Aye John Nicoletti - Aye Angela Lewis - Aye Eva Teagarden – Aye Desiree Hastey – Aye MOTION APPROVED
3. CONSENT AGENDA	President Desiree Hastey directed board members to the March 10, 2021 Consent Agenda for their review and approval. 3.1 Approval of February 10, 2021 Board Meeting Minutes	MOTION: To approve the March 10, 2021 Consent Agenda as presented MOTION: Eva Teagarden SECOND: John Nicoletti ROLE CALL VOTE: Marjorie Renicker – Aye John Nicoletti - Aye Angela Lewis - Aye Eva Teagarden – Aye Desiree Hastey - Abstain MOTION APPROVED

<p>4. PUBLIC COMMENTS ON NON-AGENDA ITEMS</p>	<p>There were no comments from the public.</p>	
<p>5. SUPERINTENDENT'S REPORT</p>	<p>5.1 This Item Provides an Opportunity for the Directors/Superintendent/Board Members to Share Various Items of Interest</p> <p>Dr. Reveles shared the following items:</p> <ul style="list-style-type: none"> ● March 11, 2021 at 2:00pm – Virtual Town Hall with United States Representative John Garamendi – Re. American Rescue Plan ● Resignation – Bonnie Pullen, YCOE Fiscal Services Director – Interim Consultant to Join YCOE ● COVID-19 Update: <ul style="list-style-type: none"> ○ Vaccination Available for Yuba County Educators ○ YCOE Bringing Students Back to the Classroom in Cohorts ○ Status of School Sports ○ Codes – How They Relate to the My Turn Vaccination Scheduling Website ○ Spanish Radio Announcement by Dr. Reveles Re. Vaccination Outreach ○ Union Involvement Requested - Staff Returning to On-site Work Discussion ● Collaboration with Yuba Water Agency – Watershed Curriculum Development Underway ● February 17, 2021 - Dr. Reveles Joined Wheatland Union High School District Board Meeting ● February 18, 2021 – Dr. Reveles Joined Wheatland Elementary School District and Plumas Lake School District Board Meetings 	

	<ul style="list-style-type: none"> • Dr. Reveles Plans to Attend (virtually) Local City Council Meetings • Dr. Reveles and Amy Nore Continue to Volunteer in Local Food Bank Distribution • Consideration for Upcoming Closed Session – Real Property Negotiations <p style="text-align: center;">5.2 Community Engagement Liaison Update</p> <p>Amy Nore shared the following items:</p> <ul style="list-style-type: none"> • Current Yuba County COVID-19 Case Count Shared – Excited to Welcome More Students into Classrooms • Successful Vaccination Clinics in Yuba/Sutter Counties. • Additional PPE Supplies Received from the State <p style="text-align: center;">5.3 Submission of Classified Openers for 2021-2022 Negotiations (CSEA)</p> <p>Requests have been submitted to the Superintendent from the classified employee group asking that this item be placed on the agenda as required by law. No action is necessary.</p> <p style="text-align: center;">5.4 Public Hearing - Classified Openers</p> <p>President Desiree Hastey called a public hearing of the Yuba County Board of Education to order virtually at 4:58pm.</p> <p>This is a routine process required by law to allow the public an opportunity to comment on the classified openers.</p> <p>There were no comments from the public.</p>	<p>PUBLIC HEARING CALLED TO ORDER: 4:58pm</p> <p>MOTION: To close the public hearing MOTION: John Nicoletti SECOND: Eva Teagarden ROLE CALL VOTE: Marjorie Renicker – Aye John Nicoletti - Aye Angela Lewis - Aye Eva Teagarden – Aye Desiree Hastey – Aye PUBLIC HEARING CLOSED: 4:59pm</p> <p>REGULAR MEETING RESUMED: 5:00pm</p>
--	--	--

<p>6. FISCAL SERVICES</p>	<p>6.1 Yuba County Superintendent of Schools Revolving Fund Checking Account</p> <p>Fiscal Services Director Violette Begley gave an overview of agenda item 6.1. The Yuba County Office of Education maintains U.S. Bank checking account #1 534 0198 8818. The address on the account may be changed by the approved signature authorities. The signature authority needs to be approved for new valid signatures. The checking account requires two signatures on each check written.</p> <p>The proposed changes to the signatures on the account are as follows:</p> <ul style="list-style-type: none"> • Remove: Rhonda Marquette and Dan Halcomb • Add: Angela Kerwin, Fiscal Services Coordinator; Veronica Merenda, Fiscal Services Coordinator; Leslie Cena, Assistant Superintendent, Special Education; Francisco Reveles, Superintendent of Schools <p>Ms. Begley requested board approval.</p> <p>6.2 Acceptance of Second Interim Report for 2020-2021</p> <p>The Second Interim Report represents a status report for the Yuba County Office of Education’s fiscal condition for the period ending January 31, 2021.</p> <p>Leadership recommends the Board accept the Second Interim Report for 2020-2021 with budget revisions as presented.</p>	<p>MOTION: To approve the recommended changes to the U.S. Bank checking account (#1 534 0198 8818) signing authority as presented</p> <p>MOTION: John Nicoletti</p> <p>SECOND: Marjorie Renicker</p> <p>ROLL CALL VOTE: Marjorie Renicker – Aye John Nicoletti - Aye Angela Lewis – Aye Eva Teagarden – Aye Desiree Hastey – Aye</p> <p>MOTION APPROVED</p> <p>MOTION: To approve the 2020-2021 Second Interim Report with budget revisions as presented.</p> <p>MOTION: Marjorie Renicker</p> <p>SECOND: Eva Teagarden</p> <p>ROLL CALL VOTE: Marjorie Renicker – Aye John Nicoletti - Aye Angela Lewis – Aye Eva Teagarden – Aye Desiree Hastey – Aye</p> <p>MOTION APPROVED</p>
<p>7. OTHER ITEMS</p>	<p>There were no other items.</p>	

8. ADVANCED PLANNING	8.1 Next Regular Board Meeting April 14, 2021 – 4:30pm Location: Zoom Conference	
9. ADJOURNMENT	There being no further business for discussion, the meeting adjourned at 5:13pm.	MOTION: To adjourn MOTION: Angela Lewis SECOND: John Nicoletti ROLE CALL VOTE: Marjorie Renicker – Aye John Nicoletti - Aye Angela Lewis - Aye Eva Teagarden – Aye Desiree Hastey - Aye MEETING ADJOURNED: 5:13pm

Respectfully submitted,

Recorded by:
Halee Pomeroy

Francisco Reveles, Ed.D.
Superintendent, Yuba County Office of Education

Temporary County Certificates Issued
January 5, 2021 to March 30, 2021

<u>NAME</u>	<u>CREDENTIAL APPLIED FOR</u>	<u>PREV CRED</u>	<u>TCC EXPIRE</u>
Cabrales Reese, Wendy	Short Term Staffing Permit - M/S	Yes	9/1/2021
Mejia, Richard "David"	Short Term Staffing Permit - M/S	Yes	9/1/2021
Saunders, Kimberly	Prelim Multiple Subject	Yes	10/31/2021
Saunders, Kimberly	Prelim Education Specialist - M/M	Yes	10/31/2021
Stueve, Hannah	Prelim Single Subject	No	3/31/2021
Van Stralen, II Dirk	Clear Single Subject - PE	Yes	10/31/2021

Yuba County Superintendent of Schools

935 14th Street
Marysville, CA 95901

Quarterly Report on Williams Uniform Complaints (Education Code 35186(d))

District Name: Yuba County Office of Education

Person completing this form: Francisco Reveles, Ed. D.

Title: Superintendent

Quarterly Report Submission Date: _____

- October 2020 (for July-September 2020)
1st Quarter
- January 2021 (for October-December 2020)
2nd Quarter
- April 2021 (for January-March 2021)
3rd Quarter
- July 2021 (for April-June 2021)
4th Quarter

Date for information to be reported publicly at governing board meeting: _____

No Complaints were filed with any school in the county programs during the quarter indicated above.

Complaints were filed with schools in the county programs during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0		
Teacher Vacancy or Misassignment	0		
Facilities Conditions	0		
TOTALS	0		

Francisco Reveles, Ed.D.

Print Name of County Superintendent

Francisco Reveles

Signature of County Superintendent

Initial Proposal
from
California School Employees Association
and its
Yuba COE Chapter No.705 (CSEA)
to the
Yuba County Office Of Education (YCOE)
for the
2021/2022 Reopener

The California School Employees Association and its Yuba COE Chapter No. 705 (CSEA) hereby proposes to negotiate the following articles of the current contract for the 2021/2022 reopener agreement.

ARTICLE IX – Transfers: CSEA hereby proposes to negotiate changes to this article in relation to involuntary transfers.

ARTICLE XVI – Salary: CSEA hereby proposes to negotiate a fair and equitable increase for all job classifications on the Classified salary schedule.

ARTICLE XVIII - Fringe Benefits: CSEA hereby proposes to negotiate a fair and equitable increase to the YCOE insurance caps to help mitigate the cost of health insurance.

ARTICLE XIX - Fringe Benefits-Retirees: CSEA hereby proposes to negotiate changes to this article including the mandatory volunteering by retirees to receive health benefits.

To: Hector Muñoz, Yuba COE CSEA President

From: Francisco Reveles, Ed.D., Yuba County Superintendent of Schools

Date: April 1, 2021

RE: Request for Reopening of Negotiations

The Yuba County Office of Education propose to begin 2021-22 negotiations without addressing specific demand for salary and benefit changes. It is hoped that agreement in these areas and others identified by the bargaining teams will be reached through an open, good-faith, and cooperative process. Additional issues may well arise from the collective problem-solving nature of our negotiating partnership.

Sincerely,



Francisco Reveles, Ed.D.
Yuba County Superintendent of Schools

JUVENILE FACILITY EDUCATION PROGRAM REVIEW AND EVALUATION
Juvenile Halls and Camps

FACILITY NAME: Yuba County Juvenile Hall		COUNTY: Yuba
FACILITY ADDRESS (STREET, CITY, ZIP CODE, TELEPHONE): 1023 14 th Street, Marysville, Ca 95901		
CHECK THE FACILITY TYPE AS DEFINED IN TITLE 15, SECTION 1302	JUVENILE HALL X	CAMP X
DATE EVALUATED: March 1, 2021		
EDUCATION PROGRAM EVALUATOR(S) (NAME, TITLE, TELEPHONE): Gayelynn Gerhart, Principal Principal, Alternative Education, Yolo County Office of Education (530) 668-3090		
EDUCATION STAFF INTERVIEWED (NAME, TITLE, TELEPHONE): Bobbi Abold, Assistant Superintendent, Yuba County Office of Education Krystal Cano, Secretary, Dan McAllister, Angie Bracco, Teachers		

Purpose

The facility administrator is required to request an annual review of each required element of the facility's education program by the Superintendent of Schools. A report or review checklist on compliance, deficiencies, and corrective action needed to achieve compliance with this section must be provided to the facility administrator.

The Superintendent of Schools shall conduct this review in conjunction with a qualified outside agency or individual. It is important to note that the regulation prohibits the Superintendent of Schools from delegating this review to the principal or any staff of a juvenile court school site; the intent of this regulation is that an independent third-party review is conducted.

Upon receipt of the review, the facility administrator or designee shall review each item with the Superintendent of Schools and shall take whatever corrective action is necessary to address each deficiency and to fully protect the educational interests of all youth in the facility.

Instructions

To complete the review, assess each element listed in the checklists and document the findings in the "comments" section. Columns in the checklist identify compliance as "Yes", "No", or "N/A" (not applicable). When the evaluator assessing the education program "checks" a column to indicate that the facility is out of compliance with all or part of a regulation, or indicates that all or part of a regulation is not applicable, a brief explanation is required in the comments section. This explanation is critical; it assists both the BSCC and facility staff in understanding the rationale for the decision and highlights what needs correction. **Policies and procedures must be written and implemented to be in compliance.**

Education program evaluators may elect to assess areas that are not covered by the inspection checklists. If this is done, the additional issues must be clearly delineated on a separate sheet to maintain their distinction from the BSCC Title 15 checklist. For information purposes, this additional sheet should be attached and distributed with the checklist.

Checklists and regulations are available on the BSCC website (http://www.bscc.ca.gov/s_fsresources). Please contact the BSCC Field Representative assigned to your county at the number below or through e-mail access on the web site.

Board of State and Community Corrections; FSO Division
2590 Venture Oaks Way, Suite 200, Sacramento, CA 95833
Phone: 916-445-5073; <http://www.bscc.ca.gov/>

JUVENILE FACILITY EDUCATION PROGRAM REVIEW AND EVALUATION

1370. Education Program	YES	NO	N/A	COMMENTS
(a) School Programs The County Board of Education shall provide for the administration and operation of juvenile court schools in conjunction with the Chief Probation Officer, or designee pursuant to applicable State laws.	X			
The school and facility administrators shall develop and implement written policy and procedures to ensure communication and coordination between educators and probation staff.	X			
Culturally responsive and trauma-informed approaches should be applied when providing instruction.	X			
Education staff should collaborate with the facility administrator to use technology to facilitate learning and ensure safe technology practices.	X			
The facility administrator shall request an annual review of each required element of the program by the Superintendent of Schools, and a report or review checklist on compliance, deficiencies, and corrective action needed to achieve compliance with this section.	X			
Such a review, when conducted, cannot be delegated to the principal or any other staff of any juvenile court school site.	X			
The Superintendent of Schools shall conduct this review in conjunction with a qualified outside agency or individual. Upon receipt of the review, the facility administrator or designee shall review each item with the Superintendent of Schools and shall take whatever corrective action is necessary to address each deficiency and to fully protect the educational interests of all youth in the facility.	X			
(b) Required elements The facility school program shall comply with the State Education Code and County Board of Education policies.	X			
As stated in the 2009 California Standards for the Teaching Profession, teachers shall establish and maintain learning environments that are physically, emotionally, and intellectually safe.	X			
Youth shall be provided a rigorous, quality educational program that responds to the different learning styles and abilities of students and prepares them for high school graduation, career entry, and post-secondary education.	X			
(1) The course of study shall comply with the State Education Code and include, but not be limited to, courses required for high school graduation.	X			
(2) Information and preparation for the High School Equivalency Test as approved by the California Department of Education shall be made available to eligible youth.	X			
(3) Youth shall be informed of post-secondary education and vocational opportunities.	X			

1370. Education Program	YES	NO	N/A	COMMENTS
(4) Administration of the High School Equivalency Tests as approved by the California Department of Education, shall be made available when possible.	X			
(5) Supplemental instruction shall be afforded to youth who do not demonstrate sufficient progress towards grade level standards.	X			
(6) The minimum school day shall be consistent with State Education Code Requirements for juvenile court schools. The facility administrator, in conjunction with education staff, must ensure that operational procedures do not interfere with the time afforded for the minimum instructional day. Absences, time out of class or educational instruction, both excused and unexcused, shall be documented.	X			
(7) Education shall be provided to all youth regardless of classification, housing, security status, disciplinary or separation status, including room confinement, except when providing education poses an immediate threat to the safety of self or others. Education includes, but is not limited to, related services as provided in a youth's Section 504 Plan or Individualized Education Program (IEP).	X			
(c) School Discipline				
(1) Positive behavior management will be implemented to reduce the need for disciplinary action in the school setting and be integrated into the facility's overall behavioral management plan and security system.	X			
(2) School staff shall be advised of administrative decisions made by probation staff that may affect the educational programming of students.	X			
(3) Except as otherwise provided by the State Education Code, expulsion/suspension from school shall be imposed only when other means of correction fails to bring about proper conduct. School staff shall follow the appropriate due process safeguards as set forth in the State Education Code including the rights of students with special needs. School staff shall document the other means of correction used prior to imposing expulsion/suspension if an expulsion/suspension is ultimately imposed	X			
(4) The facility administrator, in conjunction with education staff will develop policies and procedures that address the rights of any student who has continuing difficulty completing a school day.	X			
(d) Provisions for Special Populations				
(1) State and federal laws and regulations shall be observed for all individuals with disabilities or suspected disabilities. This includes but is not limited to child find, assessment, continuum of alternative placements, manifestation determination reviews, and implementation of Section 504 Plans and Individualized Education Programs.	X			

1370. Education Program	YES	NO	N/A	COMMENTS
(2) Youth identified as English Learners shall be afforded an educational program that addresses their language needs pursuant to all applicable state and federal laws and regulations governing programs for EL students.	X			
(e) Educational Screening and Admission				
(1) Youth shall be interviewed after admittance and a record maintained that documents a youth's educational history, including but not limited to:	X			
(A) School progress/school history;	X			
(B) Home Language Survey and the results of the State Test used for English language proficiency;	X			
(C) Needs and services of special populations as defined by the State Education Code, including but not limited to, students with special needs.; and,	X			
(D) Discipline problems.	X			
(2) Youth will be immediately enrolled in school. Educational staff shall conduct an assessment to determine the youth's general academic functioning levels to enable placement in core curriculum courses.	X			
(3) After admission to the facility, a preliminary education plan shall be developed for each youth within five school days.	X			
(4) Upon enrollment, education staff shall comply with the State Education Code and request the youth's records from his/her prior school(s), including, but not limited to, transcripts, Individual Education Program (IEP), 504 Plan, state language assessment scores, immunization records, exit grades, and partial credits. Upon receipt of the transcripts, the youth's educational plan shall be reviewed with the youth and modified as needed. Youth should be informed of the credits they need to graduate.	X			
(f) Educational Reporting				
(1) The complete facility educational record of the youth shall be forwarded to the next educational placement in accordance with the State Education Code.	X			
(2) The County Superintendent of Schools shall provide appropriate credit (full or partial) for course work completed while in juvenile court school in accordance with the State Education Code.	X			
(g) Transition and Re-Entry Planning				
(1) The Superintendent of Schools and the Chief Probation Officer or designee, shall develop policies and procedures to meet the transition needs of youth, including the development of an education transition plan, in accordance with the State Education Code and in alignment with Title 15, Minimum Standards for Juvenile Facilities, Section 1355.	X			

1370. Education Program	YES	NO	N/A	COMMENTS
(h) Post-Secondary Education Opportunities				
(1) The school and facility administrator should, whenever possible, collaborate with local post-secondary education providers to facilitate access to educational and vocational opportunities for youth that considers the use of technology to implement these programs.	X			

Summary of educational evaluation:
There are no deficiencies and no corrective action is needed.

Local Control and Accountability Plan (LCAP) Every Student Succeeds Act (ESSA) Federal Addendum Template

LEA name:

Yuba County Office of Education

CDS code:

58-10587

Link to the LCAP:

(optional)

www.yubacoe.org

For which ESSA programs will your LEA apply?

Choose from:

TITLE I, PART A

Improving Basic Programs Operated by
State and Local Educational Agencies

TITLE I, PART D

Prevention and Intervention Programs for
Children and Youth Who Are Neglected,
Delinquent, or At-Risk

TITLE II, PART A

Supporting Effective Instruction

TITLE III, PART A

Language Instruction for English Learners
and Immigrant Students

TITLE IV, PART A

Student Support and Academic
Enrichment Grants

*(NOTE: This list only includes ESSA
programs with LEA plan requirements;
not all ESSA programs.)*

Title I part A

In the following pages, ONLY complete the sections for the corresponding programs.

Instructions

The LCAP Federal Addendum is meant to supplement the LCAP to ensure that eligible LEAs have the opportunity to meet the Local Educational Agency (LEA) Plan provisions of the ESSA.

The LCAP Federal Addendum Template must be completed and submitted to the California Department of Education (CDE) to apply for ESSA funding. LEAs are encouraged to review the LCAP Federal Addendum annually with their LCAP, as ESSA funding should be considered in yearly strategic planning.

The LEA must address the Strategy and Alignment prompts provided on the following page.

Each provision for each program must be addressed, unless the provision is not applicable to the LEA.

In addressing these provisions, LEAs must provide a narrative that addresses the provision **within the LCAP Federal Addendum Template.**

Under State Priority Alignment, state priority numbers are provided to demonstrate where an ESSA provision aligns with state priorities. This is meant to assist LEAs in determining where ESSA provisions may already be addressed in the LEA's LCAP, as it demonstrates the LEA's efforts to support the state priorities.

The CDE emphasizes that **the LCAP Federal Addendum should not drive LCAP development.** ESSA funds are supplemental to state funds, just as the LCAP Federal Addendum supplements your LCAP. LEAs are encouraged to integrate their ESSA funds into their LCAP development as much as possible to promote strategic planning of all resources;

however, this is not a requirement. In reviewing the LCAP Federal Addendum, staff will evaluate the LEA's responses to the ESSA plan provisions. There is no standard length for the responses. LEAs will be asked to clarify insufficient responses during the review process.

California’s ESSA State Plan significantly shifts the state’s approach to the utilization of federal resources in support of underserved student groups. This LCAP Federal Addendum provides LEAs with the opportunity to document their approach to maximizing the impact of federal investments in support of underserved students.

The implementation of ESSA in California presents an opportunity for LEAs to innovate with their federally-funded programs and align them with the priority goals they are realizing under the state’s Local Control Funding Formula (LCFF).

LCFF provides LEAs flexibility to design programs and provide services that meet the needs of students in order to achieve readiness for college, career, and lifelong learning. The LCAP planning process supports continuous cycles of action, reflection, and improvement.

Please respond to the prompts below, and in the pages that follow, to describe the LEA’s plan for making the best use of federal ESEA resources in alignment with other federal, state, and local programs as described in the LEA’s LCAP.

Strategy

Explain the LEA’s strategy for using federal funds to supplement and enhance local priorities or initiatives funded with state funds, as reflected in the LEA’s LCAP. This shall include describing the rationale/evidence for the selected use(s) of federal funds within the context of the LEA’s broader strategy reflected in the LCAP.

N/A

Alignment

Describe the efforts that the LEA will take to align use of federal funds with activities funded by state and local funds and, as applicable, across different federal grant programs.

N/A

ESSA Provisions Addressed Within the LCAP

Within the LCAP an LEA is required to describe its goals, and the specific actions to achieve those goals, for each of the LCFF state priorities. In an approvable LCAP it will be apparent from the descriptions of the goals, actions, and services how an LEA is acting to address the following ESSA provisions through the aligned LCFF state priorities and/or the state accountability system.

TITLE I, PART A

Monitoring Student Progress Towards Meeting Challenging State Academic Standards

ESSA SECTION	STATE PRIORITY ALIGNMENT
1112(b)(1) (A–D)	1, 2, 4, 7, 8 <i>(as applicable)</i>

Describe how the LEA will monitor students' progress in meeting the challenging state academic standards by:

- (A) developing and implementing a well-rounded program of instruction to meet the academic needs of all students;
- (B) identifying students who may be at risk for academic failure;
- (C) providing additional educational assistance to individual students the LEA or school determines need help in meeting the challenging State academic standards; and
- (D) identifying and implementing instructional and other strategies intended to strengthen academic programs and improve school conditions for student learning.

Overuse in Discipline Practices that Remove Students from the Classroom

ESSA SECTION	STATE PRIORITY ALIGNMENT
1112(b)(11)	6 <i>(as applicable)</i>

Describe how the LEA will support efforts to reduce the overuse of discipline practices that remove students from the classroom, which may include identifying and supporting schools with high rates of discipline, disaggregated by each of the student groups, as defined in Section 1111(c)(2).

Career Technical and Work-based Opportunities

ESSA SECTION	STATE PRIORITY ALIGNMENT
1112(b)(12)(A–B)	2, 4, 7 <i>(as applicable)</i>

If determined appropriate by the LEA, describe how such agency will support programs that coordinate and integrate:

- (A) academic and career and technical education content through coordinated instructional strategies, that may incorporate experiential learning opportunities and promote skills attainment important to in-demand occupations or industries in the State; and
- (B) work-based learning opportunities that provide students in-depth interaction with industry professionals and, if appropriate, academic credit.

TITLE II, PART A

Title II, Part A Activities

ESSA SECTION	STATE PRIORITY ALIGNMENT
2102(b)(2)(A)	1, 2, 4 (<i>as applicable</i>)

Provide a description of the activities to be carried out by the LEA under this Section and how these activities will be aligned with challenging State academic standards.

TITLE III, PART A

Parent, Family, and Community Engagement

ESSA SECTION	STATE PRIORITY ALIGNMENT
3116(b)(3)	3, 6 (<i>as applicable</i>)

Describe how the eligible entity will promote parent, family, and community engagement in the education of English learners.

ESSA Provisions Addressed in the Consolidated Application and Reporting System

An LEA addresses the following ESSA provision as part of completing annual reporting through the Consolidated Application and Reporting System (CARS).

TITLE I, PART A

Poverty Criteria

ESSA SECTION	STATE PRIORITY ALIGNMENT
1112(b)(4)	N/A

Describe the poverty criteria that will be used to select school attendance areas under Section 1113.

ESSA Provisions Not Addressed in the LCAP

For the majority of LEAs the ESSA provisions on the following pages do not align with state priorities. **Each provision for each program provided on the following pages must be addressed**, unless the provision is not applicable to the LEA. In addressing these provisions, LEAs must provide a narrative that addresses the provision **within this addendum**.

As previously stated, the CDE emphasizes that the LCAP Federal Addendum should not drive LCAP development. ESSA funds are supplemental to state funds, just as the LCAP Federal Addendum supplements your LCAP. LEAs are encouraged to integrate their ESSA funds into their LCAP development as much as possible to promote strategic planning of all resources; however, this is not a requirement. In reviewing the LCAP Federal Addendum, staff will evaluate the LEA's responses to the ESSA plan provisions. There is no standard length for the responses. LEAs will be asked to clarify insufficient responses during the review process.

TITLE I, PART A

Educator Equity

ESSA SECTION 1112(b)(2)

Describe how the LEA will identify and address, as required under State plans as described in Section 1111(g)(1)(B), any disparities that result in low-income students and minority students being taught at higher rates than other students by ineffective, inexperienced, or out-of-field teachers.

THIS ESSA PROVISION IS ADDRESSED BELOW:

Yuba County Office of Education has not had disparities that have resulted in low-income students and minority students being taught at higher rates than other students by ineffective, inexperienced, or out-of-field teachers. However, Yuba COE participates in a Tri-county Teacher Induction Program to properly support teachers receiving their clear credential through mentorship, professional development, and administrative supports. Educational staff are provided on-going and thorough professional development training targeted for addressing closing the achievement gap.

Parent and Family Engagement

ESSA SECTIONS 1112(b)(3) and 1112(b)(7)

Describe how the LEA will carry out its responsibility under Section 1111(d).

Describe the strategy the LEA will use to implement effective parent and family engagement under Section 1116.

THIS ESSA PROVISION IS ADDRESSED BELOW:

Yuba COE's court & community schools provide many opportunities for meaningful parent engagement to review school program effectiveness, identify areas of need, and develop goals, actions and services to address achievement gaps through the School Plan for Student Achievement (SPSA) and Local Control Accountability Plan (LCAP). Parent Advisory Committee, and School Site Council provide parents with an authentic opportunity to engage. In partnership with Yuba County

Probation, and Yuba-Sutter Mental Health, Yuba COE offers Parent Project classes, which is a research-based program developed to reduce recidivism, and delinquent behavior. Other parent classes are also offered to improve parent ability to improve educational outcomes as determined by a parent needs assessment. Parents and families also have access to the Yuba County Office of Education's Youth Advocacy Department Resource Center which offers various classes to support the students and families. Yuba County Office of Education will continue to evaluate and develop a parent engagement strategic plan which encompasses planned activities and strategies to increase parent and family engagement specific to Title I Part A requirements.

Schoolwide Programs, Targeted Support Programs, and Programs for Neglected or Delinquent Children

ESSA SECTIONS 1112(b)(5) and 1112(b)(9)

Describe, in general, the nature of the programs to be conducted by the LEA's schools under sections 1114 and 1115 and, where appropriate, educational services outside such schools for children living in local institutions for neglected or delinquent children, and for neglected and delinquent children in community day school programs.

Describe how teachers and school leaders, in consultation with parents, administrators, paraprofessionals, and specialized instructional support personnel, in schools operating a targeted assistance school program under Section 1115, will identify the eligible children most in need of services under this part.

THIS ESSA PROVISION IS ADDRESSED BELOW:

YCOE offers a systematic approach to providing schoolwide programs to neglected or delinquent youth. The plan for services and planning system is found in the student/ staff school handbook and students Individual Learning Plan (ILP). Students, staff, and administration are involved in the ILP process. YCOE offers services to all students based on individual need. These services include academic interventions, college and career readiness program services, social and emotional programs (SEL). SEL programs consist of marijuana prevention/ intervention, one-one/ group therapy, and gang prevention/ intervention. Student services are determined at the time of student enrollment. Students are assessed, placed, and monitored by the policy and procedure as stated in the student/ staff school handbook. Services utilize a wrap around and evidenced based approach to support all students in the Multi-Tiered System of Support (MTSS) model as well as all levels of services. (School wide, targeted, and individualized)

Homeless Children and Youth Services

ESSA SECTION 1112(b)(6)

Describe the services the LEA will provide homeless children and youths, including services provided with funds reserved under Section 1113(c)(3)(A), to support the enrollment, attendance, and success of homeless children and youths, in coordination with the services the LEA is providing under the McKinney-Vento Homeless Assistance Act (42 United States Code 11301 et seq.).

THIS ESSA PROVISION IS ADDRESSED BELOW:

Yuba County Office of Education services various homeless and foster youth. These population have equal access to services through the ILP process as any other students. Services consist of but are not limited to academic interventions, college/ career services, and social and emotional programs. YCOE makes an effort to utilize a multi-service approach to link services to all youth in need. Referrals can include medical health services, low-cost medical services, and basic needs.

Student Transitions

ESSA SECTIONS 1112(b)(8) and 1112(b)(10) (A–B)

Describe, if applicable, how the LEA will support, coordinate, and integrate services provided under this part with early childhood education programs at the LEA or individual school level, including plans for the transition of participants in such programs to local elementary school programs.

Describe, if applicable, how the LEA will implement strategies to facilitate effective transitions for students from middle grades to high school and from high school to postsecondary education including:

- (A) through coordination with institutions of higher education, employers, and other local partners; and
- (B) through increased student access to early college high school or dual or concurrent enrollment opportunities, or career counseling to identify student interests and skills.

THIS ESSA PROVISION IS ADDRESSED BELOW:

Student transitions are separated in two capacities. The first being transition to the student's district of residence or from the county community school to their comprehensive school of origin. Partnerships between YCOE and surrounding districts have provided a program procedure in which students and families wanting to transition are provided a collaborative transition meeting between YCOE and district designee from district being requested to transition the identified youth. College and career programming at YCOE involves hands on work experience and/ or college class enrollment with intensive MTSS Tier III supports. College and career transition programs are in place to prepare students earlier on in their academic career for successful gain of employment and/or post-secondary educational success. Students are transitioned by staff to employment and post-secondary education through programming and/or individual service in which staff provide a warm handoff (which incorporates staff physically taking and facilitating meetings between student, employer, and/or post-secondary educational institute). These transition services are accompanied by a strong relationship and partnership with our Adult Education program, local Yuba County One Stop and our local community college, Yuba Community College.

Additional Information Regarding Use of Funds Under this Part

ESSA SECTION 1112(b)(13) (A–B)

Provide any other information on how the LEA proposes to use funds to meet the purposes of this part, and that the LEA determines appropriate to provide, which may include how the LEA will:

- (A) assist schools in identifying and serving gifted and talented students; and
- (B) assist schools in developing effective school library programs to provide students an opportunity to develop digital literacy skills and improve academic achievement.

THIS ESSA PROVISION IS ADDRESSED BELOW:

[Address the provision here]

TITLE IV, PART A

Title IV, Part A Activities and Programs

ESSA SECTION 4106(e)(1)

Describe the activities and programming that the LEA, or consortium of such agencies, will carry out under Subpart 1, including a description of:

- (A) any partnership with an institution of higher education, business, nonprofit organization, community-based organization, or other public or private entity with a demonstrated record of success in implementing activities under this subpart;
- (B) if applicable, how funds will be used for activities related to supporting well-rounded education under Section 4107;
- (C) if applicable, how funds will be used for activities related to supporting safe and healthy students under Section 4108;
- (D) if applicable, how funds will be used for activities related to supporting the effective use of technology in schools under Section 4109; and
- (E) the program objectives and intended outcomes for activities under Subpart 1, and how the LEA, or consortium of such agencies, will periodically evaluate the effectiveness of the activities carried out under this section based on such objectives and outcomes.

THIS ESSA PROVISION IS ADDRESSED BELOW:

Yuba County Office of Education will utilize a collaborative partnership with local employers to provide career technical educational opportunities for all students to support a well-rounded education that engages and motivates youth. YCOE aims to utilize the partnership to enhance employment pathways and post-secondary educational opportunities. Funds will be used for technology and coordination of services for equal access to all students.



**YUBA COUNTY
OFFICE OF
EDUCATION**

**ANNUAL
FINANCIAL REPORT**

JUNE 30, 2020

YUBA COUNTY OFFICE OF EDUCATION

OF YUBA COUNTY

MARYSVILLE, CALIFORNIA

JUNE 30, 2020

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Desiree Hastey	President (Area 4)	December 2024
Eva Teagarden	Vice President (Area 5)	December 2022
Marjorie Renicker	Trustee (Area 1)	December 2022
John Nocoletti	Trustee (Area 2)	December 2024
Alisan Hastey	Trustee (Area 3)	December 2020

ADMINISTRATION

Francisco Reveles, Ed.D.	County Superintendent
Violette Begley	Director of Fiscal Services

ORGANIZATION

The Yuba County Office of Education (COE) was established in 1852. The COE coordinates the educational programs among school districts within Yuba County. The COE also provides professional and financial assistance to school districts and has general responsibilities to support and monitor all schools in the county. The activities of the COE are governed by five trustees comprising the Yuba County Board of Education. Each trustee is elected by the residents of an area approximating the county supervisory districts.

<PAGE INTENTIONALLY LEFT BLANK>

YUBA COUNTY OFFICE OF EDUCATION

TABLE OF CONTENTS
JUNE 30, 2020

FINANCIAL SECTION

Independent Auditors’ Report..... - 1 -
Management’s Discussion and Analysis..... - 5 -
Basic Financial Statements
 Government – Wide Financial Statements
 Statement of Net Position - 19 -
 Statement of Activities - 20 -
 Fund Financial Statements
 Governmental Funds – Balance Sheet - 22 -
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position - 24 -
 Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balance - 26 -
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund
 Balances to the Statement of Activities - 28 -
 Proprietary Funds – Statements of Net Position..... - 30 -
 Proprietary Funds – Statements of Revenues, Expenses, and Changes in Net Position - 31 -
 Proprietary Funds – Statements of Cash Flows..... - 32 -
 Fiduciary Funds – Statements of Net Position - 33 -
Notes to Financial Statements - 34 -

REQUIRED SUPPLEMENTARY INFORMATION

County School Services Fund – Budgetary Comparison Schedule - 67 -
Charter School Special Revenue Fund – Budgetary Comparison Schedule..... - 68 -
Special Education Pass-Through Fund – Budgetary Comparison Schedule - 69 -
Deferred Maintenance Fund – Budgetary Comparison Schedule - 70 -
Schedule of Proportionate Share of the Net Pension Liability - 71 -
Schedule of Contributions..... - 72 -
Schedule of Changes in the Total OPEB Liabilities and Related Ratios - 73 -

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards..... - 77 -
Schedule of Average Daily Attendance (ADA) - 79 -
Schedule of Instructional Time - 81 -
Schedule of Financial Trends and Analysis - 82 -
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements..... - 83 -
Schedule of Charter Schools - 84 -
Combining Statements – Non-Major Governmental Funds
 Combining Balance Sheet..... - 85 -
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance..... - 86 -
Notes to Supplementary Information - 87 -

TABLE OF CONTENTS
JUNE 30, 2020

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*..... - 91 -
Independent Auditors' Report on Compliance for Each Major Program and Internal Control over Compliance in
Accordance with Uniform Guidance - 93 -
Independent Auditors' Report on State Compliance..... - 95 -

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results - 101 -
Financial Statement Findings - 102 -
Federal Award Findings and Questioned Costs - 103 -
State Award Findings and Questioned Costs - 104 -
Summary Schedule of Prior Audit Findings - 105 -

FINANCIAL SECTION

<PAGE INTENTIONALLY LEFT BLANK>



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Yuba County Office of Education
Marysville, California

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Yuba County Office of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

RT DENNIS
ACCOUNTANCY

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparisons, pension schedules, and OPEB schedule on pages 5 through 18 and 67 through 73, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Yuba County Office of Education's basic financial statements. The following schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements:

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") requires:

- ❖ Schedule of Expenditures of Federal Awards

2019-20 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires:

- ❖ LEA Organization Structure
- ❖ Schedule of ADA
- ❖ Schedule of Instructional Time
- ❖ Schedule of Financial Trends and Analysis
- ❖ Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
- ❖ Schedule of Charter Schools

The above listed schedules are 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 above listed schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Combining Statements of Non-Major Governmental Funds has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2021, on our consideration of Yuba County Office of Education'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 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 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 Yuba County Office of Education's internal control over financial reporting and compliance.



March 24, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

Our discussion and analysis of Yuba County Office of Education's ("COE") financial performance provides an overview of the COE's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the COE's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ Total net position of both governmental and business-type activities decreased about 2%. There was a slight increase in asset-type and liability-type balances.
- ▶ During the year, the Yuba County Office of Education's total revenues were \$35.8 million and expenses were \$35.9 million.
- ▶ The net cost of the Yuba County Office of Education's governmental activities programs increased to \$10.3 million, due to costs increasing a bit more than the program revenue in 2019/20.
- ▶ The County School Services Fund (general fund) reported a decrease in fund balance this year of \$0.1 million most due to construction costs in the County School Facilities Fund.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of four parts—*management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *supplementary information*, which presents federal awards, state required schedules, and combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the COE:

**Figure A-1
 Required Components of Yuba County Office of Education’s Annual Financial Report**

The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the COE’s *overall* financial status. The remaining statements are *fund financial statements* that focus on *individual parts* of the COE government, reporting the COE’s operations in *more detail* than the government-wide statements.

The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.

Proprietary fund statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*.

Fiduciary fund statements provide information about the financial relationships—the warrant pass-through and ASB—in which the COE acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the COE’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

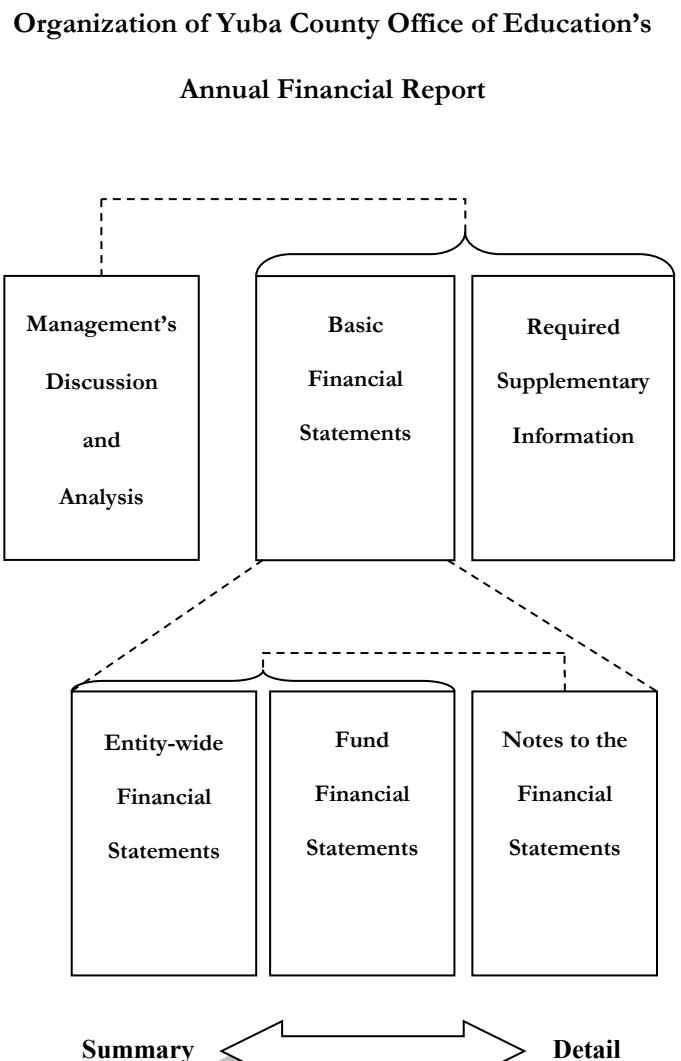


Figure A-2 summarizes the major features of the COE’s financial statements, including the portion of the COE’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Entity-wide Statements

The entity-wide statements report information about the COE as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the COE's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two entity-wide statements report the COE's *net position* and how they have changed. Net position—the difference between the COE's assets and liabilities—are one way to measure the COE's financial health or *position*.

- ❖ Over time, increases or decreases in the COE's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the COE, you need to consider additional nonfinancial factors such as changes in the COE's property tax base and the condition of school buildings and other facilities. In the entity-wide financial statements, the COE's activities are divided into two categories:
 - *Governmental activities*—Most of the COE's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
 - *Business-type activities*—The COE charges fees to help it cover the costs of certain services it provides. The COE's adult education programs and food services are included here.

Figure A-2
Major Features of Yuba County Office of Education’s Entity-wide and Fund Financial Statements

Scope	Fund Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire COE government (except fiduciary funds) and the COE’s component units	The activities of the COE that are not proprietary or fiduciary, such as self-insurance, ASB	Activities the COE operates similar to private businesses: child care, and self-insurance	Instances in which the COE is the trustee or agent for someone else’s resources, such as the ASB and warrant pass-through
Required financial statements	<ul style="list-style-type: none"> ➤ Statement of net position ➤ Statement of activities 	<ul style="list-style-type: none"> ➤ Balance sheet ➤ Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> ➤ Statement of net position ➤ Statement of revenues, expenses, and changes in net position ➤ Statement of cash flows 	<ul style="list-style-type: none"> ➤ Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the COE’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Fund Financial Statements

The fund financial statements provide more detailed information about the COE’s *funds*, focusing on its most significant or “major” funds—not the COE as a whole. Funds are accounting devices the COE uses to keep track of specific sources of funding and spending on particular programs:

- ❖ Some funds are required by State law and by bond covenants.
- ❖ The COE establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

The COE has three kinds of funds:

- ❖ *Governmental funds*—Most of the COE's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at yearend that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the COE's programs. Because this information does not encompass the additional long-term focus of the entity-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences) between them.
- ❖ *Proprietary funds*—Services for which the COE charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the entity-wide statements.
 - In fact, the COE's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
 - We use *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for the COE's other programs and activities. The COE currently has one internal service fund—the OPEB Self-Insurance fund.
- ❖ *Fiduciary funds*—The COE is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The COE is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the entity-wide financial statements because the COE cannot use these assets to finance its operations.

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2020

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

Due to the various pension liabilities the COE reported a total deficit unrestricted net position of \$7.8 million. (See Table 1.)

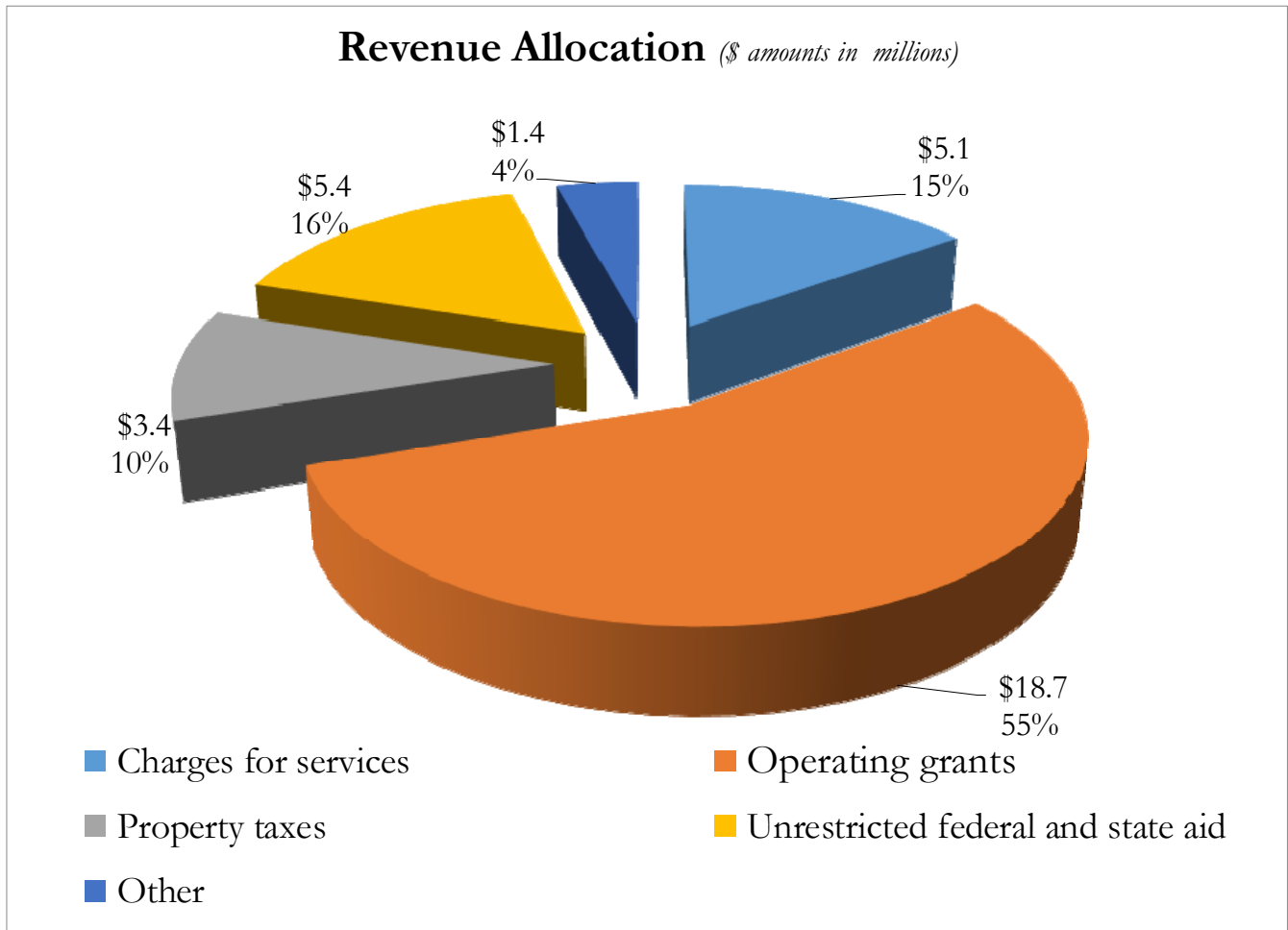
Table 1 - Net Position

	Governmental		Business-Type		Total		\$ Change	% Change
	Activities		Activities					
(\$ Amounts in millions)	2020	2019	2020	2019	2020	2019		
ASSETS								
Current assets	\$ 18.8	\$ 17.1	\$ -	\$ -	\$ 18.8	\$ 17.1	\$ 1.7	10%
Capital assets, net	12.7	11.4	1.3	1.3	14.0	12.7	1.3	10%
Total Assets	31.5	28.5	1.3	1.3	32.8	29.8	3.0	10%
DEFERRED								
OUTFLOWS OF								
RESOURCES	5.3	5.2	-	-	5.3	5.2	0.1	2%
LIABILITIES								
Current liabilities	6.7	5.0	-	-	6.7	5.0	1.7	34%
Non-current liabilities	24.8	22.9	-	0.1	24.8	23.0	1.8	8%
Total Liabilities	31.5	27.9	-	0.1	31.5	28.0	3.5	13%
DEFERRED INFLOW								
OF RESOURCES	0.7	1.0	-	-	0.7	1.0	(0.3)	-30%
NET POSITION								
Net investment in capital assets	11.4	9.9	1.3	1.3	12.7	11.2	1.5	13%
Restricted	1.0	1.0	-	-	1.0	1.0	-	0%
Unrestricted - (Deficit)	(7.8)	(6.1)	-	(0.1)	(7.8)	(6.2)	(1.6)	26%
Total Net Position	\$ 4.6	\$ 4.8	\$ 1.3	\$ 1.2	\$ 5.9	\$ 6.0	\$ (0.1)	-2%

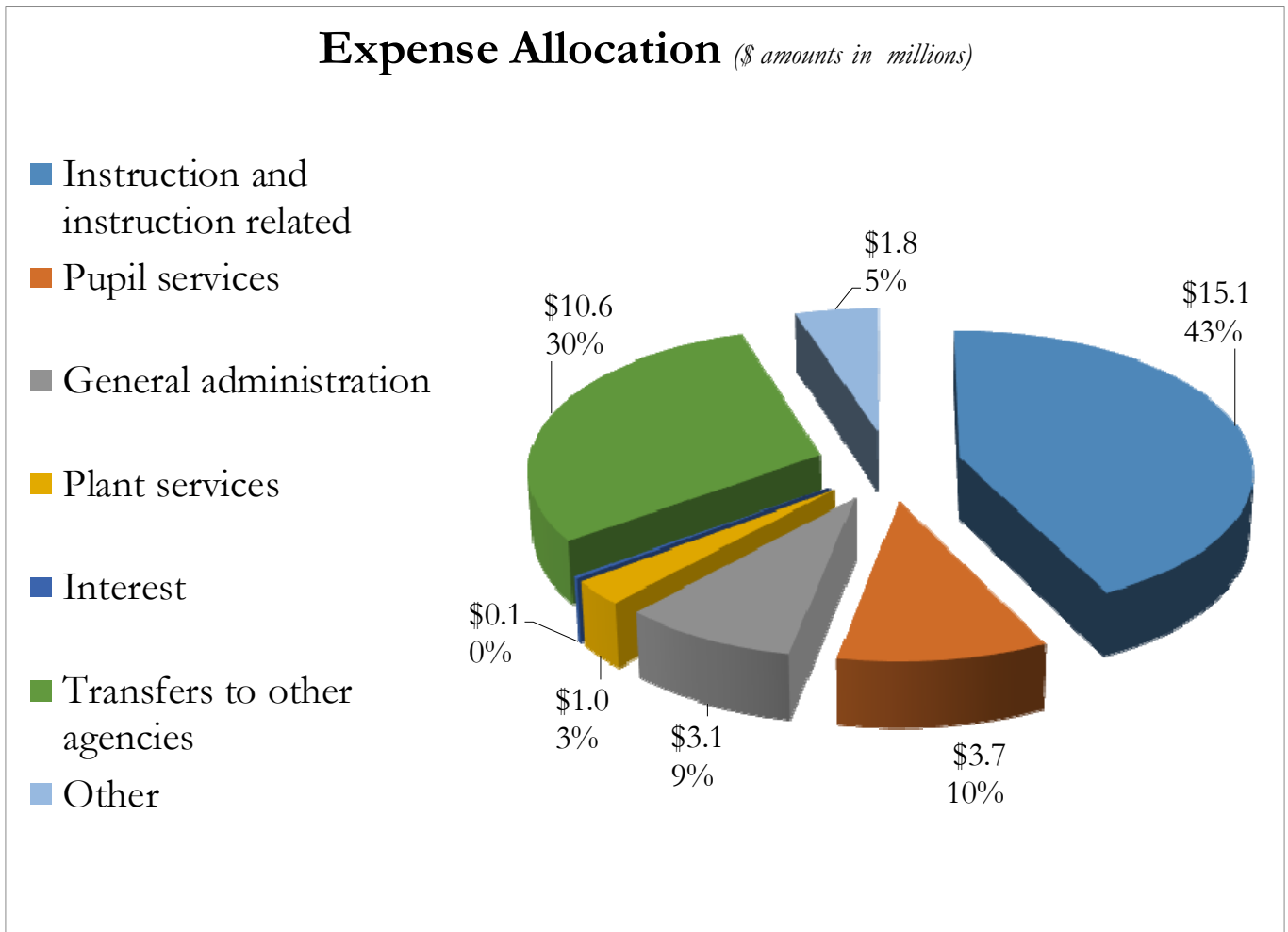
All of the components of net position are either restricted as to the purposes they can be used for or are invested in capital assets (buildings, equipment, and so on). Consequently, the *unrestricted* component of net position showed a \$7.8 million deficit at the end of this year. This deficit does not mean that the COE does not have resources available to pay its bills next year. Rather, it is the result of having *long-term* commitments that are greater than currently available resources. Specifically, the COE did not include in past annual budgets the full amounts needed to finance future liabilities arising mainly from the various pension liabilities, as well as, the total booking of depreciation. The COE will include these amounts in future years’ budgets as they come due.

Changes in Net Position

The COE's total governmental revenues increased by about one percent to \$35.8 million. (See Table 2.) Over half of the revenue comes from operating grants, and nineteen cents of every dollar raised comes unrestricted state and federal aid (mostly LCFF state aid). (See Revenue Allocation.) Another fifteen percent comes from fees charged for services, and most of the rest is other state and local sources.



The total cost of all governmental programs and services increased to \$35.9 million, (or six percent). The COE's expenses cover a range of services, with the two largest parts being related to instruction (and related) and transfers to other agencies. (See Expense Allocation.)



YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2020

Table 2 and the narrative that follows consider the operations of governmental and business-type activities separately.

Table 2 - Changes in Net Position

	Governmental		Business-Type		Total		\$ Change	% Change
	Activities		Activities					
(\$ Amounts in millions)	2020	2019	2020	2019	2020	2019		
REVENUES								
Program revenues								
Charges for services	\$ 5.1	\$ 4.3	\$ -	\$ -	\$ 5.1	\$ 4.3	\$ 0.8	19%
Operating grants	18.7	18.5	-	-	18.7	18.5	0.2	1%
Capital grants and contributions	1.8	2.1	-	-	1.8	2.1	(0.3)	-14%
General revenues								
Property taxes	3.4	3.2	-	-	3.4	3.2	0.2	6%
Unrestricted federal and state aid	5.4	6.1	-	-	5.4	6.1	(0.7)	-11%
Other	1.4	1.3	-	-	1.4	1.3	0.1	8%
Total Revenues	35.8	35.5	-	-	35.8	35.5	0.3	1%
EXPENSES								
Instruction and instruction related	15.1	14.6	-	-	15.1	14.6	0.5	3%
Pupil services	3.7	3.9	-	-	3.7	3.9	(0.2)	-5%
General administration	3.1	2.9	-	-	3.1	2.9	0.2	7%
Plant services	1.0	0.9	-	-	1.0	0.9	0.1	11%
Interest	0.1	0.1	-	-	0.1	0.1	-	0%
Transfers to other agencies	10.6	9.7	-	-	10.6	9.7	0.9	9%
Depreciation	0.5	0.4	-	-	0.5	0.4	0.1	25%
Other	1.8	1.4	0.1	0.2	1.9	1.6	0.3	19%
Total Expenses	35.9	33.9	0.1	0.2	36.0	34.1	1.9	6%
Transfers & special items	-	(0.1)	0.1	0.4	0.1	0.3	(0.2)	-67%
Excess/(Deficiency)	\$ (0.1)	\$ 1.5	\$ -	\$ 0.2	\$ (0.1)	\$ 1.7	\$ (1.8)	-106%

Governmental Activities

Revenues for the COE’s governmental activities slightly increased, and total expenses also slightly increased. Basically, there was very little change in 2019/20 versus 2018/19.

Business-type Activities

Activity decreased in 2019-20, the special item is from the reduction in pension liability due to a decrease in staffing. Plumas Lake Child Development Center had less revenue and less expense because YCOE is no longer operating a center. Now YCOE is only renting out the buildings. The special item reflects pension allocation down because of the staffing change.

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2020

Table 3 presents the cost of each of the COE’s four largest programs—instruction and instruction related, student services, plant services, and all others—as well as each program’s *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the COE by each of these functions.

- The cost of all *governmental* activities this year was \$35.9 million.
- Some of the cost was paid by:
 - Those who directly benefited from the programs (\$5.1 million),
 - Other governments that subsidized certain programs with grants and contributions (\$18.7 million).
 - State school bonds that subsidized capital programs with grants and contributions (\$1.8 million).
- The COE paid for the \$10.3 million “public benefit” portion with \$3.4 million in taxes, \$5.4 from unrestricted state aid, and the rest from other revenues such as interest, interagency revenue, and miscellaneous (\$1.4 million).

Table 3 - Net Cost of Governmental Activities

<i>(\$ Amounts in millions)</i>	Total Cost of Services		Net Cost of Services		\$ Change	% Change
	2020	2019	2020	2019		
Instruction	\$ 11.1	\$ 11.0	\$ 2.3	\$ 2.0	\$ 0.3	15%
Instruction related	4.1	3.6	2.4	1.9	0.5	26%
Student services	3.7	3.9	0.9	0.7	0.2	29%
Community services	1.5	1.1	0.1	0.3	(0.2)	-67%
Plant services	1.0	0.9	0.8	0.7	0.1	14%
Other	14.5	13.4	3.8	3.4	0.4	12%
Total	\$ 35.9	\$ 33.9	\$ 10.3	\$ 9.0	\$ 1.3	14%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2020

FINANCIAL ANALYSIS OF THE COE’S FUNDS

Fund Financial Statement

As the COE completed the year, its funds reported a *combined* fund balance of almost \$9.0 million, slightly increased over last year. Included in this year’s total change in fund balance, however, is a loss of \$0.1 million in the COE’s general fund. The primary reasons for the fund’s loss is from one-time funding, as follows:

- Transfer of cash for facilities projects and construction costs.

Table 4 - Funds' Performance

<i>(\$ Amounts in millions)</i>	Governmental Funds			
	2020	2019	\$ Change	% Change
REVENUES				
LCFF	\$ 8.6	\$ 8.9	\$ (0.3)	-3%
Categorical	19.5	17.8	1.7	10%
Local	8.3	7.3	1.0	14%
Total Revenues	36.4	34.0	2.4	7%
EXPENDITURES				
Certificated	6.5	6.0	0.5	8%
Classified	5.9	5.9	-	0%
Benefits	5.7	5.8	(0.1)	-2%
Books and supplies	0.8	0.6	0.2	33%
Services and other operating	5.1	4.9	0.2	4%
Capital outlay	1.4	1.6	(0.2)	-13%
Other outgo	11.0	10.2	0.8	8%
Total Expenditures	36.4	35.0	1.4	4%
Net financing activities	-	(0.1)	(0.1)	100%
NET CHANGE IN				
FUND BALANCE	\$ 0.0	\$ (1.1)	\$ 1.1	100%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2020

County School Services Fund Budgetary Highlights

Over the course of the year, the School Board revised the COE budget several times. These budget amendments fall into three categories:

- ❖ Amendments and supplemental appropriations approved in December (1st Interim) to reflect the actual beginning account balances (correcting the estimated amounts in the budget adopted in June 2019).
- ❖ Changes made in the 2nd Interim to account for the midyear hiring and other changes.
- ❖ Increases in appropriations to prevent budget overruns.

Table 5 - County School Services Fund and Budget Performance

	Activity			Budget		
	2020	2019	% Difference	Original Budget	Final Budget	% Difference
<i>(\$ Amounts in millions)</i>						
REVENUES						
LCFF	\$ 5.8	\$ 5.8	0%	\$ 5.8	\$ 5.6	4%
Categorical	6.3	7.3	-14%	5.5	6.0	5%
Local	7.6	6.7	13%	7.3	7.8	-3%
Total Revenues	19.7	19.8	-1%	18.6	19.4	2%
EXPENDITURES						
Certificated	5.2	4.7	11%	5.1	5.1	2%
Classified	5.1	5.1	0%	5.1	5.3	-4%
Benefits	4.7	4.7	0%	4.7	4.6	2%
Supplies and services	4.1	3.8	8%	3.2	4.6	-11%
Other	0.5	0.4	25%	0.2	0.4	25%
Total Expenditures	19.6	18.7	5%	18.3	20.0	-2%
Net financing activities	(0.2)	(2.8)	-93%	(0.4)	-	n/a
NET CHANGE IN FUND BALANCE						
	\$ (0.1)	\$ (1.7)	-94%	\$ (0.1)	\$ (0.6)	-83%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The COE restated capital assets as mentioned previously.

At June 30, 2020, the COE had invested a total \$21.2 million in a broad range of capital assets, including construction in progress, buildings, building improvements, and equipment. (See Table 6.) There was a net increase (including additions and deductions) of \$1.3 million over last year.

Table 6 - COE's Capital Assets

	Governmental		Business-Type		Total		\$ Change	% Change
	Activities		Activities					
<i>(\$ Amounts in millions)</i>	2020	2019	2020	2019	2020	2019		
CAPITAL ASSETS								
Land and const. in progress	\$ 1.8	\$ 1.3	\$ -	\$ -	\$ 1.8	\$ 1.3	\$ 0.5	38%
Buildings and equipment	17.7	16.5	1.7	1.6	19.4	18.1	1.3	7%
Accumulated depreciation	(6.8)	(6.4)	(0.4)	(0.3)	(7.2)	(6.7)	(0.5)	7%
Total Capital Assets	\$ 12.7	\$ 11.4	\$ 1.3	\$ 1.3	\$ 14.0	\$ 12.7	\$ 1.3	10%

Long-Term Liabilities

Most activity on long-term liabilities is the pay-down of the lease purchase and the change in pension liability.

Table 7 - COE's Long Term Liabilities

	Governmental		Business-Type		Total		\$ Change	% Change
	Activities		Activities					
<i>(\$ Amounts in millions)</i>	2020	2019	2020	2019	2020	2019		
Net pension liability	\$ 20.9	\$ 18.9	\$ -	\$ 0.1	\$ 20.9	\$ 19.0	\$ 1.9	10%
Net OPEB	2.9	2.7	-	-	2.9	2.7	0.2	7%
Compensated absences	0.2	0.1	-	-	0.2	0.1	0.1	100%
Capital leases	0.1	0.2	-	-	0.1	0.2	(0.1)	-50%
Lease/purchase agreement	1.1	1.5	-	-	1.1	1.5	(0.4)	-27%
Less current portion	(0.4)	(0.4)	-	-	(0.4)	(0.4)	-	0%
Total Long-term Liabilities	\$ 24.8	\$ 23.0	\$ -	\$ 0.1	\$ 24.8	\$ 23.1	\$ 1.7	7%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time of 2020-21 budget development, the COE was aware of several circumstances that could affect its future financial health.

- Minimal changes in federal, state, and local funding allocations
- Aging facilities
- Increase cost of employee retirement
- Waiting on state facility bond allocation.
- Transfer of special education programs to Districts.

These indicators were taken into account when adopting the general fund budget for 2020-21. Amounts available for appropriation in the general fund budget are \$ million, a decrease of six percent over the final 2020 budget of \$19.2 million. The COE will adjust for federal carryover funding once the amounts are known.

Budgeted expenditures are expected to decrease in relation to revenue. An increase in wages for step & column adjustments, PERS increase and STRS decreases, for a total of \$300,000 based on agreements reached with the certificated and classified unions in 2020. The COE will increase program services using differentiated assistance funding received through LCFE in 2020-21.

If these estimates are realized, the COE's budgetary general fund balance is expected to stabilize by the close of 2020-21.

CONTACTING THE COE'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the COE's finances and to demonstrate the COE's accountability for money it receives. If you have any questions about this report, or need additional financial information, contact Violette Begley, Director of Fiscal Services, 935 14th Street, Marysville, CA 95901 (530) 749-4900.

YUBA COUNTY OFFICE OF EDUCATION

STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Business-Type		Total
	Activities	Activities	
<i>(Amounts in thousands)</i>			
ASSETS			
Deposits and investments	\$ 7,208	\$ -	\$ 7,208
Accrued receivables	11,547	4	11,551
Note receivable	75	-	75
Capital assets, not depreciable	1,789	-	1,789
Capital assets, depreciable, net	10,866	1,265	12,131
Total Assets	31,485	1,269	32,754
DEFERRED OUTFLOWS OF RESOURCES	5,301	1	5,302
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	\$ 36,786	\$ 1,270	\$ 38,056
LIABILITIES			
Accrued liabilities	\$ 6,176	\$ 2	\$ 6,178
Unearned revenue	70	-	70
Long-term obligations, current portion	413	-	413
Long-term obligations, non-current	24,789	3	24,792
Total Liabilities	31,448	5	31,453
DEFERRED INFLOWS OF RESOURCES	675	-	675
NET POSITION			
Net investment in capital assets	11,425	1,265	12,690
Restricted for			
Educational programs	1,036	-	1,036
Unrestricted - (Deficit)	(7,798)	-	(7,798)
Total Net Position	4,663	1,265	5,928
TOTAL LIABILITIES, INFLOWS OF RESOURCES, AND NET POSITION			
	\$ 36,786	\$ 1,270	\$ 38,056

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants
<i>(Amounts in thousands)</i>				
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 11,064	\$ 1,807	\$ 5,146	\$ 1,816
Instruction-related services				
Instructional supervision and administration	3,055	377	1,065	-
School site administration	1,016	77	186	-
Pupil services				
Food services	21	2	4	-
All other pupil services	3,695	721	2,046	-
General administration				
Centralized data processing	733	-	-	-
All other general administration	2,407	193	601	-
Plant services	1,028	76	184	-
Community services	1,489	205	1,183	-
Enterprise activities	323	-	-	-
Interest on long-term debt	57	-	-	-
Transfer to other agencies	10,580	1,686	8,254	-
Depreciation (unallocated)	463	-	-	-
Total Governmental Activities	35,931	5,144	18,669	1,816
BUSINESS-TYPE ACTIVITIES				
Enterprise activities	104	-	-	-
Total Entity	\$ 36,035	\$ 5,144	\$ 18,669	\$ 1,816
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				
Federal and state aid not restricted for specific purposes				
Interest and investment earnings				
Interagency revenues				
Miscellaneous				
Subtotal, General Revenue				
Excess (Deficiency) of Revenues Over Expenses				
Before Transfers				
Special item, write-off of STRS pension liability from fund				
Internal transfers				
Total Transfers & Special Items				
CHANGE IN NET POSITION				
Net Position - Beginning				
Net Position - Ending				

The accompanying notes are an integral part of these financial statements

**Net (Expenses), Revenues, and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (2,295)		
(1,613)		
(753)		
(15)		
(928)		
(733)		
(1,613)		
(768)		
(101)		
(323)		
(57)		
(640)		
(463)		
<u>(10,302)</u>		
	\$ (104)	
<u>(10,302)</u>	<u>(104)</u>	<u>\$ (10,406)</u>
3,428	-	3,428
5,448	-	5,448
168	-	168
324	-	324
782	47	829
<u>10,150</u>	<u>47</u>	<u>10,197</u>
<u>(152)</u>	<u>(57)</u>	<u>(209)</u>
-	47	47
(24)	24	-
<u>(24)</u>	<u>71</u>	<u>47</u>
(176)	14	(162)
<u>4,839</u>	<u>1,251</u>	<u>6,090</u>
<u>\$ 4,663</u>	<u>\$ 1,265</u>	<u>\$ 5,928</u>

YUBA COUNTY OFFICE OF EDUCATION

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

	County School Services Fund	Charter School Special Revenue Fund	Special Education Pass- Through Fund
ASSETS			
Deposits and investments	\$ 1,719,428	\$ 721,464	\$ 392,767
Accrued receivables	3,521,037	437,704	4,737,898
Due from other funds	481,057	142,056	8,645
Total Assets	\$ 5,721,522	\$ 1,301,224	\$ 5,139,310
LIABILITIES			
Accrued liabilities	\$ 973,974	\$ 115,077	\$ 4,832,119
Due to other funds	604,040	271,349	7,424
Unearned revenue	33,182	-	-
Total Liabilities	1,611,196	386,426	4,839,543
DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCES			
Non-spendable	3,001	-	-
Spendable			
Restricted	712,752	102,093	210,000
Committed	-	-	-
Assigned	1,102,645	812,705	89,767
Unassigned	2,291,928	-	-
Total Fund Balances	4,110,326	914,798	299,767
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,721,522	\$ 1,301,224	\$ 5,139,310

The accompanying notes are an integral part of these financial statements

Deferred Maintenance Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 2,005,953	\$ -	\$ 916,940	\$ 5,756,552
11,289	2,253,118	577,812	11,538,858
20,000	293,337	188,818	1,133,913
\$ 2,037,242	\$ 2,546,455	\$ 1,683,570	\$ 18,429,323
\$ -	\$ 3,575	\$ 237,482	\$ 6,162,227
43,337	107,519	100,921	1,134,590
-	-	36,776	69,958
43,337	111,094	375,179	7,366,775
-	2,077,935	-	2,077,935
-	-	-	3,001
-	-	11,069	1,035,914
1,993,905	-	46,813	2,040,718
-	357,426	1,250,509	3,613,052
-	-	-	2,291,928
1,993,905	357,426	1,308,391	8,984,613
\$ 2,037,242	\$ 2,546,455	\$ 1,683,570	\$ 18,429,323

YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2020

(Amounts in thousands)

Total Fund Balance - Governmental Funds \$ 8,985

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	\$ 19,463	
	Accumulated depreciation	(6,808)	12,655

Unmatured interest on long-term debt:

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

(8)

Deferred recognition of earned but unavailable revenues:

In governmental funds, revenue is recognized only to the extent that it is "available," meaning it will be collected soon enough after the end of the period to finance expenditures of that period. Receivables for revenues that are earned but unavailable are deferred until the period in which the revenues become available. In the government-wide statements, revenue is recognized when earned, regardless of availability. The amount of unavailable revenues that were deferred in governmental funds, but are recognized in the government-wide statements, is:

2,153

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION, Continued
 JUNE 30, 2020

(Amounts in thousands)

Long-term obligations:

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 liability	20,926	
Net OPEB obligation, Cal STRS	56	
Compensated absences	157	
Capital leases payable	114	
Lease purchase bonds payable	1,116	
Deferred loss on debt refunding	(32)	(22,337)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources	5,269
Deferred inflows of resources	(675)

Internal service funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. net position for internal service funds are:

(1,379)

Total Net Position - Governmental Activities	\$	4,663
---	-----------	--------------

YUBA COUNTY OFFICE OF EDUCATION

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

	County School Services Fund	Charter School Special Revenue Fund	Special Education Pass- Through Fund
REVENUES			
Local Control Funding Formula ("LCFF") Sources	\$ 5,787,345	\$ 2,774,421	\$ -
Federal sources	3,074,847	-	2,877,902
Other State sources	3,208,969	215,183	7,342,939
Other local sources	7,577,619	146,615	15,922
Total Revenues	19,648,780	3,136,219	10,236,763
EXPENDITURES			
Current			
Instruction	8,889,585	2,081,450	-
Instruction-related services			
Instructional supervision and administration	2,738,725	366,018	-
School site administration	583,871	375,278	-
Pupil services			
Home-to-school transportation	170	-	-
Food services	11,538	7,343	-
All other pupil services	3,170,801	196,027	-
General administration			
Centralized data processing	752,521	-	-
All other general administration	1,951,378	-	-
Plant services	680,214	153,717	-
Community services	60,043	-	-
Enterprise activities	303,857	-	-
Transfers to other agencies	327,254	-	10,220,840
Facilities acquisition and construction	28,216	-	-
Debt service			
Interest and other	7,656	-	-
Principal	52,951	-	-
Total Expenditures	19,558,780	3,179,833	10,220,840
Excess (Deficiency) of Revenues Over Expenditures	90,000	(43,614)	15,923
OTHER FINANCING SOURCES (USES)			
Transfers In	408,883	-	-
Other Sources	28,216	-	-
Transfers Out	(651,000)	-	-
Net Financing Sources (Uses)	(213,901)	-	-
NET CHANGE IN FUND BALANCE	(123,901)	(43,614)	15,923
Fund Balance - Beginning	4,234,227	958,412	283,844
Fund Balance - Ending	\$ 4,110,326	\$ 914,798	\$ 299,767

The accompanying notes are an integral part of these financial statements

Deferred Maintenance Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 20,000	\$ -	\$ -	\$ 8,581,766
-	-	195,914	6,148,663
-	1,815,936	793,214	13,376,241
41,374	3,340	531,806	8,316,676
61,374	1,819,276	1,520,934	36,423,346
-	-	-	10,971,035
-	-	-	3,104,743
-	-	-	959,149
-	-	-	170
-	-	-	18,881
-	-	-	3,366,828
-	-	-	752,521
-	-	80,262	2,031,640
82,672	19,630	-	936,233
-	-	1,368,842	1,428,885
-	-	-	303,857
-	-	32,030	10,580,124
-	1,490,464	-	1,518,680
-	-	39,088	46,744
-	-	349,601	402,552
82,672	1,510,094	1,869,823	36,422,042
(21,298)	309,182	(348,889)	1,304
73,337	250,000	377,000	1,109,220
-	-	-	28,216
-	(476,568)	(5,652)	(1,133,220)
73,337	(226,568)	371,348	4,216
52,039	82,614	22,459	5,520
1,941,866	274,812	1,285,932	8,979,093
\$ 1,993,905	\$ 357,426	\$ 1,308,391	\$ 8,984,613

YUBA COUNTY OFFICE OF EDUCATION

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

(Amounts in thousands)

Net Change in Fund Balances - Governmental Funds \$ 6

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

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

	Expenditures for capital outlay:	1,646	
	Depreciation expense:	(463)	1,183

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: 403

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were: (28)

Gain or loss from disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting loss is: (7)

Earned but unavailable revenues:

In governmental funds, revenues are recognized only to the extent that they are "available," meaning they will be collected soon enough after the end of the period to finance expenditures of that period. In the governmental-wide statements, revenue is recognized when earned, regardless of availability. The amount of earned but unavailable revenues relating to the current period, less revenues that became available in the current period but related to a prior period, is: (6)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: 2

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES,
Continued
FOR THE YEAR ENDED JUNE 30, 2020

(Amounts in thousands)

Compensated absences:

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

(68)

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:

(1,631)

Cal STRS Postemployment benefits other than pensions ("OPEB"):

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

(1)

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding:

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, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding, for the period is:

(12)

Internal Service Funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:

(17)

Change in net position of Governmental Activities

\$ (176)

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

PROPRIETARY FUNDS
STATEMENTS OF NET POSITION
JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
	Other	Self-Insurance
ASSETS		
Current assets		
Deposits and investments	\$ 395	\$ 1,451,661
Accrued receivables	4,000	8,092
Due from other funds	-	677
Total current assets	4,395	1,460,430
Non-current assets, depreciable	1,265,000	-
TOTAL ASSETS	1,269,395	1,460,430
DEFERRED OUTFLOWS OF RESOURCES		
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,270,395	\$ 1,460,430
LIABILITIES		
Current liabilities		
Accrued liabilities	\$ 2,035	\$ 5,975
Non-current liabilities	3,000	2,833,000
Total Liabilities	5,035	2,838,975
NET POSITION		
Invested in capital assets	1,265,000	-
Unrestricted - (Deficit)	360	(1,378,545)
Total Net Position	1,265,360	(1,378,545)
TOTAL LIABILITIES AND NET POSITION	\$ 1,270,395	\$ 1,460,430

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

**PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
	Other	Self-Insurance
OPERATING REVENUE		
Fee revenue	\$ 48,000	\$ 186,321
OPERATING EXPENSE		
Classified salaries	2,438	-
Benefits	822	-
Supplies and materials	660	-
Professional services	67,089	231,973
Depreciation	33,208	-
Total operating expenses	104,217	231,973
OPERATING GAIN/(LOSS)	(56,217)	(45,652)
NON-OPERATING REVENUES		
Interest income	-	28,941
Transfers in	24,000	-
Special item, write-off of STRS pension liability from fund	47,000	-
Total non-operating revenues	71,000	28,941
CHANGE IN NET POSITION	14,783	(16,711)
Net Position - Beginning	1,250,577	(1,361,834)
Net Position - Ending	\$ 1,265,360	\$ (1,378,545)

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
	Other	Self-Insurance
Cash flows from operating activities		
Cash receipts from customers/assessments	\$ 44,000	\$ 186,410
Cash payments for insurance	-	(88,446)
Cash payments to employees for services	(3,858)	-
Cash payments to suppliers for goods and services	(69,943)	-
Net cash provided/(used) by operating activities	(29,801)	97,964
Cash flows from non-capital financing activities		
Interfund transfers in	24,000	-
Net cash provided by non-capital financing activities	24,000	-
Cash flows from investing activities		
Interest received	-	28,791
NET INCREASE/(DECREASE) IN CASH	(5,801)	126,755
CASH		
Beginning of year	6,196	1,324,906
End of year	\$ 395	\$ 1,451,661
Reconciliation of operating loss to cash used in operating activities		
Operating loss	\$ (56,217)	\$ (45,652)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Cash flows reported in other categories:		
Depreciation expense	33,208	-
Increase in accounts receivable	(4,000)	-
Increase in due from other funds	-	89
Decrease in accounts payable	(2,792)	(1,473)
Increase in due to other funds	-	-
Increase in net OPEB	-	145,000
Net cash provided/(used) by operating activities	\$ (29,801)	\$ 97,964

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

FIDUCIARY FUNDS
STATEMENTS OF NET POSITION
JUNE 30, 2020

	<u>Warrant/Pass- through Agency Fund</u>	<u>ASB Agency Funds</u>
ASSETS		
Deposits and investments	\$ 4,696,754	\$ 7,395
Accrued receivables	106,371	-
Total Assets	4,803,125	7,395
LIABILITIES		
Due to other agencies/student groups	\$ 4,803,125	\$ 7,395

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 - A. Financial Reporting Entity

The Yuba County Office of Education (“COE”), also known as a Local Educational Agency (“LEA”), is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five member County Board of Education (Board) elected by registered voters of the COE, which comprises an area in Yuba County. The COE was established in 1852 and serves students in pre K – 12 curriculum, ages 3 – 22.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the COE consists of all funds, departments, and agencies that are not legally separate from the COE. For Yuba County Office of Education, this includes general operations and student related activities of the COE.

1 - B. Component Unit

Component units are legally separate organizations for which the COE is financially accountable. Component units may also include organizations that are fiscally dependent on the COE, in that the COE approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the COE is not financially accountable but the nature and significance of the organization's relationship with the COE is such that exclusion would cause the COE's financial statements to be misleading or incomplete. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and thus are included in the financial statements of the COE. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the COE's operations because the governing board of the component units is essentially the same as the governing board of the COE and because their purpose is to finance the construction of facilities to be used for the direct benefit of the COE.

The Yuba County Board of Education Financing Corporation (the “Corporation”) financial activity is presented in the financial statements as the Debt Service Fund. The Certificates of Participation issued by the Corporation are included as long-term liabilities in the entity-wide financial statements. Individually prepared financial statements are not prepared for the Corporation.

1 - C. Other Related Entities

Joint Powers Authority (JPA). The COE is associated with three JPAs. These organizations do not meet the criteria for inclusion as a component unit of the COE. Additional information is presented in Note 13 to the financial statements. These organizations are:

- ❖ North Valley Schools Insurance Group (NSIG)
- ❖ Tri-County Schools Insurance Group(TCSIG)
- ❖ Schools Excess Liabilities Fund (SELF)

1 - D. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the COE) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

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

Fund Financial Statements. The fund financial statements provide information about the COE's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the LEA, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Fiduciary funds are used to account for assets held by the LEA in a trustee or agency capacity for others that cannot be used to support the LEA's own programs.

Major Governmental Funds

County School Services Fund. The general fund for a county office of education is called the County School Service Fund (*Education Code* §1600). This is the chief operating fund for all LEAs. It is used to account for the ordinary operations of an LEA. All transactions except those accounted for in another fund are accounted for in this fund.

Charter Schools Special Revenue Fund. This fund may be used by authorizing LEAs to account separately for the activities of LEA-operated charter schools that would otherwise be reported in the authorizing LEA's general fund. If an LEA uses this fund for any of a charter school's operating activities, it should use this fund for all of the charter school's operating activities.

Special Education Pass-Through Fund. This fund is used by the Administrative Unit ("AU") of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue passed through to other member LEAs.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

Deferred Maintenance Fund. This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* §17582).

County School Facilities Fund. This fund is established pursuant to *Education Code* §17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* §17070.10 et seq.).

Non-Major Governmental Funds

Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund:

Child Development Fund. This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by an LEA for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code* §8200 et seq.) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code* §8328).

Forest Reserve Fund (county offices). This fund exists to account separately for federal forest reserve funds received by offices of county superintendents for distribution to school districts and community college districts (*Education Code* §2300; *Government Code* §29484).

Capital Project Funds. Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Special Reserve Fund for Capital Outlay Projects. This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* §42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49. Other authorized resources that may be deposited to the Special Reserve Fund for Capital Outlay Projects (Fund 40) are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code* §17462) and rentals and leases of real property specifically authorized for deposit to the fund by the governing board (*Education Code* §41003).

Debt Service Funds. Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Debt Service Fund. This fund is used for the accumulation of resources for and the retirement of principal and interest on general long-term debt.

Proprietary Funds

Enterprise Funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. An enterprise fund is accounted for on the accrual basis. Capital assets and long-term debt (including all long-term debt obligations such as vacation pay and capital leases) are recorded in the fund. All revenues and expenses (rather than expenditures) are recorded, regardless of when they are received or paid. Depreciation of capital assets is recorded.

Other Enterprise Fund. The COE accounts for child development preschool program using an enterprise fund, because it is financed through collection of fees for the services provided. The fund reports expenditures and revenues related to the child development center activities outside of the normal operation of the COE.

Internal Service Funds. Internal service funds are created principally to render services to other organizational units of the LEA on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

Self-Insurance Fund. Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of an LEA. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code* §17566).

Fiduciary Funds

Trust and Agency Funds. Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the LEA's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Warrant/Pass-Through Fund. This fund exists primarily to account separately for amounts collected from employees for federal taxes, state taxes, transfers to credit unions, and other contributions. It is also used to account for those receipts for transfer to agencies for which the LEA is acting simply as a "cash conduit."

Student Body Fund. The Student Body Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code* §48930–§48938).

1 - E. Basis of Accounting

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

Net Position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net position use.

Governmental Funds. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The COE considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. All other revenue items are considered to be measurable and available only when the COE receives cash. Revenue limits, property taxes, and grant awards are recorded the same as what is described for Government-Wide Statements. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Eliminating Internal Activity. Transactions between funds that would be treated as revenues, expenditures, or expenses if they involve entities external to the COE are accounted for as revenues, expenditures, or expenses in the funds. At year-end, outstanding balances between funds are reported in the fund financial statements. Amounts reported in the funds as Due to or Due from Other Funds are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

The COE eliminates its internal service activity in the statement of activities. This is accomplished by eliminating the revenues and expenses of the internal service funds against each other, and then distributing the residual amount among the various functions based upon the volume of activity they had during the year with each internal service fund. Any inter-fund services provided and used were not eliminated in the functional areas in which they were incurred.

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

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

1 - F. Assets, Liabilities, and Net Position

Fair Value. The COE categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

Deposits and Investments. The cash balances of substantially all funds are pooled and invested by the county treasurer for the purpose of increasing earnings through investment activities. The pool’s investments are reported at fair value at June 30, 2020, based on market process. The individual funds’ portions of the pool’s fair value are presented as “Cash in County.” Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund. The COE considers these balances to be cash on hand and demand deposits. In addition, because the Cash in County is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent. The COE considers the deposits and investments in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The COE maintains a capitalization threshold of \$30,000. The COE does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	50
Site Improvements	20
Equipment	5 – 20
Equipment	5 – 20
Vehicles	8

Interfund Balances. On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences. Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the accounts payable in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the CA State Teachers Retirement System (“STRS”) and CA Public Employee Retirement System Pension Plan (“PERS”) and additions to/deductions from the respective fiduciary net positions have been determined on the same basis as they are reported by STRS and PERS. 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.

Accrued Liabilities and Long-Term Obligations. All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

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

Fund Balance. Fund balance is divided into five classifications based primarily on the extent to which the COE is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The portion of fund balance reflecting assets not in spendable form, either because they will never convert to cash (such as prepaid items) or must remain intact pursuant to legal or contractual requirements (such as the revolving account or principal of a permanent endowment).

Restricted – The portion of fund balance representing resources subject to legally enforceable constraints externally imposed either by resource providers (e.g., grantors or creditors) or by law through constitutional provisions or enabling legislation.

Committed – The portion of fund balance representing resources whose use is constrained by limitations self-imposed by the LEA through formal action of its highest level of decision-making authority. The constraints can be modified or removed only through the same process by which they were imposed. The action imposing the constraint must be made by the end of the reporting period. The actual amounts may be determined at a later date, prior to the issuance of the financial statements.

Assigned – The portion of fund balance representing resources that are intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported as restricted or committed. Intent may be established either by the LEA's highest level of decision-making authority or by a designated body or official. Constraints giving rise to assigned fund balance may be imposed at any time before the financial statements are issued. The constraints may be modified or removed by a process less formal than is required to remove constraints that give rise to committed fund balance. In governmental fund types other than the general fund, this is the residual fund balance classification.

Unassigned – In the general fund, residual fund balance in excess of amounts reported in the nonspendable, restricted, committed, or assigned fund balance classifications and net of Reserve for Economic Uncertainties. In all governmental funds including the general fund, the excess of nonspendable, restricted, and committed fund balance over total fund balance (deficits). Assigned amounts must be reduced or eliminated if a deficit exists.

The COE applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position. Net Position represents the difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The COE has related debt outstanding as of June 30, 2020. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the COE or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The COE first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The entity-wide financial statements report \$1.0 million of restricted net position.

1 - G. Revenue, Expenditures/Expenses

Revenues – Exchange and Non-Exchange Transactions. The LCFF and other state apportionments are government mandated non-exchange transactions and are recognized when all eligibility requirements have been met. When the annual calculation of the LCFF is made and the COE's actual tax receipts, as reported by the county auditor, is subtracted the result determines the annual state aid to which the LEA is entitled. If the difference between the calculated annual state aid and the state aid received on the second principal apportionment is positive a receivable is recorded, and if it is negative a payable is recorded.

The COE recognizes property tax revenues actually received as reported on California Department of Education (“CDE”)’s Principal Apportionment Data Collection Software, used by county offices of education and county auditors to report school district and county taxes. The COE makes no accrual for property taxes receivable as of June 30.

The COE receives grant awards that are "reimbursement type" or "expenditure driven." The eligibility requirements of these awards have not been met until the LEA has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received but unspent at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended.

The COE also receives funds for which they have fulfilled specific eligibility requirements or have provided a particular service. Once the LEAs have provided these services, they have earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period that the service is provided, and any carryover becomes a part of the LEA's ending fund balance.

Unearned Revenue. Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the COE prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the COE has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Operating Revenues and Expenses. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund’s principal services.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

NOTE 2- DEPOSITS AND INVESTMENTS

2 - A. Summary of Deposits and Investments

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Deposits in financial institutions	\$ 3,001	\$ -	\$ 7,395	\$ 10,396
Cash in County	7,205,212	395	4,696,754	11,902,361
Total	\$ 7,208,213	\$ 395	\$ 4,704,149	\$ 11,912,757

2 - B. Policies and Practices

The COE 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; the Yuba County Investment Pool.

Investment in County Treasury – The COE is considered to be an involuntary participant in an external investment pool as the COE is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the COE's investment in the pool is reported in the accounting financial statements at amounts based upon the COE's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

2 - C. General Authorizations

Allowable investment instruments per Government Code §§ 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations— CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S Agency Obligations	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper— Pooled Funds	270 days	40% of the agency's money	Highest letter and number rating by an NRSROH
Commercial Paper— Non-Pooled Funds	270 days	25% of the agency's money	Highest letter and number rating by an NRSROH
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30%	None
Placement Service Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass—Through Securities	5 years	20%	"AA" rating category or its equivalent or better R
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	"AA" rating category or its equivalent or better

2 - D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The COE manages its exposure to interest rate risk by investing in the county pool. See "Specific Identification" for various maturities of the COE's investments.

2 - E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The underlying investments owned by the COE are listed in "Specific Identification."

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

2 - F. Specific Identification

Information about the sensitivity of the fair values of the COE's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the COE's investments by maturity:

<u>Investment Type:</u>	<u>S & P Rating</u>	<u>Maturity (Days)</u>	<u>Reported Value</u>	<u>Level</u>	<u>Fair Value</u>
Cash in county	A - AAA	240	\$ 11,902,361	2	\$ 11,972,085

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the COE's deposits may not be returned to it. The COE does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the COE's bank balance of \$11,186 was insured.

NOTE 3 – ACCRUED RECEIVABLES/NOTE RECEIVABLE

3 - A. Accrued Receivables

Receivables at June 30, 2020, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	<u>County School Services Fund</u>	<u>Charter School Special Revenue Fund</u>	<u>Special Education Pass-Through Fund</u>	<u>Def. Maint. Fund</u>	<u>County School Facilities Fund</u>	<u>Non-Major Govt. Funds</u>
Federal Government						
Categorical aid	\$ 880,590	\$ -	\$ 3,794,750	\$ -	\$ -	\$ 77,246
State Government						
Categorical aid	147,734	15,624	-	-	-	63,646
LCFF	164,749	417,392	-	-	-	-
School bond facilities	-	-	-	-	2,253,118	-
Other Government						
Special education	1,693,291	-	939,095	-	-	-
Other	607,836	-	-	-	-	430,574
Interest	26,837	4,688	4,053	11,289	-	6,346
Other Local Sources	-	-	-	-	-	-
Total	\$ 3,521,037	\$ 437,704	\$ 4,737,898	\$ 11,289	\$ 2,253,118	\$ 577,812

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

	Other Enterprise Fund	Self- Insurance	Warrant/ Pass-through Agency Fund
Other Government			
Interest	\$ -	\$ 8,092	\$ 12,824
Other Local Sources	4,000	-	93,547
Total	\$ 4,000	\$ 8,092	\$ 106,371

3 - B. Note Receivable

On February 22, 2016, the COE sold a parcel of land and a building for \$106,320, where \$91,200 is to be received in monthly installments of \$577, plus interest at a rate of 4.5% per annum. The payments are to conclude on February 22, 2026 at which point the balance is to be paid off, which is scheduled to be \$55,671. As of June 30, 2020, the non-current balance was \$75,000 recorded in note receivable in the entity-wide statement of net position.

NOTE 4 – CAPITAL ASSETS

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

<i>(Amounts in thousands)</i>	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 770	\$ -	\$ -	\$ 770
Construction in progress	568	1,019	568	1,019
Non-Depreciable Capital Assets	\$ 1,338	\$ 1,019	\$ 568	\$ 1,789
Capital assets being depreciated				
Land improvements	\$ 628	\$ -	\$ -	\$ 628
Buildings & improvements	15,222	1,039	-	16,261
Furniture & equipment	655	156	27	784
Total Capital Assets Being Depreciated	16,505	1,195	27	17,673
Less Accumulated Depreciation				
Land improvements	174	30	-	204
Buildings & improvements	5,733	363	-	6,096
Furniture & equipment	446	70	9	507
Total Accumulated Depreciation	6,353	463	9	6,807
Depreciable Capital Assets, net	\$ 10,152	\$ 732	\$ 18	\$ 10,866
Total Capital Assets, net	\$ 11,490	\$ 1,751	\$ 586	\$ 12,655

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020
Business-Type Activities				
Capital assets being depreciated				
Buildings & improvements	\$ 1,664	\$ -	\$ -	\$ 1,664
Less Accumulated Depreciation				
Buildings & improvements	366	33	-	399
Depreciable Capital Assets, net	\$ 1,298	\$ (33)	\$ -	\$ 1,265

NOTE 5 – INTERFUND TRANSACTIONS

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

Due To Other Funds	Due From Other Funds							Total
	County School Services Fund	Charter School Fund	Special Education Pass-Through	Def. Maint. Fund	County School Facilities Fund	Non-Major Govt. Funds	Self-Insurance	
County School Services Fund	\$ -	\$ 135,900	\$ 8,645	\$ 20,000	\$ 250,000	\$ 188,818	\$ 677	\$ 604,040
Charter Schools								
Special Revenue Fund	271,349	-	-	-	-	-	-	271,349
Special Education								
Pass-Through Fund	1,268	6,156	-	-	-	-	-	7,424
Deferred Maintenance Fund	-	-	-	-	43,337	-	-	43,337
County School Facilities Fund	107,519	-	-	-	-	-	-	107,519
Non-Major Funds	100,921	-	-	-	-	-	-	100,921
Total Due From Other Funds	\$ 481,057	\$ 142,056	\$ 8,645	\$ 20,000	\$ 293,337	\$ 188,818	\$ 677	\$1,134,590

The County School Services Fund owes the Charter School Fund for EPA reimb & SELPA Transfer	\$ 135,900
The County School Services Fund owes the Special Education Pass-through Fund for AB602 Revenue Adj	8,645
The County School Services Fund owes the Child Development Fund for indirect & copier costs	318
The County School Services Fund owes the Deferred Maintenance Fund for deferred maintenance	20,000
The County School Services Fund owes County Schools Facilities Fund for construction costs	250,000
The County School Services Fund owes the Debt Service Fund for lease-purchase payment	188,500
The County School Services Fund owes the Self-Insurance Fund for payroll liability	677
The Charter School Fund owes the County School Services Fund for admin, program indirect and salary adjustments	271,349
The Child Development Fund owes the County School Services Fund for indirect cost and facilities in the amount of	70,436
The Child Development Fund owes County School Services Fund for negative cash payback	30,485
Fund County Schools Facilities Fund owes County School Services Fund for negative cash payback	107,519
The Deferred Maintenance Fund owes County School Facilities Fund for deferred maint project costs	43,337
The SELPA Pass Through owes County School Services Fund mental health	1,268
The SELPA Pass Through owes the Charter School Fund the mental health grant award	6,156
Total	\$1,134,590

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

5 - B. Operating Transfers

<u>Transfer To Other Funds</u>	Interfund Transfers In					Total
	County School Services Fund	Def. Maint. Fund	County School Facilities Fund	Non-Major Govt. Funds	Other Enterprise Fund	
County School Services Fund	\$ -	\$ -	\$ 250,000	\$ 377,000	\$ 24,000	\$ 651,000
County School Facilities Fund	403,231	73,337	-	-	-	476,568
Non-Major Funds	5,652	-	-	-	-	5,652
Total Interfund Transfers Out	\$ 408,883	\$ 73,337	\$ 250,000	\$ 377,000	\$ 24,000	\$1,133,220

The County School Services Fund transferred construction costs to the County School Facilities Fund, which will be transferred back once the state distributes the school bond money	\$ 250,000
The County School Services Fund transferred to the Debt Service Fund for the lease-purchase payment in the amount of	377,000
The County School Services Fund transferred to the Other Enterprise Fund for program support in the amount of	24,000
The County School Facilities Fund transferred prior construction costs back to the County School Services Fund	403,231
The County School Facilities Fund transferred prior construction costs back to the Deferred Maintenance Fund	73,337
The Forest Reserve Fund transferred to the County School Services Fund federal timber yield funds in the amount of	5,652
Total	\$1,133,220

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

NOTE 6 – ACCRUED LIABILITIES

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

	County School Services Fund	Charter School Fund	Special Education Pass- Through Fund	County School Facilities Fund	Non- Major Govt. Funds	Self- Insurance	District- Wide	Total Govt. Activities	Other Enterprise Fund
Payroll and related	\$ 424,364	\$ -	\$ -	\$ -	\$ -	\$ 5,975	\$ -	\$ 430,339	\$ -
Current compensated absence balance	25,310	3,909	-	-	2,025	-	-	31,244	-
LCFF overpayment	59,134	-	-	-	-	-	-	59,134	-
EPA (deferral)	103,181	103,181	-	-	-	-	-	206,362	-
Vendors payable	361,985	7,987	-	3,575	235,457	-	-	609,004	2,035
Due to districts, charters, and pass-throughs	-	-	4,832,119	-	-	-	-	4,832,119	-
Interest payable	-	-	-	-	-	-	8,000	8,000	-
Total	\$ 973,974	\$ 115,077	\$4,832,119	\$ 3,575	\$ 237,482	\$ 5,975	\$ 8,000	\$6,176,202	\$ 2,035

NOTE 7 – UNEARNED REVENUE

The COE periodically will receive grant money prior to making expenditures for that grant. The source of that grant money is listed below by fund. The unearned revenue totals at June 30, 2020, consist of the following:

	County School Services Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal sources	\$ 1,144	\$ 16,510	\$ 17,654
State categorical sources	10,005	15,498	25,503
Local deferrals	22,033	4,768	26,801
Total	\$ 33,182	\$ 36,776	\$ 69,958

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

NOTE 8 – LONG-TERM OBLIGATIONS

8 - A. Long-Term Obligations Summary

<i>(Amounts in thousands)</i>	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020	Balance Due In One Year
Governmental Activities					
Lease-purchase agreement	\$ 1,466	\$ -	\$ 350	\$ 1,116	\$ 359
Net pension liabilities ("NPL")					
Cal STRS	8,315	449	-	8,764	-
Cal PERS	10,535	1,627	-	12,162	-
Total NPL	18,850	2,076	-	20,926	-
Compensated absences	89	68	-	157	-
Net OPEB obligations	2,743	146	-	2,889	-
Capital leases	151	28	65	114	54
Total	\$ 23,299	\$ 2,318	\$ 415	\$ 25,202	\$ 413
Business-Type Activities					
Net pension liabilities ("NPL")					
Cal STRS	\$ 23	\$ -	\$ 23	\$ -	\$ -
Cal PERS	33	-	30	3	-
Total	\$ 56	\$ -	\$ 53	\$ 3	\$ -

8 - B. Lease-Purchase Agreement (COP Advanced Refunding)

On August 1, 2014, the COE entered into a lease-purchase agreement in the amount of \$3,100,000 with an average coupon interest rate of 2.835% to advance refund COPs bonds with an interest rate of between 2.0% and 4.5%. The COPs mature on April 1, 2023, and are callable on August 1, 2014. The lease-purchase agreement was issued at par and, after paying issuance costs of \$47,455, the net proceeds were \$3,052,545. The net proceeds from the issuance of the lease-purchase agreement were used to call the COPs on August, 1, 2014.

As a result of the advance refunding, the COE reduced its total debt service requirements by \$196,640, however, resulted in an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$100,000.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

The annual requirements to amortize the lease-purchase agreement outstanding as of June 30, 2020, are as follows (*\$ amounts in thousands*):

Year Ending June 30,	Payments
2021	\$ 389
2022	393
2023	390
Total payments	1,172
Less amount representing interest	(56)
Present value of payments \$	1,116

8 - C. Pension Liabilities

The COE's pension activities between the COE and the retirement systems for the year ended June 30, 2020, resulted in a total net pension obligation for the COE of \$20.9 million for governmental activities and \$3,000 in business-type activities. See Note 10 for additional information regarding the pension plans and activities.

8 - D. Other Post-Employment Benefits ("OPEB")

The COE is responsible for two OPEB plans, one the COE offered and one due to GASB No. 75, offered by Cal STRS. For the year ended June 30, 2020, this resulted in a total OPEB obligations of \$2.9 million. See Note 11 for additional information regarding the pension plans and activities.

8 - E. Compensated Absences

The long-term portion of accumulated unpaid employee vacation for the COE at June 30, 2020, amounted to \$157,000 in governmental activities.

8 - F. Capital Leases

The COE leases cars with a historical cost and accumulated depreciation of \$326,000 and \$172,000, respectively, under capital lease arrangements. Future minimum lease payments at June 30, 2020, are as follows:

Year Ending June 30,	Payments
2021	\$ 59
2022	59
2023	38
2024	20
2025	6
2026	1
Total payments	183
Less amount representing interest	(69)
Present value of payments \$	114

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

NOTE 9 – FUND BALANCES

Fund balances are composed of the following elements:

	County School Services Fund	Charter School Fund	Special Education Pass- Through Fund	Deferred Maint. Fund	County School Facilities Fund	Non-Major Govt. Funds	Total Govt. Funds
Non-spendable							
Reserve for revolving cash	\$ 3,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,001
Spendable							
Restricted							
Educational programs							
Federal	306,559	-	-	-	-	-	306,559
State	211,896	102,093	210,000	-	-	-	523,989
Local	194,297	-	-	-	-	11,069	205,366
Total Restricted	712,752	102,093	210,000	-	-	11,069	1,035,914
Committed							
Deferred maintenance	-	-	-	1,993,905	-	-	1,993,905
Facility contribution	-	-	-	-	-	46,813	46,813
Total Committed	-	-	-	1,993,905	-	46,813	2,040,718
Assigned							
Debt service payment	-	-	-	-	-	650,000	650,000
Maintenance and repair	-	-	-	-	-	243,785	243,785
Communication and security	-	-	-	-	-	170,000	170,000
Technology	156,000	-	-	-	-	-	156,000
Lottery	180,123	138,120	-	-	-	-	318,243
Program designation	766,522	674,585	89,767	-	357,426	-	1,888,300
Child development	-	-	-	-	-	186,576	186,576
Forest reserve	-	-	-	-	-	148	148
Total Assigned	1,102,645	812,705	89,767	-	357,426	1,250,509	3,613,052
Unassigned	2,291,928	-	-	-	-	-	2,291,928
Total	\$ 4,110,326	\$ 914,798	\$ 299,767	\$ 1,993,905	\$ 357,426	\$ 1,308,391	\$ 8,984,613

The COE is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The COE’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than one month payroll of general fund operating expenditures and 5 percent of County School Services Fund expenditures and other financing uses.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS

10 - A. California State Teachers' Retirement System ("CalSTRS")

Plan Description. CalSTRS administers a hybrid retirement system consisting of a defined benefit plan, two defined contribution plans, a postemployment benefit plan, and a fund used to account for ancillary activities associated with various deferred compensation plans and programs:

- ❖ State Teachers' Retirement Plan ("STRP")
- ❖ CalSTRS Pension 2® Program (Internal Revenue Code 403(b) and 457(b) plans)
- ❖ Teachers' Health Benefits Fund ("THBF")
- ❖ Teachers' Deferred Compensation Fund ("TDCF")

CalSTRS provides pension benefits, including disability and survivor benefits, to California full-time and part-time public school teachers from pre-kindergarten through community college and certain other employees of the public school system. The Teachers' Retirement Law (California Education Code § 22000 et seq.), as enacted and amended by the California Legislature, established these plans and CalSTRS as the administrator. The terms of the plans may be amended through legislation.

The STRP is a multiple employer, cost-sharing defined benefit plan comprised of four programs: Defined Benefit ("DB") Program, Defined Benefit Supplement ("DBS") Program, Cash Balance Benefit ("CBB") Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP. CalSTRS issues a publicly available financial report that can be obtained at <https://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided. The STRP DB Program has two benefit formulas:

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

The 2% refers to the percentage of your final compensation that you'll receive as a retirement benefit for every year of service credit, also known as the age factor. Other differences between the two benefit structures are final compensation, age factors, normal retirement age, creditable compensation cap and contribution rate. In addition, 2% at 62 members aren't eligible for benefit enhancements, the Reduced Benefit Election or the CalSTRS Replacement Benefits Program.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

Contributions:	Effective Date	2% at 60 Members	2 % at 62 Members
Members:	July 1, 2016	10.25%	10.205%
Employers:	July 1, 2019	17.10%	
	July 1, 2020	19.10%	
	July 1, 2021 – June 30, 2046	The CalSTRS Funding Plan authorizes the Teachers' Retirement Board (the board) to adjust the employer contribution up or down 1% each year, but no higher than 20.25% total and no lower than 8.25%.	
State:	July 1, 2046	Increase from prior rate ceases in 2046-47	
	July 1, 2019	10.328% plus \$2.2 billion	
	July 1, 2020 – June 30, 2046	The board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50% in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0%.	
	July 1, 2046 and thereafter	4.517%	

Contributions to the pension plan from the COE was \$988,033 for the year ended June 30, 2020.

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

At June 30, 2020, the COE reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the COE. The amount recognized by the COE as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the COE were as follows:

(\$ Amounts in thousands)

District's proportionate share of the net pension liability	\$ 8,764
State's proportionate share of the net pension liability associated with the District	3,094
Total	\$ 11,858

The net pension liability was measured as of June 30, 2019, and the components of the net pension liability ("NPL") of the STRP for participating employers and the state (nonemployer contributing entity) as of June 30, 2019, are as follows:

(\$ in millions)

Total Pension Liability	\$329,178
Less: STRP Fiduciary Net Position	238,862
NPL of Employers and the State of California	<u>\$ 90,316</u>
STRP Fiduciary Net Position as a % of the Total Pension Liability	72.6%

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

The District's proportion was as follows:

	<u>Jun. 30, 2019</u>	<u>Jun. 30, 2018</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0000970	0.0000907	0.0000063

For the year ended June 30, 2020, the COE recognized pension expense of \$952,000 and revenue of \$667,000 for support provided by the State. At June 30, 2020, the COE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>(\$ Amounts in thousands)</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ 225
Changes of assumptions		1,108	-
Net difference between projected and actual earnings on pension plan investments		-	337
Changes in proportion and differences between District contributions and proportionate share of contributions		8	-
District contributions subsequent to the measurement date		988	-
Total	\$	2,104	\$ 562

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

Year Ending June 30,	<i>(\$ Amounts in thousands)</i>		
2021	\$	1,194	\$ 90
2022		206	324
2023		238	94
2024		293	1
2025		90	27
2026 - 2027		83	26
Total	\$	2,104	\$ 562

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

Actuarial Assumptions and Discount Rate Information

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

Valuation Date	June 30, 2018
Experience Study	July 1, 2010 – June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return ³	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2% simple for DB (Annually) Maintain 85% purchasing power level for DB Not applicable for DBS/CBB

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

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

The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumptions for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return¹
Global Equity	47.0%	4.8%
Fixed Income	12.0%	1.3%
Real Estate	13.0%	3.6%
Private Equity	13.0%	6.3%
Risk Mitigating Strategies	9.0%	1.8%
Inflation Sensitive	4.0%	3.3%
Cash/Liquidity	2.0%	(0.4%)

¹ 20-years average

Discount Rate. The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases as disclosed in Note 1. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

Sensitivity of the COE’s proportionate share of the net pension liability to changes in the discount rate.

Presented below is the net pension liability of employer using the current discount rate of 7.10%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
(\$ Amounts in thousands)			
District's proportionate share of the net pension liability	\$ 13,050	\$ 8,764	\$ 5,210

10 - B. Public Employees’ Retirement System (“CalPERS”)

Plan Description. The Schools Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF B) is administered by the California Public Employees’ Retirement System (CalPERS or the System). Plan membership consists of nonteaching and noncertified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California. The Plan excludes school safety members who participate either in the agent multiple-employer defined benefit pension plan or the public agency cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, depending on the number of active members.

The Plan was established to provide retirement, death and disability benefits to nonteaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2020.pdf>.

Benefits Provided. The Service Retirement benefit is a monthly allowance equal to the product of benefit factor, years of service, and final compensation.

- ❖ The *benefit factor* for classic members comes from the 2% at 55 benefit factor table. PEPRA members hired on or after January 1, 2013 are subject to the 2% at 62 benefit factor table.
- ❖ The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer’s contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer’s contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- ❖ The *final compensation* is the monthly average of the member’s highest 12 consecutive months’ full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). For new PEPRA members hired after January 1, 2013 final compensation is based on the monthly average of the member’s highest 36 consecutive months’ full-time equivalent monthly pay. PEPRA members have a cap on the annual salary that can be used to calculate final compensation for all new members based on the Social Security Contribution and Benefit Base.
- ❖ The employees in this plan may or may not be covered by Social Security. For employees with service prior to January 1, 2001 covered by Social Security, the final compensation is offset by \$133.33 (or by one-third if, the final compensation is less than \$400). For PEPRA members, the final compensation is not offset.

Contributions. CalPERS required employer contributions to be 19.721% of payroll. The report also reported an employee contribution rate of 7.0% for classic and PEPRA. Contributions to the pension plan from the District was \$1,177,002 for the year ended June 30, 2020.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

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

At June 30, 2020, the District reported a liability of \$12,165,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentages presented in the CalPERS *Schedule of Employer Allocations and Collective Pension Amounts* and applied to amounts presented in the Schedule of Collective Pension Amounts by Employer are based on the ratio of each employer's contribution to the Plan's total employer contributions during the measurement period July 1, 2018 through June 30, 2019. The components of the employers' collective net pension liability related to the Plan as of June 30, 2019:

	<i>(\$ in millions)</i>	
Total pension liability		\$97,301
Less:		
Plan fiduciary net position		68,157
Net Pension Liability of Employers		\$29,144

The District's proportion was as follows:

	Jun. 30, 2019	Jun. 30, 2018	Difference
Net Pension Liability Allocation Basis	0.0004174	0.0003964	0.0000210

For the year ended June 30, 2020, the COE recognized pension expense of \$2,797,000. At June 30, 2020, the COE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>(\$ Amounts in thousands)</i>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 884	\$ -
Changes of assumptions	579	-
Net difference between projected and actual earnings on pension plan investment	-	113
Changes in proportion and differences between District contributions and proportionate share of contributions	526	-
District contributions subsequent to the measurement date	1,177	-
Total	\$ 3,166	\$ 113

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

Year Ending June 30,	<i>(\$ Amounts in thousands)</i>	
2021	\$ 2,316	\$ (111)
2022	538	222
2023	278	34
2024	34	(32)
Total	\$ 3,166	\$ 113

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The collective total pension liability for the June 30, 2019 measurement period was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019.

The collective total pension liability was based on the following assumptions:

Investment rate of return		7.15%
Inflation		2.5%
Salary increases		Varies by Entry Age and Service
Mortality Rate Table ¹		Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	2.00% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter	

¹ 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.

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

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

The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 – 10 ²	Real Return Years 11+ ³
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	(0.92%)

¹ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

Discount Rate. The discount rate used to measure the total pension liability for PERF B 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.

Sensitivity of the COE’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the COE’s proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (-100 basis points) or one percentage point higher (+100 basis points) than the current rate:

	1% Decrease	Current Discount	1% Increase
(\$ Amounts in thousands)	(6.15%)	Rate (7.15%)	(8.15%)
District's proportionate share of the net pension liability	\$ 17,535	\$ 12,165	\$ 7,710

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPEPRS Comprehensive Annual Financial Report.

NOTE 11 – POST EMPLOYMENT HEALTH CARE PLAN AND OTHER POST EMPLOYMENT BENEFITS (OPEB)

11 - A. Cal STRS

Plan Description. CalSTRS administers a postemployment benefit plan Medicare Premium Payment (“MPP”) Program. The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (“OPEB”) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (“THBF”).

Benefits Provided. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRP DB Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A.

Contributions. The MPP Program is funded on a pay-as-you go basis from a portion of monthly contributions, by Districts in the retirement system. In accordance with California *Education Code* §25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program. Total contributions directed to the MPP Program for year 2018-19 was \$28.0 million. The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the California State Treasurer.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

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

At June 30, 2020, the COE reported a liability of \$55,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The COE’s proportion of the net OPEB liability was based on the COE’s proportionate share of total CalSTRS-Calculated Employer Contribution, statutorily determined. The COE’s proportion was as follows:

	<u>Jun. 30, 2019</u>	<u>Jun. 30, 2018</u>	<u>Difference</u>
Net OPEB Liability Allocation Basis	0.0001500	0.0001427	0.0000073

For the year ended June 30, 2020, the COE recognized pension expense of \$1,000.

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The total OPEB liability for the MPP Program as of June 30, 2019, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed below.

Valuation Date	June 30, 2018
Experience Study	July 1, 2010 – June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.50%
Medicare Part A Premium Costs Trend Rate ¹	3.7%
Medicare Part B Premium Costs Trend Rate ¹	4.1%

¹ The assumed increases in the Medicare Part A and Part B Cost Trend Rates vary by year, however; the increases are approximately equivalent to a 3.7 percent and 4.1 percent increase each year for Medicare Part A and Part B, respectively.

In addition, assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members’ ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23% of the potentially eligible population of 165,422.

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS 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-2016) table issued by the Society of Actuaries.

Discount Rate. The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37% from 3.87% as of June 30, 2018.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

Sensitivity of the COE’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.

The following table presents the net OPEB liability of employers as of June 30, 2017, using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

	Current		
	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
<i>(Amounts in thousands)</i>			
District's proportionate share of the net pension liability	\$ 61	\$ 56	\$ 51

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Medicare Cost Trend Rates. The June 30, 2018, valuation uses the 2019 Medicare Part A and Part B premiums as the basis for future premium calculations. Future premiums are assumed to increase with a medical trend rate that varies by year, as shown in the following table:

	Current Health		
	1% Decrease (2.1%)	Trend Rate (3.1%)	1% Increase (4.1%)
<i>(Amounts in thousands)</i>			
District's proportionate share of the net pension liability	\$ 51	\$ 56	\$ 62

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS Comprehensive Annual Financial Report, but there are no material assets accumulated in the trust that meets the criteria in paragraph 4 of Statement 75.

11 - B. COE’s OPEB

Plan Description. The plan is a single-employer defined benefit healthcare plan administered by the Yuba County Office of Education. The Plan offers the following benefits by bargaining unit:

Benefits Provided

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Benefit types provided	Medical, dental and vision	Medical, dental, and vision	Medical, dental, and vision
Duration of Benefits	To age 65	To age 65	To age 65
Required Service	15 years	15 years	15 years
Minimum Age	55	55	55
Dependent Coverage	No	No	No
COE Contribution %	100%	100%	100%
COE Cap	Lowest premium for retiree only coverage	Lowest premium for retiree only medical coverage	Lowest premium for retiree only medical coverage

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

Employees Covered by Benefit Terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees	162
Total	170

Total OPEB Liability. The COE's total OPEB liability of \$2,833,000 was measured, as of June 30, 2018 and rolled forward to June 30, 2020.

Measurement Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate:	2.79%
Discount Rate:	3.8%
Medical trend	4%

The discount rate was based on the Bond Buyer 20 Bond Index.

Mortality, retirement, service requirements, turnover and costs for coverage were based on the CalSTRS and CalPERS Schools assumptions.

Changes in the Total OPEB Liability

(\$ amounts in thousands)

Balance at July 01, 2019	\$	2,688
Changes for the year:		
Service cost		286
Interest		103
Benefit payments		(244)
Net changes		145
Balances at June 30, 2020	\$	2,833

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the COE's net OPEB liability would be if it were calculated using the following rates:

	Current		
	1% Decrease (2.8%)	Discount Rate (3.8%)	1% Increase (4.8%)
<i>(\$ Amounts in thousands)</i>			
District's proportionate share of the net OPEB liability	\$ 2,830	\$ 2,833	\$ 2,836

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

	Current Health		
(\$ Amounts in thousands)	1% Decrease (3%)	Trend Rate (4%)	1% Increase (5%)
District's proportionate share of the net OPEB liability	\$ 2,807	\$ 2,833	\$ 2,859

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
 For the year ended June 30, 2020, the COE recognized an OPEB expense of \$145,000.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

12 - A. Grants

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

12 - B. Litigation

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

12 - C. Operating Leases

As of June 30, 2020, the COE has various operating lease for the use of copy machines. The annual lease payments are as follows:

<u>Fiscal Year</u>	<u>Lease Payments</u>
2021	\$ 28,432
2022	18,552
2023	2,685
	\$ 49,669

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The COE is a member of three joint powers authorities (JPAs). The first is the North Valley Schools Insurance Group (NVSIG) to provide workers' compensation insurance, and the second is the Tri-County Schools Insurance Group (TCSIG) to provide liability and property insurance, the third is Schools Excess Liabilities Fund (SELF) for excess liability and property insurance. The relationship is such that the JPAs are not component units of the COE for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the COE are included in these financial statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2020, the COE made payments of \$245,546 and \$94,351, to NVSIG and TCSIG, respectively. SELF is paid through TCSIG.

REQUIRED SUPPLEMENTARY INFORMATION

<PAGE INTENTIONALLY LEFT BLANK>

YUBA COUNTY OFFICE OF EDUCATION

COUNTY SCHOOL SERVICES FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variances - Positive / (Negative) Final to Actual
	Original	Final	Actual	
REVENUES				
Local Control Funding				
Formula ("LCFF") Sources				
State aid	\$ 3,156,232	\$ 2,397,834	\$ 2,379,548	\$ (18,286)
Local sources	2,802,756	3,302,786	3,427,797	125,011
Transfers	(160,000)	(60,000)	(20,000)	40,000
Federal sources	2,417,719	2,831,660	3,074,847	243,187
Other State sources	3,038,040	3,167,335	3,208,969	41,634
Other local sources	7,340,394	7,757,527	7,577,619	(179,908)
Total Revenues	18,595,141	19,397,142	19,648,780	251,638
EXPENDITURES				
Certificated salaries	5,080,268	5,077,895	5,158,147	(80,252)
Classified salaries	5,112,513	5,263,812	5,146,666	117,146
Employee benefits	4,657,341	4,588,304	4,680,450	(92,146)
Books and supplies	572,614	826,383	683,398	142,985
Services and other operating expenditures	2,647,484	3,803,725	3,426,391	377,334
Capital outlay	4,500	148,500	156,129	(7,629)
Other outgo				
Excluding transfers of indirect costs	289,048	291,851	387,861	(96,010)
Transfers of indirect costs	(77,580)	(90,174)	(80,262)	(9,912)
Total Expenditures	18,286,188	19,910,296	19,558,780	351,516
Excess (Deficiency) of Revenues				
Over Expenditures	308,953	(513,154)	90,000	603,154
Other Financing Sources (Uses):				
Transfers In	1,200	404,430	408,883	4,453
Other Sources	-	-	28,216	28,216
Transfers Out	(401,000)	(401,000)	(651,000)	(250,000)
Net Financing Sources (Uses)	(399,800)	3,430	(213,901)	(217,331)
NET CHANGE IN FUND BALANCE	(90,847)	(509,724)	(123,901)	385,823
Fund Balance - Beginning	4,234,227	4,234,227	4,234,227	
Fund Balance - Ending	\$ 4,143,380	\$ 3,724,503	\$ 4,110,326	\$ 385,823

YUBA COUNTY OFFICE OF EDUCATION

CHARTER SCHOOL SPECIAL REVENUE FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variances -
	Original	Final	Actual	Positive / (Negative) Final to Actual
REVENUES				
Local Control Funding				
Formula ("LCFF") Sources				
State aid	\$ 3,002,367	\$ 2,754,772	\$ 2,774,421	\$ 19,649
Other State sources	174,762	174,762	215,183	40,421
Other local sources	115,236	123,914	146,615	22,701
Total Revenues	3,292,365	3,053,448	3,136,219	82,771
EXPENDITURES				
Certificated salaries	1,405,545	1,360,638	1,333,282	27,356
Classified salaries	507,810	467,810	471,880	(4,070)
Employee benefits	872,171	805,289	834,171	(28,882)
Books and supplies	123,443	142,661	70,738	71,923
Services and other operating expenditures	469,532	459,092	469,762	(10,670)
Total Expenditures	3,378,501	3,235,490	3,179,833	55,657
NET CHANGE IN FUND BALANCE	(86,136)	(182,042)	(43,614)	138,428
Fund Balance - Beginning	958,412	958,412	958,412	
Fund Balance - Ending	\$ 872,276	\$ 776,370	\$ 914,798	\$ 138,428

YUBA COUNTY OFFICE OF EDUCATION

SPECIAL EDUCATION PASS-THROUGH FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variances - Positive / (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Local Control Funding Formula ("LCFF") Sources				
Federal sources	\$ 2,827,114	\$ 2,827,114	\$ 2,877,902	\$ 50,788
Other State sources	6,390,482	7,155,011	7,342,939	187,928
Other local sources	10,000	10,000	15,922	5,922
Total Revenues	9,227,596	9,992,125	10,236,763	244,638
EXPENDITURES				
Other outgo				
Excluding transfers of indirect costs	9,217,596	9,982,125	10,220,840	(238,715)
NET CHANGE IN FUND BALANCE	10,000	10,000	15,923	5,923
Fund Balance - Beginning	283,844	283,844	283,844	
Fund Balance - Ending	\$ 293,844	\$ 293,844	\$ 299,767	\$ 5,923

YUBA COUNTY OFFICE OF EDUCATION

DEFERRED MAINTENANCE FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Actual	Variances - Positive / (Negative) Final to Actual
	Original	Final			
REVENUES					
Formula ("LCFF") Sources					
Transfers	\$ 160,000	\$ 60,000	\$ 20,000	\$ (40,000)	
Other local sources	20,000	30,000	41,374	11,374	
Total Revenues	180,000	90,000	61,374	(28,626)	
EXPENDITURES					
Books and supplies	-	-	2,626	(2,626)	
Services and other operating expenditures	50,000	100,000	80,046	19,954	
Total Expenditures	50,000	100,000	82,672	17,328	
Excess (Deficiency) of Revenues					
Over Expenditures	130,000	(10,000)	(21,298)	(11,298)	
Other Financing Sources (Uses):					
Transfers In	-	73,338	73,337	(1)	
NET CHANGE IN FUND BALANCE	130,000	63,338	52,039	(11,299)	
Fund Balance - Beginning	1,941,866	1,941,866	1,941,866		
Fund Balance - Ending	\$ 2,071,866	\$ 2,005,204	\$ 1,993,905	\$ (11,299)	

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(\$ amounts in thousands)

Cal STRS	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
District's proportionate share of the net pension liability (asset)	\$ 8,764	\$ 8,338	\$ 8,344	\$ 7,808	\$ 6,889	\$ 6,237
State's proportionate share of the net pension liability (asset) associated with the District	3,094	3,036	3,099	2,832	2,383	2,391
Total	\$ 11,858	\$ 11,374	\$ 11,443	\$ 10,640	\$ 9,272	\$ 8,628
District's covered payroll	\$ 5,206	\$ 4,881	\$ 4,729	\$ 4,781	\$ 4,697	\$ 4,699
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168%	171%	176%	163%	147%	133%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	65%	70%	74%	77%
Cal PERS	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
District's proportionate share of the net pension liability (asset)	\$ 12,165	\$ 10,568	\$ 9,382	\$ 7,524	\$ 5,512	\$ 4,157
District's covered payroll	\$ 5,761	\$ 5,227	\$ 5,006	\$ 4,546	\$ 4,144	\$ 3,863
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	211%	202%	187%	166%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF CONTRIBUTIONS

(\$ amounts in thousands)

Cal STRS	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 988	\$ 848	\$ 710	\$ 595	\$ 513	\$ 417
Contributions in relation to the contractually required contribution	(988)	(848)	(710)	(595)	(513)	(417)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,778	\$ 5,206	\$ 4,916	\$ 4,729	\$ 4,781	\$ 4,697
Contributions as a percentage of covered payroll	17%	16%	14%	13%	11%	9%
Cal PERS	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,177	\$ 1,041	\$ 812	\$ 695	\$ 539	\$ 488
Contributions in relation to the contractually required contribution	(1,177)	(1,041)	(812)	(695)	(539)	(488)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,968	\$ 5,761	\$ 5,227	\$ 5,006	\$ 4,546	\$ 4,144
Contributions as a percentage of covered payroll	20%	18%	16%	14%	12%	12%

YUBA COUNTY OFFICE OF EDUCATION

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITIES AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020**

COE Plan:

	<i>(\$ Amounts in thousands)</i>		
	2020	2019	2018
Changes for the year:			
Service cost	\$ 286	\$ 277	\$ 268
Interest	103	67	86
Benefit payments	(244)	(86)	(111)
Net Changes in Total OPEB Liability	145	258	243
Total OPEB Liability - Beginning	2,688	2,430	2,187
Total OPEB Liability - Ending	\$ 2,833	\$ 2,688	\$ 2,430
Covered Payroll	\$ 11,455	\$ 11,455	\$ 11,455
Total OPEB liability as a percentage of covered payroll	25%	23%	21%
District Has No Assets Accumulated in a Trust to Pay Related Benefits			

CalSTRS OPEB Plan:

	<i>(\$ Amounts in thousands)</i>		
	2020	2019	2018
District's Proportion of the collective net OPEB liability	\$ 56	\$ 55	\$ 61
District's proportionate share of the collective net OPEB liability	0.014%	0.014%	0.014%
The District makes no contributions to the plan. Rather, CalSTRS siphons benefit payments from all the school districts' regular pension contributions.			
Covered Payroll ¹	\$ -	\$ -	\$ -
Total OPEB liability as a percentage of covered payroll	0.000%	0.000%	0.000%

¹ Defined as the payroll on which contributions to a pension plan are based, but for CalSTRS OPEB there are no contributions based on payroll

District Has No Material Assets Accumulated in a Trust to Pay Related Benefits

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

<PAGE INTENTIONALLY LEFT BLANK>

SUPPLEMENTARY INFORMATION

<PAGE INTENTIONALLY LEFT BLANK>

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	Pass-Through Entity Identifying Number	Federal Exp.	Exp. to Sub-recipients
U. S. DEPARTMENT OF EDUCATION:				
Passed through California Department of Education (CDE):				
Every Student Succeeds Act ("ESSA"):				
Title I, Part D, Local Delinquent Programs	84.010	14357	\$ 178,574	\$ -
Title I, School Improvement (CSI) Funding for LEAs	84.010	15438	172,033	-
Title I, School Improvement (CSI) Funding for LEAs	84.010	15439	28,694	-
Title I, Subtotal			379,301	-
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	35,770	-
Title III, Limited English Proficient (LEP)	84.365	14346	19,802	19,712
Education for Homeless Children and Youth	84.196	14332	28,525	-
Special Education: IDEA:				
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	3,150,490	2,693,541
Preschool Grants, Part B, Sec 619 (Age 3-4-5)	84.173	13430	93,891	-
Mental Health Allocation Plan, Part B, Sec 611	84.027	15197	191,329	184,361
Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,000	-
Alternate Dispute Resolution, Part B, Sec 611	84.173A	13007	6,391	-
Supporting Inclusive Practices	84.027	13693	5,246	-
Special Education: IDEA, Subtotal			3,448,347	2,877,902
Early Intervention Grants	84.181	23761	63,140	-
Total U. S. Department of Education			3,974,885	2,897,614
U. S. DEPARTMENT OF AGRICULTURE:				
Passed through CDE:				
Forest Reserve	10.665	10044	37,378	32,030

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
 FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	Pass-Through Entity Identifying Number	Federal Exp.	Exp. to Sub-recipients
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through CDE:				
Child Development:				
Quality Improvement Activities	93.575	14990	66,466	-
Federal Local Planning Councils (Contract Prefix CLPC)	93.575	13946	92,072	-
Child Development, Subtotal			158,538	-
Medi-Cal:				
Billing Option	93.778	10013	253,882	-
Administrative Activities ("MAA")	93.778	10060	59,352	-
Medi-Cal, Subtotal			313,234	-
Total U. S. Department of Health & Human Services			471,772	-
U. S. DEPARTMENT OF JUSTICE				
Passed through the California Board of State and Community Corrections:				
Juvenile Justice and Delinquency Prevention	16.540	*	119,227	-
U. S. DEPARTMENT OF LABOR				
Passed through North Central Counties Consotium:				
Workforce Innovation and Opportuntiy Act (WIOA) Cluster [1]:				
Adult Programs	17.258	*	387,262	-
Youth Activities	17.259	*	373,719	-
Dislocated Workers	17.278	*	609,298	-
WIOA, Subtotal [1]			1,370,279	-
Employment Service/Wagner-Peyser Funded Activities	17.207	*	48,120	-
Total U. S. Department of Labor			1,418,399	-
Total Federal Expenditures			\$6,021,661	\$2,929,644

[1] - Major Program

* - No PCS Number

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2020**

Attendance Yuba COE:

	Second Period	
	Report	Annual Report
ELEMENTARY		
Juvenile halls, homes, and camps	0	0
Probation referred, on probabtion or parole, expelled	4	4
Total Elementary	4	4
SECONDARY		
Juvenile halls, homes, and camps	31	31
Probation referred, on probabtion or parole, expelled	31	31
Total Secondary	62	62
Total	66	66

Attendance COE Funded County Program:

	Second Period	
	Report	Annual Report
ELEMENTARY		
Special day classes	99	99
Extended year special education	6	6
Total Elementary	105	105
SECONDARY		
Special day classes	51	51
Extended year special education	4	4
Total Secondary	55	55
Total	160	160

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA), Continued
 FOR THE YEAR ENDED JUNE 30, 2020

Yuba County Career Charter Preparatory Academy:

	Second Period	
	Report	Annual Report
REGULAR ELEMENTARY AND HIGH SCHOOL		
Total transitional kindergarten through third	2	2
Total fourth through sixth	4	4
Total seventh through eighth	18	18
Total ninth through twelfth	150	150
Total Elementary and High School	174	174
Classroom-based ninth through twelfth	52	52

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2020

Yuba County Office of Education, not applicable.

Yuba County Career Charter Preparatory Academy:

<u>Grade Level</u>	<u>Education Code §47612.5 Requirement</u>	<u>Current Year Minutes</u>	<u>Number of Days</u>	<u>Status</u>
Grade 9	64,800	65,529	180	Complied
Grade 10	64,800	65,529	180	Complied
Grade 11	64,800	65,529	180	Complied
Grade 12	64,800	65,529	180	Complied

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

	2021 (Budget)	2020	2019	2018
COUNTY SCHOOL SERVICES FUND:				
Revenues	\$ 19,261,478	\$ 19,648,780	\$ 19,920,198	\$ 18,432,914
Other sources and transfers in	5,600	437,099	20,380	210,197
Total	19,267,078	20,085,879	19,940,578	18,643,111
Expenditures	18,577,477	19,558,780	18,811,074	17,265,861
Other uses and transfers out	609,000	651,000	2,840,000	1,096,772
Total	19,186,477	20,209,780	21,651,074	18,362,633
INCREASE/(DECREASE) IN FUND BALANCE	\$ 80,601	\$ (123,901)	\$ (1,710,496)	\$ 280,478
ENDING FUND BALANCE	\$ 4,190,927	\$ 4,110,326	\$ 4,234,227	\$ 5,944,723
AVAILABLE RESERVES ¹	\$ 2,288,175	\$ 2,291,928	\$ 2,095,037	\$ 4,391,172
AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO	12%	11%	10%	24%
LONG-TERM DEBT	N/A	\$ 25,202,000	\$ 23,298,613	\$ 21,861,931
AVERAGE DAILY ATTENDANCE AT P-2 ²	226	226	244	232

The County School Services Fund balance has decreased by \$1,834,397 over the past two years. The fiscal year 2020-21 budget projects an increase of \$80,601 (two percent). For a COE this size, the State recommends available reserves of at least three percent of County School Services Fund expenditures, transfers out, and other uses (total outgo).

The COE has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2020-21 fiscal year. Total long-term obligations have increased by \$3.3 million over the past two years.

Average daily attendance has decreased by six ADA over the past two years. No change in ADA is anticipated during fiscal year 2020-21.

¹ Available reserves consist of all unassigned fund balance within the County School Services Fund

² ADA consists of Yuba COE attendance, as well as, COE funded county programs

YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	County School Services Fund	Charter School Special Revenue Fund	Child Development Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Debt Service Fund	Other Enterprise Fund	Self- Insurance Fund
FUND BALANCE / NET POSITION							
Balance, June 30, 2020, Unaudited Actuals:	\$ 4,054,694	\$ 918,707	\$ 199,670	\$ 131,599	\$ 1,064,008	\$ 2,360	\$ 649,377
Increase in:							
Cash in county	130,863	-	-	-	-	-	-
Accrued receivables	(49,921)	-	-	-	-	-	-
Capital assets	-	-	-	-	-	1,265,000	-
Accrued liabilities	(25,310)	(3,909)	(2,025)	-	-	-	-
Deferred outflows of resources - pension	-	-	-	-	-	1,000	-
Net pension liability	-	-	-	-	-	(3,000)	(2,027,922)
Decrease in:							
Cash in county	-	-	-	(130,863)	(223)	-	-
Accrued receivables	-	-	-	(736)	-	-	-
Audited financial statement	\$ 4,110,326	\$ 914,798	\$ 197,645	\$ -	\$ 1,063,785	\$ 1,265,360	\$ (1,378,545)

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2020

Charter School Number	Charter School	Status	Included in Audit Report
0092	Yuba County Career Preparatory Charter School	Active	Yes
0990	Yuba Environmental Science Charter Academy	Active	No

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

COMBINING BALANCE SHEET
JUNE 30, 2020

	Child Development Fund	Forest Reserve Fund	Special Reserve for Capital Outlay Fund	Debt Service Fund	Non-Major Governmental Funds
ASSETS					
Deposits and investments	\$ -	\$ 1	\$ 46,552	\$ 870,387	\$ 916,940
Accrued receivables	572,506	147	261	4,898	577,812
Due from other funds	318	-	-	188,500	188,818
Total Assets	\$ 572,824	\$ 148	\$ 46,813	\$ 1,063,785	\$ 1,683,570
LIABILITIES					
Accrued liabilities	\$ 237,482	\$ -	\$ -	\$ -	\$ 237,482
Due to other funds	100,921	-	-	-	100,921
Unearned revenue	36,776	-	-	-	36,776
Total Liabilities	375,179	-	-	-	375,179
FUND BALANCES					
Spendable					
Restricted	11,069	-	-	-	11,069
Committed	-	-	46,813	-	46,813
Assigned	186,576	148	-	1,063,785	1,250,509
Total Fund Balances	\$ 197,645	\$ 148	\$ 46,813	\$ 1,063,785	\$ 1,308,391
Total Liabilities and Fund Balances	\$ 572,824	\$ 148	\$ 46,813	\$ 1,063,785	\$ 1,683,570

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

	Child Development Fund	Forest Reserve Fund	Special Reserve for Capital Outlay Fund	Debt Service Fund	Non-Major Governmental Funds
REVENUES					
Federal sources	\$ 158,537	\$ 37,377	\$ -	\$ -	\$ 195,914
Other State sources	793,214	-	-	-	793,214
Other local sources	502,711	326	7,835	20,934	531,806
Total Revenues	1,454,462	37,703	7,835	20,934	1,520,934
EXPENDITURES					
Current					
General administration					
All other general administration	80,262	-	-	-	80,262
Community services	1,368,842	-	-	-	1,368,842
Transfers to other agencies	-	32,030	-	-	32,030
Debt service					
Interest and other	-	-	-	39,088	39,088
Principal	-	-	-	349,601	349,601
Total Expenditures	1,449,104	32,030	-	388,689	1,869,823
Excess (Deficiency) of Revenues					
Over Expenditures	5,358	5,673	7,835	(367,755)	(348,889)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	377,000	377,000
Transfers Out	-	(5,652)	-	-	(5,652)
Net Financing Sources (Uses)	-	(5,652)	-	377,000	371,348
NET CHANGE IN FUND BALANCE					
Fund Balance - Beginning	192,287	127	38,978	1,054,540	1,285,932
Fund Balance - Ending	\$ 197,645	\$ 148	\$ 46,813	\$ 1,063,785	\$ 1,308,391

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO SUPPLEMENTARY INFORMATION JUNE 30, 2020

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as applicable.

There are no balances of loan or loan guarantee programs (“loans”) outstanding at the end of the audit period. The District has not elected to use the 10% de minimis cost rate.

Schedule of Average Daily Attendance (“ADA”)

Displays ADA data for both the Second Period and Annual reports, by grade span and program as appropriate; and separately for each charter school, shows the total ADA and the ADA generated through classroom-based instruction by grade span, as appropriate; and if there are any ADA adjustments due to audit findings, displays additional columns for the Second Period and Annual reports reflecting the final ADA after audit finding adjustments, shown by grade span.

Schedule of Instructional Time

Displaying, for school districts, including basic aid districts, data that show whether the district complied with article 8 (commencing with §46200) of chapter 2 of part 26 of the *Education Code*; showing by grade level:

- 1) The number(s) of instructional minutes specified in *Education Code* §46207(a)
- 2) For all districts, the instructional minutes offered during the year audited showing the school with the lowest number of minutes offered at each grade level
- 3) For all districts, the number of instructional days offered during the year audited on the traditional calendar and on any multitrack year-round calendars; and whether the district complied with the instructional minutes and day’s provisions.
- 4) For charter schools, data that show whether the charter school complied with *Education Code* §§ 47612 and 47612.5; showing by grade level the number(s) of instructional minutes specified in *Education Code* §47612.5; the instructional minutes offered during the year audited showing the school location with the lowest number of minutes offered at each grade level; the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendars; and whether the charter school complied with the instructional minutes and days provisions.

Schedule of Financial Trends and Analysis

Displays information regarding the auditee's financial position and going concern status, in the form of actual financial and attendance figures for at least the most recent three-year period (ending with the audit year), plus the current year's budget, for the following items: general fund financial activity, including total revenue, expenditures, and other sources and uses; general fund balance; available reserve balances (funds designated for economic uncertainty, and any other remaining undesignated fund balance) within the general fund or special reserve fund; available reserve balances expressed as a percentage of total general fund outgo (expenditures, transfers out, and other uses), including a comparison to the applicable state-recommended available reserve percentage; total long-term debt; and elementary and secondary second principal ADA; and, when the auditee's percentage of available reserves to total general fund outgo is below the state-recommended percentage, management's plans for increasing the auditee's available reserve percentage.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

Displays the differences between the ending fund balance(s) from the audited financial statements and the unaudited ending fund balance(s) from the annual financial and budget report for each fund in which a variance occurred.

Schedule of Charter Schools

Listing of all charter schools chartered by the school district or county office of education. For each charter school, include the charter school number and indicate whether or not the charter school is included in the school district or county office of education audit.

Combining Statements – Non-Major Governmental Funds

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Local Education Agency Organization Structure

LEA Organization Structure, setting forth the following information, at a minimum:

- 1) The date on which the LEA was established, and for charter schools the date and granting authority of each charter;
- 2) The date and a general description of any change during the year audited in a school district's boundaries;
- 3) The numbers by type of schools in the LEA;
- 4) The names, titles, terms, and term expiration dates of all members of the governing board; and
- 5) The names, with their titles, of the superintendent, chief business official, and deputy/associate/assistant superintendents.

This schedule is located in the front of the report.

OTHER INDEPENDENT AUDITORS' REPORTS

<PAGE INTENTIONALLY LEFT BLANK>

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

Board of Trustees
Yuba County Office of Education
Marysville, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Yuba County Office of Education's basic financial statements, and have issued our report thereon dated March 24, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered Yuba County Office of Education'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 Yuba County Office of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Yuba County Office of Education'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Yuba County Office of Education'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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are audit adjustments with the amounts in the accompanying Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.

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 blue ink that reads 'RT Dennis Accountancy'.

March 24, 2021

RT DENNIS
ACCOUNTANCY

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Trustees
Yuba County Office of Education
Marysville, California

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Yuba County Office of Education's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Yuba County Office of Education's major federal programs for the year ended June 30, 2020. Yuba County Office of Education'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 the federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, Yuba County Office of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of Yuba County Office of Education 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 Yuba County Office of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Yuba County Office of Education's internal control over compliance.

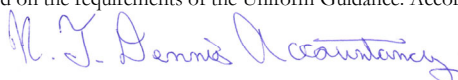
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement 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.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 24, 2021



RT DENNIS
ACCOUNTANCY

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Yuba County Office of Education
Marysville, California

REPORT ON STATE COMPLIANCE

We have audited Yuba County Office of Education's compliance with the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* ("the State Audit Guide"), applicable to Yuba County Office of Education's state compliance requirements as listed on the next page for the year ended June 30, 2020.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Yuba County Office of Education's management.

Auditors' Responsibility

Our responsibility is to express an opinion on Yuba County Office of Education'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 State Audit Guide, prescribed by the *California Code of Regulation*, Title 5 §19810, et seq. Those standards and require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on referred to previously occurred. An audit includes examining, on a test basis, evidence about Yuba County Office of Education'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 Yuba County Office of Education's compliance with those requirements.

Opinion

In our opinion, Yuba County Office of Education complied, in all material respects, with the compliance requirements referred to previously that are applicable for the programs listed on the next page for the year ended June 30, 2020.

RTDENNIS
ACCOUNTANCY

In connection with the audit referred to previously, we selected and tested transactions and records to determine the Yuba County Office of Education's compliance with the State laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
A. Attendance	Yes
B. Teacher Certification And Misassignments	Yes
C. Kindergarten Continuance	Not Applicable
D. Independent Study	Not Applicable ¹
E. Continuation Education	Not Applicable
F. Instructional Time	Not Applicable ²
G. Instructional Materials	Yes
H. Ratio Of Administrative Employees To Teachers	Not Applicable ²
I. Classroom Teacher Salaries	Not Applicable ²
J. Early Retirement Incentive	Not Applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Yes
N. Middle Or Early College High Schools	Not Applicable
O. K-3 Grade Span Adjustment	Not Applicable
P. Transportation Maintenance Of Effort	Not Applicable
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable
School Districts, County Offices Of Education, And Charter Schools	
T. California Clean Energy Jobs Act	Yes
U. After/Before School Education And Safety Program	Not Applicable
V. Proper Expenditure Of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control And Accountability Plan	Yes
Y. Independent Study Course Based	Not Applicable
Charter Schools	
AA. Attendance	Yes
BB. Mode Of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study For Charter Schools	Yes
DD. Determination Of Funding For Nonclassroom-Based Instruction	Yes
EE. Annual Instructional Minutes - Classroom Based	Yes
FF. Charter School Facility Grant Program	Not Applicable

¹ ADA is below the materiality threshold for testing

² Not applicable to county offices of education

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the State Audit Guide. Accordingly, this report is not suitable for any other purpose.



March 24, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<PAGE INTENTIONALLY LEFT BLANK>

YUBA COUNTY OFFICE OF EDUCATION

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>Yes</u>

FEDERAL AWARDS

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
	Workforce Innovation and Opportunity Act (WIOA):
	Adult Programs, Youth Activities,
<u>17.258, 17.259, & 17.278</u>	<u>and Dislocated Workers</u>

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

STATE AWARDS

Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>
---	-------------------

YUBA COUNTY OFFICE OF EDUCATION

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

There were no current year financial statement findings

YUBA COUNTY OFFICE OF EDUCATION

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

There were no Federal Award Findings or Questioned Costs noted this year.

YUBA COUNTY OFFICE OF EDUCATION

**STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

There were no State Award Findings or Questioned Costs noted.

YUBA COUNTY OFFICE OF EDUCATION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

30000

Internal Control

2019-001 Cash in County Reconciliation, 30000

CONDITION

Since the cash in county pool is made up of both cash and investments, the Auditor-Controller's report acts as a kind of bank statement the LEAs rely upon to reconcile their individual funds' cash in county balances to. The Yuba County Office of Education's cash in county balances are not reconciled timely. As of June 30, 2019, there were differences between the cash balance reported by the Yuba County Auditor-Controller and the amounts reported in the "cash in county" accounts which has led to possible cash balance discrepancies between the reported cash balance on the Unaudited Actuals.

RECOMMENDATION

The LEAs should contact the County of Yuba's Board of Supervisors to demand timely cash balance reports, or contact the Yuba County District Attorney to investigate the Yuba County Auditor-Controller as to the reason for the delayed cash balance reports, as it could be an indication of serious issues. Additionally, the LEAs need to start using the Treasurer's cash balance report in concert with the auditor-controller's cash balance report.

STATUS

Implemented

<PAGE INTENTIONALLY LEFT BLANK>

Series 9000 – Board Bylaws

BB 9100

TITLE: Organization	
Approved by: _____ <i>Desiree Hastey, Board President</i>	Series: Board Bylaws Version: New Effective Date: 4/14/2021 Previous Policy Date: N/A Revised By: Policy Committee Policy Number: BB 9100

Each year, the Governing Board shall hold an annual organizational meeting. In any year in which a regular election of district Board members is conducted, the organizational meeting shall be held within a 15-day period beginning from the date upon which a Board member elected at that election takes office. During non-election years, the meeting shall be held within the same 15-day period on the calendar. (Education Code 35143)

The day and time of the annual meeting shall be selected by the Board at its regular meeting held immediately prior to the first day of the 15-day period. Within 15 days prior to the date of the annual meeting, the clerk of the Board, with the assistance of the Superintendent, shall notify in writing all Board members and members-elect of the date and time selected for the meeting. (Education Code 35143)

At this meeting, the Board shall:

1. Elect a president and vice president from its members
2. Appoint the Superintendent as secretary to the Board
3. Authorize signatures
4. Approve a schedule of regular meetings for the year
5. Designate Board representatives to serve on committees

(cf. 9140 - Board Representatives)
(cf. 9000 - Role of the Board)
(cf. 9005 - Governance Standards)
(cf. 9230 - Orientation)
(cf. 9240 - Board Training)
(cf. 9320 - Meetings and Notices)
(cf. 9323 - Meeting Conduct)

Election of Officers

The Board shall each year elect its officers.

(cf. 9224 - Oath or Affirmation)

The election of Board officers shall be conducted during an open session of the annual organizational meeting.

Legal Reference:

EDUCATION CODE

5017 Term of office

35143 Annual organizational meeting date, and notice

35145 Public meetings

GOVERNMENT CODE

54953 Meetings to be open and public; attendance

ATTORNEY GENERAL OPINIONS

68 Ops.Cal.Atty.Gen. 65 (1985)

59 Ops.Cal.Atty.Gen. 619, 621-622 (1976)

Series 9000 – Board Bylaws

BB 9320

TITLE: Meetings and Notices	
Approved by: _____ <i>Desiree Hastey, Board President</i>	Series: Board Bylaws Version: 5 Effective Date: 4/14/2021 Previous Policy Date: 9/11/2002 Revised By: Policy Committee Policy Number: BB 9323

Meetings of the Governing Board are conducted for the purpose of accomplishing county business. In accordance with state open meeting laws (Brown Act), the Board shall hold its meetings in public and shall conduct closed sessions during such meetings only as authorized by law. To encourage community involvement in the schools, Board meetings shall provide opportunities for questions and comments by members of the public. All meetings shall be conducted in accordance with law and the Board's bylaws, policies, and administrative regulations.

- (cf. 9321 - Closed Session)
- (cf. 9322 - Agenda/Meeting Materials)
- (cf. 9323 - Meeting Conduct)

A Board meeting exists whenever a majority of Board members gather at the same time and location, including teleconference location, to hear, discuss, deliberate, or take action upon any item within the subject matter jurisdiction of the Board or district. (Government Code 54952.2)

A majority of the Board shall not, outside of an authorized meeting, use a series of communications of any kind, directly or through intermediaries, including social media and other electronic communications, to discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the Board. (Government Code 54952.2)

In order to help ensure the participation of individuals with disabilities at Board meetings, the Superintendent or designee shall provide appropriate disability-related accommodations or modifications upon request in accordance with the Americans with Disabilities Act. (Government Code 54953.2, 54954.1, 54954.2)

Regular Meetings

The Board shall hold regular meeting(s) each month. Regular meetings shall be held at 4:30p.m. on the second Wednesday of each month (exceptions require prior board approval).

At least 72 hours prior to a regular meeting, the agenda shall be posted at one or more locations

freely accessible to members of the public and on the county's Internet web site. (Government Code 54954.2)

(cf. 1113 - District and School Web Sites)

Whenever agenda materials relating to an open session of a regular meeting are distributed to the Board less than 72 hours before the meeting, the Superintendent or designee shall make the materials available for public inspection at a public office or location designated for that purpose. (Government Code 54957.5)

(cf. 1340 - Access to District Records)

Special Meetings

Special meetings of the Board may be called at any time by the presiding officer or a majority of the Board members. However, a special meeting shall not be called regarding the salary, salary schedule, or other compensation of the Superintendent, assistant superintendent, or other management employee as described in Government Code 3511.1. (Government Code 54956)

(cf. 2121 - Superintendent's Contract)

Written notice of special meetings shall be delivered personally or by any other means to all Board members and the local media who have requested such notice in writing. The notice also shall be posted on the county's Internet web site. The notice shall be received at least 24 hours before the time of the meeting. The notice shall also be posted at least 24 hours before the meeting in a location freely accessible to the public. The notice shall specify the time and location of the meeting and the business to be transacted or discussed. No other business shall be considered at this meeting. (Education Code 35144; Government Code 54956)

Any Board member may waive the 24-hour written notice requirement prior to the time of the meeting by filing a written waiver of notice with the clerk or secretary of the Board or by being present at the meeting at the time it convenes. (Government Code 54956)

Every notice of a special meeting shall provide an opportunity for members of the public to directly address the Board concerning any item that has been described in the meeting notice, before or during the item's consideration. (Government Code 54954.3)

Emergency Meetings

In the case of an emergency situation for which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with the 24-hour notice and/or 24-hour posting requirement for special meetings pursuant to Government Code 54956. The Board shall comply with all other requirements for special meetings during an emergency meeting. (Government Code 54956.5)

An emergency situation means either of the following: (Government Code 54956.5)

1. An emergency, which shall be defined as a work stoppage, crippling activity, or other activity that severely impairs public health and/or safety as determined by a majority of the members of the Board

(cf. 4141.6/4241.6 - Concerted Action/Work Stoppage)

2. A dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist activity, or threatened terrorist act that poses peril so immediate and significant that requiring the Board to provide one-hour notice before holding an emergency meeting may endanger the public health and/or safety as determined by a majority of the members of the Board

(cf. 3516 - Emergencies and Disaster Preparedness Plan)

Except in the case of a dire emergency, the Board president or designee shall give notice of the emergency meeting by telephone at least one hour before the meeting to the local media that have requested notice of special meetings. All telephone numbers provided by the media in the most recent request for notification must be exhausted. If telephone services are not functioning, the notice requirement of one hour is waived and, as soon after the meeting as possible, the Board shall notify those media representatives of the meeting and shall describe the purpose of the meeting and any action taken by the Board. In the case of a dire emergency, the Board president or designee shall give such notice at or near the time notification is given to the other members of the Board about the meeting. (Government Code 54956.5)

The minutes of the meeting, a list of persons the Board president or designee notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be posted for at least 10 days in a public place as soon after the meeting as possible. (Government Code 54956.5)

Adjourned/Continued Meetings

The Board may adjourn/continue any regular or special meeting to a later time and location that shall be specified in the order of adjournment. Less than a quorum of the Board may adjourn such a meeting. If no Board members are present, the secretary or the clerk may declare the meeting adjourned to a later time and shall give notice in the same manner required for special meetings. (Government Code 54955)

Within 24 hours after the time of adjournment, a copy of the order or notice of adjournment/continuance shall be conspicuously posted on or near the door of the place where the meeting was held. (Government Code 54955)

Study Sessions, Retreats, Public Forums, and Discussion Meetings

The Board may occasionally convene a study session or public forum to study an issue in more detail or to receive information from staff or feedback from members of the public.

The Board may also convene a retreat or discussion meeting to discuss Board roles and relationships.

(cf. 2000 - Concepts and Roles)
(cf. 2111 - Superintendent Governance Standards)
(cf. 9000 - Role of the Board)
(cf. 9005 - Governance Standards)
(cf. 9400 - Board Self-Evaluation)

Public notice shall be given in accordance with law when a quorum of the Board is attending a study session, retreat, public forum, or discussion meeting. All such meetings shall comply with the Brown Act and shall be held in open session and within district boundaries. Action items shall not be included on the agenda for these meetings.

Other Gatherings

Attendance by a majority of Board members at any of the following events is not subject to the Brown Act provided that a majority of the Board members do not discuss specific county business among themselves other than as part of the scheduled program: (Government Code 54952.2)

1. A conference or similar public gathering open to the public that involves a discussion of issues of general interest to the public or to school board members
2. An open, publicized meeting organized by a person or organization other than the district to address a topic of local community concern
3. An open and noticed meeting of another body of the county
4. An open and noticed meeting of a legislative body of another local agency
5. A purely social or ceremonial occasion
6. An open and noticed meeting of a standing committee of the Board, provided that the Board members who are not members of the standing committee attend only as observers

(cf. 9130 - Board Committees)

Individual contacts or conversations between a Board member and any other person are not subject to the Brown Act. (Government Code 54952.2)

Location of Meetings

Meetings shall not be held in a facility that prohibits the admittance of any person on the basis of ancestry or any characteristic listed in Government Code 11135. In addition, meetings shall not be held in a facility which is inaccessible to individuals with disabilities or where members of the public must make a payment or purchase in order to be admitted. (Government Code 54961)

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

If a fire, flood, earthquake, or other emergency renders the regular meeting place unsafe, meetings shall be held for the duration of the emergency at a location designated by the Board president or designee, who shall so inform all news media who have requested notice of special meetings by the most rapid available means of communication. (Government Code 54954)

Teleconferencing

A teleconference is a meeting of the Board in which Board members are in different locations, connected by electronic means through audio and/or video. (Government Code 54953)

The Board may use teleconferences for all purposes in connection with any meeting within the Board's subject matter jurisdiction. All votes taken during a teleconference meeting shall be by roll call. (Government Code 54953)

During the teleconference, at least a quorum of the members of the Board shall participate from locations within county boundaries. (Government Code 54953)

Agendas shall be posted at all teleconference locations and shall list all teleconference locations whenever they are posted elsewhere. Additional teleconference locations may be provided to the public. (Government Code 54953)

All teleconference locations shall be accessible to the public. All teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the Board, including the right of the public to address the Board directly at each teleconference location. (Government Code 54953)

All Board policies, administrative regulations, and bylaws shall apply equally to meetings that are teleconferenced. The Superintendent or designee shall facilitate public participation in the meeting at each teleconference location.

Legal Reference:

EDUCATION CODE

35140 Time and place of meetings

35143 Annual organizational meeting, date, and notice

35144 Special meeting

35145 Public meetings

35145.5 Agenda; public participation; regulations
35146 Closed sessions in connection with a student
35147 Open meeting law exceptions and applications

GOVERNMENT CODE

3511.1 Local agency executives
11135 State programs and activities; prohibition of discrimination
54950-54963 The Ralph M. Brown Act, especially:
54953 Meetings to be open and public; attendance
54954 Time and place of regular meetings
54954.2 Agenda posting requirements, board actions
54956 Special meetings; call; notice
54956.5 Emergency meetings

UNITED STATES CODE, TITLE 42

12101-12213 Americans with Disabilities Act
CODE OF FEDERAL REGULATIONS, TITLE 28
35.160 Effective communications for individuals with disabilities
36.303 Auxiliary aids and services for individuals with disabilities

COURT DECISIONS

Garnier v. Poway Unified School District, No. 17-cv-2215-W (JLB), 2019 WL 4736208 (S.D. Cal. September 26, 2019)

Knight First Amendment Institute at Columbia University v. Trump, 928 F.3d 226 (2019)

Wolfe v. City of Fremont, (2006) 144 Cal.App. 4th 54433

ATTORNEY GENERAL OPINIONS

88 Ops.Cal.Atty.Gen. 218 (2005)
84 Ops.Cal.Atty.Gen. 181 (2001)
84 Ops.Cal.Atty.Gen. 30 (2001)
79 Ops.Cal.Atty.Gen. 69 (1996)
78 Ops.Cal.Atty.Gen. 327 (1995)

Management Resources:

CSBA PUBLICATIONS

The Brown Act: School Boards and Open Meeting Laws, rev. 2019

INSTITUTE FOR LOCAL GOVERNMENT PUBLICATIONS

The ABCs of Open Government Laws

LEAGUE OF CALIFORNIA CITIES PUBLICATIONS

Open and Public IV: A Guide to the Ralph M. Brown Act, 2nd Ed., 2010

WEB SITES

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

CSBA, GAMUT Meetings:

<http://www.csba.org/ProductsAndServices/AllServices/GamutMeetingsPolicy>

California Attorney General's Office: <http://oag.ca.gov/home>

Institute for Local Government: <http://www.ca-ilg.org>

League of California Cities: <http://www.cacities.org>