



Golden Valley Charter Schools  
Special Meeting of the Board of Trustees  
6550 Filbert Ave., Rm 9  
Orangevale, CA 95662

January 30, 2023

**Board Meeting Access Information**

**Date:** Monday, January 30, 2023  
**Time:** 8:30 a.m.  
**Primary Location:** Golden Valley Orchard, Room 9, 6550 Filbert Ave, Orangevale, CA 95662

**Remote Location:** Golden Valley River School, Library, 9601 Lake Natoma Dr., Orangevale, CA 95662

**Zoom Link:**

*Topic: BOT 2023.01.30 Special Meeting*  
*Time: Jan 30, 2023 08:30 AM Pacific Time (US and Canada)*

*Join Zoom Meeting*  
*<https://us02web.zoom.us/j/84857030266?pwd=eWQ3ZEZsNFZReUE3c1Z1ZnBBS3EwUT09>*

*Meeting ID: 848 5703 0266*  
*Passcode: 739399*  
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*Meeting ID: 848 5703 0266*  
*Passcode: 739399*  
*Find your local number: <https://us02web.zoom.us/u/keJA51KXqg>*

*This meeting is being conducted in person. Members of the public may attend in person, online via teleconference through the Zoom platform, or may phone in.*

*Members of the public who wish to comment during the Board meeting may do so in person at the primary meeting location, a remote meeting location, or use the “raise hand” tool on the Zoom platform. Members of the public may also email their comments to the Board at [bot@gvcharter.org](mailto:bot@gvcharter.org) ; emailed comments will be summarized by the board chair. Individual comments are limited to three (3) minutes. The Board will limit the total time for public comment to fifteen minutes. The Board reserves the right to mute or remove a participant from the meeting if the participant unreasonably disrupts the Board meeting.*

*Disability Accommodations. A person with a disability may contact the central office at (916) 597-1477, or email the board at [bot@gvcharter.org](mailto:bot@gvcharter.org) at least 48 hours before the scheduled board meeting to request receipt of an agenda and other distributed writings in an appropriate alternative format or to request disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public board meeting.*

January 30, 2023

Special Meeting Agenda

1. **Call to Order** – 8:30 a.m. *(J. Huetter)*
  
2. **Roll Call** – 8:30 a.m.  
**Board Members:** Jennifer Huetter, Adam Errington, Katie Gerski-Keller, Ekaterina Khmelniker, Megan Mardones, Stephen Quadro, Meredith Willsen.
  
3. **Board Member Exigencies and Remote Attendance** – 8:33 a.m. *(J. Huetter)*  
**Action:** Shall the board approve any board members to participate in this board meeting from a remote location due to unexpected emergencies per AB 2449?  
**Information:** Members must publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and if so, the general nature of the member’s relationship with any such individuals; and ensure their meeting participation using both visual and audio technology.
  
4. **Flag Salute/Quote/Moment of Silence** – 8:38 a.m. *(C. Buckley)*
  
5. **Public Comment** – 8:40 a.m.  
This portion of the meeting is set aside for members of the audience to make public comments or raise issues that are not specifically on the agenda or for those that are on the agenda in areas of Board jurisdiction. These presentations are limited to three (3) minutes and the total time allotted to non-agenda items will not exceed fifteen (15) minutes.
  
6. **2021-2022 Audit Report** – 8:55 a.m. *(C. Buckley)*  
**Action:** Shall the board accept the 2021-2022 Golden Valley Charter Schools’ Audit Report prepared by Wilkinson Hadley King & Co LLC?
  
7. **Recitation of the Motto of the Social Ethic** – 9:15 a.m.  
The healing social life is found  
When in the mirror of each human soul  
The whole community finds its reflection,  
And when, in the community,  
The virtue of each one is living.
  
8. **Adjournment of the meeting** – 9:16 a.m. *(J. Huetter)*



Golden Valley  
Charter Schools for  
Education Renewal

Charters  
#0946,#1728,#1991

Audit Report

June 30, 2022



WILKINSON HADLEY  
KING & CO. LLP  
CPAs AND ADVISORS



# Golden Valley Charter Schools for Education Renewal

Financial Statements and Supplemental Information (Continued)

Year Ended June 30, 2022

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## Independent Auditor's Report

To the Board of Trustees of  
Golden Valley Charter Schools for Education Renewal

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Golden Valley Charter Schools for Education Renewal (a nonprofit organization), which comprise the statement of consolidated financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Golden Valley Charter Schools for Education Renewal as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

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

#### Emphasis of Matter

As discussed in Note J to the financial statements, in March 2022 the Board of Trustees of Golden Valley Charter Schools for Education Renewal voted to approve the closure of Golden Valley Tahoe. Note J details the School's plan for the remaining assets and liabilities.

#### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The additional accompanying supplementary information, as identified in the Table of Contents and as required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as identified in the Table of Contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of Golden Valley Charter Schools for Education Renewal’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Golden Valley Charter Schools for Education Renewal’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Golden Valley Charter Schools for Education Renewal’s internal control over financial reporting and compliance.

El Cajon, California  
December 15, 2022

## Financial Statements

# Golden Valley Charter Schools for Education Renewal

Consolidated Statement of Financial Position

June 30, 2022

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## Assets

Cash and cash equivalents	\$ 1,657,538
Accounts receivable	299,924
Prepaid expenses	113,805
Property and equipment, net	8,567
Total Assets	<u>\$ 2,079,834</u>

## Liabilities and Net Assets

### Liabilities

Accounts payable - vendors	\$ 37,142
Accounts payable - grantor governments	291,413
Accrued payroll liabilities	360,978
Unearned revenue	365,219
Total Liabilities	<u>1,054,752</u>

### Net Assets

Without donor restrictions	
Undesignated	1,016,515
Invested in property and equipment, net of related debt	8,567
Total Net Assets	<u>1,025,082</u>
Total Liabilities and Net Assets	<u>\$ 2,079,834</u>

The accompanying notes are an integral part of this statement.

# Golden Valley Charter Schools for Education Renewal

## Consolidated Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 2,586,377	\$ -	\$ 2,586,377
Education protection account state aid	948,350	-	948,350
Transfers in lieu of property taxes	1,314,653	-	1,314,653
Total LCFF sources	4,849,380	-	4,849,380
Federal contracts and grants	-	57,989	57,989
State contracts and grants	667,345	560,128	1,227,473
Local contracts and grants	370,122	-	370,122
Donations	86,853	-	86,853
Interest income	37	-	37
Net assets released from restriction -			
Grant restrictions satisfied	618,117	(618,117)	-
Total revenue, support, and gains	6,591,854	-	6,591,854
<b>Expenses and Losses</b>			
Program services expense	5,560,224	-	5,560,224
Supporting services expense	2,078,274	-	2,078,274
Total expenses and losses	7,638,498	-	7,638,498
<b>Change in Net Assets</b>	(1,046,644)	-	(1,046,644)
<b>Net Assets, Beginning of Year</b>	2,071,726	-	2,071,726
<b>Net Assets, End of Year</b>	\$ 1,025,082	\$ -	\$ 1,025,082

The accompanying notes are an integral part of this statement.

# Golden Valley Charter Schools for Education Renewal

## Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	<u>Educational Programs</u>	<u>Management and General</u>	
Salaries and wages	\$ 2,866,213	\$ 1,165,968	\$ 4,032,181
Pension expense	879,306	298,280	1,177,586
Other employee benefits	192,322	95,103	287,425
Payroll taxes	145,215	84,693	229,908
Fees for services:			
Management	-	71,892	71,892
Legal	-	5,439	5,439
Audit	-	21,600	21,600
Professional consulting	355,987	21,200	377,187
District oversight	-	32,520	32,520
Banking and service charges	-	21,910	21,910
Advertising and promotion	4,138	13,866	18,004
Operation and housekeeping	161,044	11,880	172,924
Occupancy	595,556	33,012	628,568
Conferences, conventions, and meetings	106,055	21,889	127,944
Depreciation	4,113	-	4,113
Insurance	-	94,547	94,547
Other expenses:			
Books and supplies	185,920	60,932	246,852
Equipment rental and repair	13,119	4,929	18,048
Student events	51,237	-	51,237
Dues and memberships	-	15,780	15,780
Miscellaneous	-	2,833	2,833
<b>Total expenses by function</b>	<b>\$ 5,560,224</b>	<b>\$ 2,078,274</b>	<b>\$ 7,638,498</b>

The accompanying notes are an integral part of this statement.

# Golden Valley Charter Schools for Education Renewal

Consolidated Statement of Cash Flows

Year Ended June 30, 2022

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## Cash Flows from Operating Activities

Receipts from federal, state, and local contracts and grants	\$ 7,068,016
Receipts from property taxes	1,314,653
Receipts from interest	37
Other cash receipts	86,853
Payments for salaries, benefits and payroll taxes	(5,703,862)
Payments to vendors	(1,987,107)

**Net Cash Provided By Operating Activities** 778,590

## Cash Flows from Financing Activities

Payments on notes payable	(50,000)
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**Net Cash Used In Financing Activities** (50,000)

**Net Change in Cash and Cash Equivalents** 728,590

**Cash and Cash Equivalents, Beginning of Year** 928,948

**Cash and Cash Equivalents, End of Year** \$ 1,657,538

## Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities

Change in net assets \$ (1,046,644)

Adjustments to reconcile change in net assets to net cash:

Depreciation and amortization 4,113

Changes in operating assets and liabilities

(Increase) Decrease in assets

Accounts receivable 1,417,052

Prepaid expenses (55,082)

Increase (Decrease) in liabilities

Accounts payable - vendors (24,740)

Accounts payable - grantor governments 291,413

Accrued payroll liabilities 23,238

Unearned revenue 169,240

**Net Cash Provided By Operating Activities** \$ 778,590

The accompanying notes are an integral part of this statement.

# Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements

Year Ended June 30, 2022

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## A. Principal Activity and Summary of Significant Accounting Policies

### *Organization Structure*

#### Charter Schools

Golden Valley Charter Schools for Educational Renewal (the Organization) is a non-profit public benefit corporation. The Organization petitioned and was approved through San Juan Unified School District for a charter. The mission of the Organization is that each student becomes a self-directed, life-long learner with the support of a community of peers, teachers, and parents. The Organization envisions that through a whole-child approach to learning, student curiosity, enthusiasm and effort will enable all children to reach the fullest expression of their individual potential.

The Organization operates three charter schools. Golden Valley River [#0946] is a K-8 charter school and was granted a charter number under the sponsorship of the San Juan Unified School District for a charter in July 2007. Golden Valley Orchard [#1728] is a K-8 charter school that was granted its charter by the San Juan Unified School District in May 2015. Golden Valley Tahoe [#1991] is a K-6 charter school that was granted its charter by the Newcastle Elementary School District in September 2018. They were formed pursuant to the terms of the Charter Schools Act (the Act) of 1992, as amended. The Act authorized the formation of charter schools for the purpose, among others, of developing new, innovative, and more flexible ways of educating children within the public school system. In 2015, Golden Valley Charter Schools for Educational Renewal transitioned from a single site to a central office of a charter management organization in order to support operating multiple schools.

#### Home Office

The Home Office location is utilized by the back office, CSMC, to handle intercompany transactions for the entity as a whole. It is not a separate entity, the assets and liabilities that it has belong to the organization.

### *Basis of Accounting*

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The Organization uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

### *Cash and Cash Equivalents*

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

### *Accounts Receivable*

Accounts receivable consist primarily of noninterest-bearing amounts due to the Organization for federal, state, and local grants and contracts receivable. The amounts in accounts receivable are considered fully collectable and as such there has not been an allowance for uncollectable accounts or discount established for the Organization.

# Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

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## *Property and Equipment*

The Organization records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed in the current period.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2022.

## *Investments*

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values on the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

## *Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

## *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 Organization prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Organization has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

# Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

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## *Revenue and Revenue Recognition*

The Organization recognizes revenue from sales when the products are transferred, and services are provided. The Organization records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Some federal, state, and local contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expense. In such cases the revenue is recognized once all performance requirements have been met.

## *Donated Services and In-Kind Contributions*

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and developing activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

## *Advertising*

Advertising costs are expensed as incurred and approximated \$18,004 during the year ended June 30, 2022.

## *Functional Allocation of Expenses*

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

## *Income Taxes*

The Organization is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The Organization may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2022, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Organization follows provisions of uncertain tax positions as addressed in ASC 958. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2022.

# Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

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## *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

## *Financial Instruments and Credit Risk*

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from government agencies.

## *LCFF Revenues and Payments in Lieu of Property Taxes*

The Organization's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by each schools' average daily attendance (ADA) as reported at the second principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to each school, which is funding in lieu of property taxes, and education protection account funds paid by the state under Proposition 30. The remaining balance is paid from the state general fund, in the form of LCFF State Aid. LCFF funding sources, inclusive of state and local sources, made up 74% of the Organization's revenue.

The Organization is not at risk of losing these funding sources, as long as each school maintains a steady level of ADA, as these funding sources are mandated by the California State Constitution to fund schools.

## *New Accounting Guidance*

The Financial Accounting Standards Board (FASB) issues accounting standards updates and additional guidance for not-for-profit and for-profit agencies to establish consistent accounting across all organizations in the United States. The following table represents items that have been issued by FASB that became effective in the 2021-22 fiscal year:

## Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Description	Date Issued
FASB Accounting Standards Update 2017-12 - <i>Derivatives and Hedging (Topic 815)</i>	Aug-17
FASB Accounting Standards Update 2018-10 - <i>Codification Improvements to Topic 842 Leases</i>	Jul-18
FASB Accounting Standards Update 2018-15 - <i>Intangibles, Goodwill and Other, Internal Use Software (Topic 350-40)</i>	Aug-18
FASB Accounting Standards Update 2018-16 - <i>Derivatives and Hedging (Topic 815)</i>	Oct-18
FASB Accounting Standards Update 2018-17 - <i>Consolidation (Topic 810)</i>	Oct-18
FASB Accounting Standards Update 2018-18 - <i>Collaborative Arrangements (Topic 808)</i>	Nov-18
FASB Accounting Standards Update 2019-02 - <i>Entertainment Film Costs (Topic 926-20)</i>	Mar-19
FASB Accounting Standards Update 2019-10 - <i>Derivatives and Hedging (Topic 815)</i>	Nov-19
FASB Accounting Standards Update 2020-07 - <i>Not-For-Profit Entities (Topic 958)</i>	Sep-20

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The School has adopted provisions of effective Accounting Standards Updates. The implementation of these items did not result in a change to financial presentation for the Organization.

### *Subsequent Events*

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 15, 2022, the date the financial statements were available to be issued.

## Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

### B. Liquidity and Availability

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	Golden Valley River	Golden Valley Orchard	Golden Valley Tahoe	Home Office	Total
Cash and cash equivalents	\$ 265,385	\$ -	\$ -	\$ 1,392,153	\$ 1,657,538
Accounts receivable	145,058	140,534	13,164	1,168	299,924
	\$ 410,443	\$ 140,534	\$ 13,164	\$ 1,393,321	\$ 1,957,462

### C. Cash and Cash Equivalents

The Organization's cash and cash equivalents on June 30, 2022, consisted of the following:

	Golden Valley River	Golden Valley Orchard	Golden Valley Tahoe	Home Office	Total
Cash in bank accounts	\$ 265,385	\$ -	\$ -	\$ 1,392,153	\$ 1,657,538
Total cash and cash equivalents	\$ 265,385	\$ -	\$ -	\$ 1,392,153	\$ 1,657,538

#### *Cash in Bank*

The Organization's cash in bank (\$1,657,538 as of June 30, 2022) is held in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. As of June 30, 2022, the Organization held \$1,215,394 in excess of the FDIC insured amounts. The Organization reduces its exposure to risk by maintaining such deposits with high quality financial institutions. The Organization has not experienced any losses in such accounts and believe it is not exposed to any significant credit risk.

## Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

### D. Accounts Receivable

As of June 30, 2022, the Organization's accounts receivable consisted of the following:

i	Golden Valley River	Golden Valley Orchard	Golden Valley Tahoe	Home Office	Total
Federal Government					
ESSER II	\$ 16,175	\$ 17,245	\$ -	\$ -	\$ 33,420
Other Federal Programs	10,296	5,935	13,164	-	29,395
State Government					
State Aid	-	15,490	-	-	15,490
Lottery Funding	42,024	36,393	-	-	78,417
Special Education	12,552	10,370	-	-	22,922
Local Government					
Property Tax Payments	64,011	55,101	-	-	119,112
Other Local Sources					
Other Local Sources	-	-	-	1,168	1,168
Total Accounts Receivable	<u>\$ 145,058</u>	<u>\$ 140,534</u>	<u>\$ 13,164</u>	<u>\$ 1,168</u>	<u>\$ 299,924</u>

### E. Prepaid Expenses

As of June 30, 2022, the Organization's prepaid expenses consisted of the following:

	Golden Valley River	Golden Valley Orchard	Golden Valley Tahoe	Home Office	Total
Rent	\$ 21,448	\$ 20,780	\$ -	\$ 2,751	44,979
Prepaid vendors	9,230	7,431	-	48,695	65,356
Insurance	-	-	-	3,470	3,470
Total Prepaid Expenses	<u>\$ 30,678</u>	<u>\$ 28,211</u>	<u>\$ -</u>	<u>\$ 54,916</u>	<u>\$ 113,805</u>

### F. Property and Equipment

Property and equipment for Golden Valley River consisted of the following at June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Capital Assets				
Equipment, Furniture, and Fixtures	\$ 14,324	\$ -	\$ -	\$ 14,324
Total Depreciable Capital Assets	<u>14,324</u>	<u>-</u>	<u>-</u>	<u>14,324</u>
Total Capital Assets	14,324	-	-	14,324
Less Accumulated Depreciation	(5,491)	(2,865)	-	(8,356)
Capital Assets, Net	<u>\$ 8,833</u>	<u>\$ (2,865)</u>	<u>\$ -</u>	<u>\$ 5,968</u>

## Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Property and equipment for Golden Valley Orchard consisted of the following at June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Capital Assets				
Equipment, Furniture, and Fixtures	\$ 6,239	\$ -	\$ -	\$ 6,239
Total Depreciable Capital Assets	6,239	-	-	6,239
Total Capital Assets	6,239	-	-	6,239
Less Accumulated Depreciation	(2,392)	(1,248)	-	(3,640)
Capital Assets, Net	\$ 3,847	\$ (1,248)	\$ -	\$ 2,599

Consolidated property and equipment consisted of the following at June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Capital Assets				
Equipment, Furniture, and Fixtures	\$ 20,563	\$ -	\$ -	20,563
Total Depreciable Capital Assets	20,563	-	-	20,563
Total Capital Assets	20,563	-	-	20,563
Less Accumulated Depreciation	(7,883)	(4,113)	-	(11,996)
Capital Assets, Net	\$ 12,680	\$ (4,113)	\$ -	\$ 8,567

### G. Unearned Revenue

At year end the Organization had performance obligations remaining to expend funds for multiple federal and state grants. As such, unexpended cash received is reflected in unearned revenue.

The following table provides information about significant changes in unearned revenue for the year ended June 30, 2022:

	Golden Valley River	Golden Valley Orchard	Golden Valley Tahoe
Unearned Revenue, beginning of period	\$ 89,710	\$ 78,011	\$ 28,258
Increases in unearned revenue due to cash received during the period	134,434	107,826	-
Decreases in unearned revenue due to performance obligations met during the period	(17,089)	(27,673)	(28,258)
Unearned Revenue, end of period	\$ 207,055	\$ 158,164	\$ -

# Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

As of June 30, 2022, unearned revenue consisted of the following:

	Golden Valley River	Golden Valley Orchard
Federal Revenue:		
Title I	\$ 7,022	\$ 5,183
ESSER II	7,590	-
GEER	1,518	1,319
ESSER III	11,743	10,207
State Revenue:		
Educator Effectiveness	22,719	17,389
Universal Pre-K	51,402	48,776
Expanded Learning Opportunities Grant	105,061	75,290
Total	<u>\$ 207,055</u>	<u>\$ 158,164</u>

## H. Employee Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plans by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Organization chooses to stop participating in some of its multi-employer plans, the Organizations may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization's participation in these plans for the fiscal year ended June 30, 2022, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2022, 2021 and 2020 is for the plan's year-end at June 30, 2022, 2021 and 2020, respectively. The zone status is based on information that the Organization received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

# Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

*Period to Period Comparability:*

Golden Valley Charter Schools for Education Renewal decreased in CalSTRS contributions from 2020 to 2021 by 1.34% followed by an increase in 2022 of 34.81%. Golden Valley Charter Schools for Education Renewal decreased in CalPERS contributions from 2020 to 2021 by 29.28% followed by an increase in 2022 of 94.08%. The fluctuation was caused by a combination of rising and declining student population and the rising pension costs during the period.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act			FIP/RP Status Pending/ Implemented
		Zone Status			
		Year Ended June 30,			
		2022	2021	2020	
CalSTRS	34098	Yellow	Yellow	Yellow	No
CalPERS	5621014982	Yellow	Yellow	Yellow	No

  

Pension Fund	Contributions			Number of Employees	Surcharge Imposed
	2022	2021	2020		
CalSTRS	\$ 393,936	\$ 292,224	\$ 296,196	35	No
CalPERS	369,708	190,488	269,354	41	No
Total	\$ 763,644	\$ 482,712	\$ 565,550	76	

**CalSTRS:**

The Organization contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level of percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2022, active plan members were required to contribute between 10.205% and 10.25% of their salary, depending on their hire date. The employer contribution rate was 16.15% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The Organization made contributions as noted above. For the year ended June 30, 2022, the State contributed \$252,799 (10.858% of certificated salaries plus an additional supplemental amount) on behalf of the School.

# Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

## CalPERS:

The Organization contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, with the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Active plan members are required to contribute 7% of their salary and the Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2010-22 was 22.91% of classified salaries. The Organization made contributions as noted above.

## **I. Upcoming Changes in Accounting Pronouncements**

The Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) that become effective over the next few fiscal years:

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2016-02 - <i>Leases (Topic 842)</i>	Feb-16	2022-23
FASB Accounting Standards Update 2016-13 - <i>Credit Losses (Topic 326)</i>	Jun-16	2023-24
FASB Accounting Standards Update 2017-04 - <i>Intangibles, Goodwill &amp; Other (Topic 350)</i>	Jan-17	2023-24
FASB Accounting Standards Update 2018-01 - <i>Leases (Topic 842)</i>	Jan-18	2022-23
FASB Accounting Standards Update 2018-11 - <i>Leases Targeted Improvements (Topic 842)</i>	Jul-18	2022-23
FASB Accounting Standards Update 2018-12 - <i>Financial Services Insurance (Topic 944)</i>	Aug-18	2024-25
FASB Accounting Standards Update 2018-14 - <i>Compensation, Retirement Benefits - Defined Benefit Plans (Topic 715-20)</i>	Aug-18	2022-23
FASB Accounting Standards Update 2018-19 - <i>Codification Improvements for Credit Losses (Topic 326)</i>	Nov-18	2023-24
FASB Accounting Standards Update 2018-20 - <i>Leases (Topic 842)</i>	Dec-18	2022-23

## Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2019-01 - <i>Leases (Topic 842)</i>	Mar-19	2022-23
FASB Accounting Standards Update 2019-09 - <i>Financial Services, Insurance (Topic 944)</i>	Nov-19	2024-25
FASB Accounting Standards Update 2019-10 - <i>Financial Instruments, Credit Losses</i>	Nov-19	2023-24
FASB Accounting Standards Update 2019-12 - <i>Income Taxes (Topic 740)</i>	Dec-19	2022-23
FASB Accounting Standards Update 2020-01 - <i>Investments (Topics 321, 323, and 815)</i>	Jan-20	2022-23
FASB Accounting Standards Update 2020-05 - <i>Revenue from Contracts with Customers (Topic 606)</i>	Jun-20	2022-23
FASB Accounting Standards Update 2020-05 - <i>Leases (Topic 842)</i>	Jun-20	2022-23
FASB Accounting Standards Update 2020-06 - <i>Debt (Topic 470-20)</i>	Aug-20	2024-25
FASB Accounting Standards Update 2020-06 - <i>Derivatives and Hedging (Topic 815-40)</i>	Aug-20	2024-25
FASB Accounting Standards Update 2020-08 - <i>Codification Improvements for Receivables (Topic 310-20)</i>	Oct-20	2022-23
FASB Accounting Standards Update 2020-10 - <i>Codification Improvements</i>	Nov-20	2025-26
FASB Accounting Standards Update 2021-02 - <i>Franchisors Revenue (Topic 952-606)</i>	Jan-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Earnings Per Share (Topic 260)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Debt Modifications and Extinguishments (Topic 470-50)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Stock Compensation (Topic 718)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Derivatives and Hedging (Topic 815-40)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-05 - <i>Leases (Topic 842)</i>	Jul-21	2022-23
FASB Accounting Standards Update 2021-07 - <i>Stock Compensation (Topic 718)</i>	Oct-21	2022-23
FASB Accounting Standards Update 2021-08 - <i>Business Combinations (Topic 805)</i>	Oct-21	2024-25

## Golden Valley Charter Schools for Education Renewal

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2021-09 - <i>Leases (Topic 842)</i>	Nov-21	2022-23
FASB Accounting Standards Update 2021-10 - <i>Government Assistance (Topic 832)</i>	Nov-21	2022-23
FASB Accounting Standards Update 2022-01 - <i>Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method</i>	Mar-22	2024-25
FASB Accounting Standards Update 2022-02 - <i>Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures</i>	Mar-22	2023-24
FASB Accounting Standards Update 2022-03 - <i>Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i>	Jun-22	2025-26
FASB Accounting Standards Update 2022-04 - <i>Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations</i>	Sep-22	2023-24

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The updates effective during the future fiscal years are not expected to impact the financial accounting or presentation for the Organization.

### **J. School Closure**

On March 9, 2022, the Governing Board for Golden Valley Charter Schools for Education Renewal voted to close Golden Valley Tahoe effective March 11, 2022. Golden Valley Charter Schools Board of Trustees voted to close the Tahoe School (GVTS) due to three primary factors. The school had no viable site. The local community college could no longer rent classrooms to GVTS and the main site was not permitted for the full enrollment of the school. The second main factor was the level of enrollment and projected enrollment was unable to sustain the budget of the school. To remain open would have taken resources from the other two schools at Golden Valley with no path to repay them. Thirdly, the parent body had greatly reduced their donations to the school while they worked with a number of faculty members to found a private school. The Board decided that it served the best interest of the students and the fiduciary responsibility of the trustees to close the school in March 2022, even though the total number of instructional minutes would have not been met. The School was issued an invoice by the California Department of Education on January 9, 2023, to recover principal apportionment funds. The remaining accounts receivable on the books as of June 30, 2022, will be written off by the Golden Valley Charter Schools for Education Renewal. Any funds received will be attempted to return through the appropriate channels.

### **K. Subsequent Events**

On March 9, 2022, the Governing Board for Golden Valley Charter Schools for Education Renewal voted to close Golden Valley Tahoe effective March 11, 2022. The administration team will work on the closure plan for the school's assets and liabilities and work to have a closing audit for the school prepared by September 11, 2022.

## Supplementary Information

## Golden Valley Charter Schools for Education Renewal

### Consolidating Statement of Financial Position

June 30, 2022

	Golden Valley River	Golden Valley Orchard	Golden Valley Tahoe	Home Office	Elimination	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 265,385	\$ -	\$ -	\$ 1,392,153	\$ -	\$ 1,657,538
Accounts receivable	145,058	140,534	13,164	1,168	-	299,924
Accounts receivable - related entities	888,234	176,447	95,957	-	(1,160,638)	-
Prepaid expenses	30,678	28,211	-	54,916	-	113,805
Property and equipment, net	5,968	2,599	-	-	-	8,567
Total Assets	\$ 1,335,323	\$ 347,791	\$ 109,121	\$ 1,448,237	\$ (1,160,638)	\$ 2,079,834
<b>Liabilities and Net Assets</b>						
<b>Liabilities</b>						
Accounts payable - vendors	\$ 28,713	\$ -	\$ -	\$ 8,429	\$ -	\$ 37,142
Accounts payable - related entities	-	-	-	1,160,638	(1,160,638)	-
Accounts payable - grantor governments	167,210	15,082	109,121	-	-	291,413
Accrued payroll liabilities	46,383	35,425	-	279,170	-	360,978
Unearned revenue	207,055	158,164	-	-	-	365,219
Total Liabilities	449,361	208,671	109,121	1,448,237	(1,160,638)	1,054,752
<b>Net Assets</b>						
<b>Without donor restrictions</b>						
Undesignated	879,994	136,521	-	-	-	1,016,515
Invested in property and equipment, net of related debt	5,968	2,599	-	-	-	8,567
Total Net Assets	885,962	139,120	-	-	-	1,025,082
Total Liabilities and Net Assets	\$ 1,335,323	\$ 347,791	\$ 109,121	\$ 1,448,237	\$ (1,160,638)	\$ 2,079,834

See Accompanying Notes to Supplementary Information

# Golden Valley Charter Schools for Education Renewal

## Consolidating Statement of Activities

June 30, 2022

	Golden Valley River		Golden Valley Orchard		Golden Valley Tahoe		Home Office	Elimination	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	
<b>Revenue, Support, and Gains</b>									
Local Control Funding Formula (LCFF) sources									
State aid	\$ 754,882	\$ -	\$ 1,488,004	\$ -	\$ 343,491	\$ -	\$ -	\$ -	\$ 2,586,377
Education protection account state aid	893,874	-	45,596	-	8,880	-	-	-	948,350
Transfers in lieu of property taxes	685,157	-	592,572	-	36,924	-	-	-	1,314,653
Total LCFF sources	<u>2,333,913</u>	<u>-</u>	<u>2,126,172</u>	<u>-</u>	<u>389,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,849,380</u>
Federal contracts and grants	-	29,562	-	28,427	-	-	-	-	57,989
State contracts and grants	122,664	436,874	449,812	106,536	94,869	16,718	-	-	1,227,473
Local contracts and grants	4,666	-	29,029	-	77,785	-	258,642	-	370,122
Donations, grants, and fundraising	383	-	1,192	-	-	-	85,278	-	86,853
Admin fees	-	-	-	-	-	-	1,268,251	(1,268,251)	-
Interest income	37	-	-	-	-	-	-	-	37
Net assets released from restriction -									
Grant restrictions satisfied	466,436	(466,436)	134,963	(134,963)	16,718	(16,718)	-	-	-
Total revenue, support, and gains	<u>2,928,099</u>	<u>-</u>	<u>2,741,168</u>	<u>-</u>	<u>578,667</u>	<u>-</u>	<u>1,612,171</u>	<u>(1,268,251)</u>	<u>6,591,854</u>
<b>Expenses and Losses</b>									
Program services expense	2,620,594	-	2,214,337	-	615,755	-	109,537	-	5,560,224
Supporting services expense	888,465	-	844,550	-	110,881	-	1,502,630	(1,268,251)	2,078,274
Total expenses and losses	<u>3,509,059</u>	<u>-</u>	<u>3,058,887</u>	<u>-</u>	<u>726,636</u>	<u>-</u>	<u>1,612,167</u>	<u>(1,268,251)</u>	<u>7,638,498</u>
<b>Change in Net Assets</b>	(580,960)	-	(317,719)	-	(147,969)	-	4	-	(1,046,644)
<b>Net Assets, Beginning of Year</b>	1,466,922	-	456,839	-	147,969	-	(4)	-	2,071,726
<b>Net Assets, End of Year</b>	<u>\$ 885,962</u>	<u>\$ -</u>	<u>\$ 139,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,025,082</u>

See Accompanying Notes to Supplementary Information

# Golden Valley Charter Schools for Education Renewal

## Consolidating Statement of Functional Expenses

June 30, 2022

	Golden Valley River		Golden Valley Orchard		Golden Valley Tahoe		Home Office		Elimination	Total
	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services		
	Educational Programs	Management and General	Educational Programs	Management and General	Educational Programs	Management and General	Educational Programs	Management and General		
Salaries and wages	\$ 1,405,993	\$ 186,259	\$ 1,067,054	\$ 173,504	\$ 316,723	\$ -	\$ 76,443	\$ 806,205	\$ -	\$ 4,032,181
Pension expense	411,417	54,502	370,684	60,273	79,806	-	17,400	183,504	-	1,177,586
Other employee benefits	77,975	10,330	80,520	13,093	27,030	-	6,797	71,680	-	287,425
Payroll taxes	72,281	9,575	53,465	8,693	13,171	-	6,298	66,425	-	229,908
Fees for services:										
Management	-	596,457	-	566,016	-	105,778	-	71,892	(1,268,251)	71,892
Legal	-	-	-	-	-	-	-	5,439	-	5,439
Audit	-	-	-	-	-	-	-	21,600	-	21,600
Professional consulting	170,097	7,145	178,709	1,701	7,181	1,389	-	10,965	-	377,187
District oversight	-	17,438	-	15,082	-	-	-	-	-	32,520
Banking and service charges	-	-	-	-	-	1,716	-	20,194	-	21,910
Advertising and promotion	1,249	-	1,090	-	1,799	-	-	13,866	-	18,004
Operation and housekeeping	61,463	-	50,700	-	48,881	-	-	11,880	-	172,924
Occupancy	257,920	-	249,155	-	88,481	-	-	33,012	-	628,568
Conferences, conventions, and meetings	53,134	-	48,524	-	4,397	-	-	21,889	-	127,944
Depreciation	2,865	-	1,248	-	-	-	-	-	-	4,113
Insurance	-	-	-	-	-	-	-	94,547	-	94,547
Other expenses:										
Books and supplies	80,932	-	78,963	-	26,025	-	-	60,932	-	246,852
Equipment rental and repair	4,734	-	6,124	-	2,261	-	-	4,929	-	18,048
Student events	20,535	-	28,102	-	-	-	2,600	-	-	51,237
Dues and memberships	-	6,758	-	6,187	-	1,998	-	837	-	15,780
Miscellaneous	-	-	-	-	-	-	-	2,833	-	2,833
Total expenses by function	<u>\$ 2,620,594</u>	<u>\$ 888,465</u>	<u>\$ 2,214,337</u>	<u>\$ 844,550</u>	<u>\$ 615,755</u>	<u>\$ 110,881</u>	<u>\$ 109,537</u>	<u>\$ 1,502,630</u>	<u>(1,268,251)</u>	<u>\$ 7,638,498</u>

See Accompanying Notes to Supplementary Information

# Golden Valley Charter Schools for Education Renewal

LEA Organization Structure

Year Ended June 30, 2022

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Golden Valley River [#0946] is a K-8 Charter School and was granted its current charter by the San Juan Unified School District for a five-year period expiring on June 30, 2026, pursuant to the terms of the Charter School Act of 1992, as amended.

Golden Valley Orchard [#1728] is a K-8 Charter School and was granted its current charter by the San Juan Unified School District on July 1, 2017, expiring on June 30, 2024, pursuant to the terms of the Charter School Act of 1992, as amended.

Golden Valley Tahoe [#1991] is a K-6 Charter School and was granted its original charter by the Newcastle Elementary School District on September 4, 2018, expiring on June 30, 2025, pursuant to the terms of the Charter School Act of 1992, as amended.

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## GOVERNING BOARD

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<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Heather Fraser-Hurtt	Chair	Two Year Term Ending June 2022
Jennifer Huetter	Vice Chair	Two Year Term Ending June 2022
Katie Gerski-Keller	Secretary	Two Year Term Ending April 2024
Ekaterina Khmelniker	Member	Two Year Term Ending August 2023
Megan Mardones	Member	Two Year Term Ending June 2024
Stephen Quadro	Member	Two Year Term Ending June 2023

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## ADMINISTRATION

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Caleb Buckley  
Executive Director

# Golden Valley Charter Schools for Education Renewal

## Schedule of Average Daily Attendance

Year Ended June 30, 2022

### Golden Valley River

	Second Period Report		Annual Report	
	Original 3C72D1C5	Revised N/A	Original CAA5994E	Revised N/A
Classroom Based Attendance				
Grades TK/K-3	116.98	N/A	116.56	N/A
Grades 4-6	71.32	N/A	71.30	N/A
Grades 7-8	41.04	N/A	41.04	N/A
Total Classroom Based Attendance	229.34	N/A	228.90	N/A
Non-Classroom Based Attendance				
Grades TK/K-3	32.15	N/A	32.56	N/A
Grades 4-6	2.11	N/A	2.14	N/A
Total Non-Classroom Based Attendance	34.26	N/A	34.70	N/A
Total ADA	263.60	N/A	263.60	N/A

### Golden Valley Orchard

	Second Period Report		Annual Report	
	Original 46FD2C64	Revised N/A	Original F7942699	Revised N/A
Classroom Based Attendance				
Grades TK/K-3	102.29	N/A	104.68	N/A
Grades 4-6	69.51	N/A	69.73	N/A
Grades 7-8	48.02	N/A	48.07	N/A
Total Classroom Based Attendance	219.82	N/A	222.48	N/A
Non-Classroom Based Attendance				
Grades TK/K-3	8.16	N/A	8.11	N/A
Total Non-Classroom Based Attendance	8.16	N/A	8.11	N/A
Total ADA	227.98	N/A	230.59	N/A

**Golden Valley Charter Schools for Education Renewal**  
 Schedule of Average Daily Attendance (Continued)  
 Year Ended June 30, 2022

**Golden Valley Tahoe**

	Second Period Report		Annual Report	
	Original A32AE6A9	Revised N/A	Original N/A	Revised N/A
Classroom Based Attendance				
Grades TK/K-3	56.17	N/A	56.17	N/A
Grades 4-6	13.66	N/A	13.66	N/A
Total Classroom Based Attendance	69.83	N/A	69.83	N/A
Total ADA	69.83	N/A	69.83	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Note: Due to the closing of Golden Valley Tahoe on March 11, 2022, the school did not submit an annual report to CDE. Therefore, the ADA from the second period report is reported for the annual report. See Note J for school closure note.

## Golden Valley Charter Schools for Education Renewal

Schedule of Instructional Time

Year Ended June 30, 2022

### Golden Valley River

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Kindergarten	36,000	36,750	0	36,750	175	0	175	Complied
1st Grade	50,400	50,515	0	50,515	175	0	175	Complied
2nd Grade	50,400	50,515	0	50,515	175	0	175	Complied
3rd Grade	50,400	54,445	0	54,445	175	0	175	Complied
4th Grade	54,000	54,445	0	54,445	175	0	175	Complied
5th Grade	54,000	54,445	0	54,445	175	0	175	Complied
6th Grade	54,000	54,445	0	54,445	175	0	175	Complied
7th Grade	54,000	54,445	0	54,445	175	0	175	Complied
8th Grade	54,000	54,445	0	54,445	175	0	175	Complied

### Golden Valley Orchard

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Kindergarten	36,000	36,750	0	36,750	175	0	175	Complied
1st Grade	50,400	50,515	0	50,515	175	0	175	Complied
2nd Grade	50,400	50,515	0	50,515	175	0	175	Complied
3rd Grade	50,400	54,445	0	54,445	175	0	175	Complied
4th Grade	54,000	54,445	0	54,445	175	0	175	Complied
5th Grade	54,000	54,445	0	54,445	175	0	175	Complied
6th Grade	54,000	54,445	0	54,445	175	0	175	Complied
7th Grade	54,000	54,445	0	54,445	175	0	175	Complied
8th Grade	54,000	54,445	0	54,445	175	0	175	Complied

See Accompanying Notes to Supplementary Information

**Golden Valley Charter Schools for Education Renewal**  
Schedule of Instructional Time (Continued)  
Year Ended June 30, 2022

**Golden Valley Tahoe**

<u>Grade Level</u>	<u>Annual Minutes Requirement</u>	<u>Actual Minutes Offered</u>	<u>J-13A Minutes</u>	<u>Total Minutes</u>	<u>Number of Actual Days Offered (Traditional)</u>	<u>J-13A Days</u>	<u>Total Instructional Days</u>	<u>Status</u>
Transitional Kindergarten	36,000	31,920	0	31,920	108	0	108	Not Complied
Kindergarten	36,000	34,320	0	34,320	108	0	108	Not Complied
1st Grade	50,400	34,320	0	34,320	108	0	108	Not Complied
2nd Grade	50,400	34,320	0	34,320	108	0	108	Not Complied
3rd Grade	50,400	34,320	0	34,320	108	0	108	Not Complied
4th Grade	54,000	34,320	0	34,320	108	0	108	Not Complied
5th Grade	54,000	34,320	0	34,320	108	0	108	Not Complied
6th Grade	54,000	34,320	0	34,320	108	0	108	Not Complied

Note: Due to the closure of Golden Valley Tahoe (See Note J) on March 11, 2022, the School did not meet the annual minutes requirement or the total instructional days requirement.

See Accompanying Notes to Supplementary Information

## Golden Valley Charter Schools for Education Renewal

### Schedule of Financial Trends & Analysis

Year Ended June 30, 2022

#### Golden Valley River

	Budget 2023	2022	2021	2020
Revenues	\$ 3,133,471	\$ 2,928,099	\$ 2,989,056	\$ 2,781,958
Expenses	3,229,370	3,509,059	2,528,752	2,821,028
Change in Net Assets	<u>(95,899)</u>	<u>(580,960)</u>	<u>460,304</u>	<u>(39,070)</u>
Ending Net Assets	<u>\$ 790,063</u>	<u>\$ 885,962</u>	<u>\$ 1,466,922</u>	<u>\$ 1,006,618</u>
Unrestricted Net Assets	<u>\$ 790,063</u>	<u>\$ 885,962</u>	<u>\$ 1,466,922</u>	<u>\$ 1,002,222</u>
Unrestricted net assets as a percentage of total expenses	<u>24.46%</u>	<u>25.25%</u>	<u>58.01%</u>	<u>35.53%</u>
Total Long Term Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ADA at P2	<u>286</u>	<u>264</u>	<u>N/A</u>	<u>293</u>

The School's ending net assets has decreased by \$120,656 (11.99%) over the past two fiscal years. The decrease is due to a decline in ADA during this time in which expenditures increased but revenues remained steady.

Average daily attendance (ADA) has decreased by 29 over the past two years. As a result of the COVID-19 pandemic there was no reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.

The 2022-23 budget is presented for purposes of analysis only and has not been audited. Net assets are projected to decrease by \$95,899 and ADA is projected to be 286 for the 2022-23 fiscal year.

**Golden Valley Charter Schools for Education Renewal**  
Schedule of Financial Trends & Analysis (Continued)  
Year Ended June 30, 2022

**Golden Valley Orchard**

	Budget 2023	2022	2021	2020
Revenues	\$ 2,714,560	\$ 2,741,168	\$ 2,519,709	\$ 2,411,245
Expenses	2,680,718	3,058,887	2,277,632	2,404,114
Change in Net Assets	<u>33,842</u>	<u>(317,719)</u>	<u>242,077</u>	<u>7,131</u>
Ending Net Assets	<u>\$ 172,962</u>	<u>\$ 139,120</u>	<u>\$ 456,839</u>	<u>\$ 214,762</u>
Unrestricted Net Assets	<u>\$ 172,962</u>	<u>\$ 139,120</u>	<u>\$ 456,839</u>	<u>\$ 210,324</u>
Unrestricted net assets as a percentage of total expenses	<u>6.45%</u>	<u>4.55%</u>	<u>20.06%</u>	<u>8.75%</u>
Total Long Term Debt	<u>\$ -</u>	<u></u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
ADA at P2	<u>248</u>	<u>228</u>	<u>N/A</u>	<u>254</u>

The School's ending net assets has decreased by \$75,642 (35.22%) over the past two fiscal years. The decrease is due to significant increase in payroll related liabilities during the 2021-22 school year.

Average daily attendance (ADA) has decreased by 26 over the past two years. As a result of the COVID-19 pandemic there was no reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.

The 2022-23 budget is presented for purposes of analysis only and has not been audited. Net assets are projected to decrease by \$33,842 and ADA is projected to be 248 for the 2022-23 fiscal year.

**Golden Valley Charter Schools for Education Renewal**  
Schedule of Financial Trends & Analysis (Continued)  
Year Ended June 30, 2022

**Golden Valley Tahoe**

	Budget 2023	2022	2021	2020
Revenues	N/A	\$ 578,667	\$ 879,441	\$ 518,019
Expenses	N/A	726,636	760,828	502,188
Change in Net Assets	N/A	(147,969)	118,613	15,831
Ending Net Assets	N/A	\$ -	\$ 147,969	\$ 29,356
Unrestricted Net Assets	N/A	\$ -	\$ 147,969	\$ 29,356
Unrestricted net assets as a percentage of total expenses	N/A	0.00%	19.45%	5.85%
Total Long Term Debt	N/A	\$ -	\$ -	\$ -
ADA at P2	N/A	-	N/A	49

The School's ending net assets has decreased by \$29,356 (100%) over the past two fiscal years. The decrease is due to a decline in ADA which resulted in the governing board voting to close the campus on March 10, 2022, effective March 11, 2022.

The 2022-23 budget is not applicable for this school due to the closing of the school during the 2021-22 school year.

**Golden Valley Charter Schools for Education Renewal**  
Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements  
Year Ended June 30, 2022

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**Golden Valley River**

June 30, 2022 annual financial alternative form net assets:	\$ 885,962
Adjustments and reclassifications:	<u>-</u>
June 30, 2022 audited financial statements net assets:	<u>\$ 885,962</u>

**Golden Valley Orchard**

June 30, 2022 annual financial alternative form net assets:	\$ 139,120
Adjustments and reclassifications:	<u>-</u>
June 30, 2022 audited financial statements net assets:	<u>\$ 139,120</u>

**Golden Valley Tahoe**

Note: There was no reconciliation of unaudited actual financial report to audited financial statements due to the School closure (See Note J) during the 2021/22 school year. Ending net assets amounted to zero as of June 30, 2022.

# Golden Valley Charter Schools for Education Renewal

Notes to Supplementary Information  
Year Ended June 30, 2022

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## A. Purpose of Schedules

### Combining Statement of Financial Position

This schedule provides the information which combines the Organizations' overall statement of net position, with eliminations for activities between the Schools and the Home Office.

### Combining Statement of Activities

This schedule provides the information by subdivision which combines into the Organization' overall statement of activities, with eliminations for activities between the Schools and the Home Office.

### Combining Statement of Functional Expenses

This schedule provides the information by subdivision which combines into the Organizations' overall statement of functional expenses, with eliminations for activities between the Schools and the Home Office.

### LEA Organization Structure

This schedule provides information about each Schools' charter number, district of authorization, members of the governing board, and members of administration.

### Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measure of the number of pupils attending classes for each school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

### Schedule of Instructional Time

This schedule provides the information necessary to determine if the charter schools have complied with Education Code §47612 & §47612.5 which require the following:

- 1) EC §47612: As a condition of apportionment 175 school days must be offered for traditional calendar. If a multi-track calendar is utilized, each track must offer 175 school days.
- 2) EC §47612.5: As a condition of apportionment the following annual instructional minutes must be offered:

• To pupils in Kindergarten	36,000 minutes
• To pupils in grades 1 to 3	50,400 minutes
• To pupils in grades 4 to 8	54,000 minutes
• To pupils in grades 9 to 12	64,800 minutes

# Golden Valley Charter Schools for Education Renewal

Notes to Supplementary Information (Continued)

Year Ended June 30, 2022

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Compliance with Education Code §47612 involves offering a minimum number of annual instructional minutes as defined by grade level.

An LEA that closed due to a qualifying emergency in the 2021-22 fiscal year may submit a Form J-13A to avoid a penalty for not meeting the annual instructional day requirements. The Organization's schools did not have an emergency closure and as such there are no credited days to account for on the Schedule of Instructional Time.

## Schedule of Financial Trends & Analysis

This schedule displays summarized information from the current year and two previous years, along with budget information for the upcoming year. The information from this schedule is used to evaluate whether there are any financial indicators each school will not be able to continue operations in the next fiscal year. Based upon the information presented, each school appears to have sufficient reserves to continue operations for the 2022-23 fiscal year.

## Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements

This schedule provides information necessary to reconcile between the audited financial statements and the financial data submitted to the sponsoring school district via the unaudited actual financial report.

## Other Independent Auditor's Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
Golden Valley Charter Schools for Education Renewal

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Golden Valley Charter Schools for Education Renewal (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Golden Valley Charter Schools for Education Renewal's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Golden Valley Charter Schools for Education Renewal's internal control. Accordingly, we do not express an opinion on the effectiveness of Golden Valley Charter Schools for Education Renewal's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Golden Valley Charter Schools for Education Renewal'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

El Cajon, California  
December 15, 2022

Independent Auditor's Report on State Compliance and on Internal Control Over  
State Compliance

To the Board of Directors  
Golden Valley Charter Schools for Education Renewal

**Report on Compliance for Applicable State Programs**

**Opinion on Each Applicable State Program**

We have audited Golden Valley Charter Schools for Education Renewal's compliance with the requirements specified in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 applicable to the Charter School's statutory requirements identified below for the year ended June 30, 2022.

In our opinion, Golden Valley Charter Schools for Education Renewal 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 applicable state programs for the year ended June 30, 2022.

**Basis for Opinion on Each Applicable State Program**

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 *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Golden Valley Charter Schools for Education Renewal and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each applicable state program. Our audit does not provide a legal determination of Golden Valley Charter Schools for Education Renewal's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Golden Valley Charter Schools for Education Renewal's state programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Golden Valley Charter Schools for Education Renewal's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Golden Valley Charter Schools for Education Renewal’s compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Golden Valley Charter Schools for Education Renewal’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Golden Valley Charter Schools for Education Renewal’s internal control over state compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Golden Valley Charter Schools for Education Renewal’s internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the Golden Valley Charter Schools for Education Renewal’s compliance with the state laws and regulations applicable to the following items:

	<u>Golden Valley River</u>	<u>Golden Valley Orchard</u>	<u>Golden Valley Tahoe</u>
	<u>Procedures Performed</u>	<u>Procedures Performed</u>	<u>Procedures Performed</u>
<b><u>School Districts, County Offices of Education, and Charter Schools</u></b>			
T. California Clean Energy Jobs Act.....	Yes	Yes	Yes
U. After/Before School Education and Safety Program.....	N/A	N/A	N/A
V. Proper Expenditure of Education Protection Account Funds.....	Yes	Yes	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts.....	Yes	Yes	Yes
X. Local Control and Accountability Plan.....	Yes	Yes	Yes
Y. Independent Study - Course Based.....	N/A	N/A	N/A
Z. Immunizations.....	Yes	Yes	Yes
AZ. Educator Effectiveness.....	Yes	Yes	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G).....	Yes	Yes	Yes
CZ. Career Technical Education Incentive Grant.....	N/A	N/A	N/A
DZ. In Person Instruction Grant.....	Yes	Yes	Yes
<b><u>Charter Schools</u></b>			
AA. Attendance.....	Yes	Yes	Yes
BB. Mode of Instruction.....	Yes	Yes	Yes
CC. Nonclassroom-Based Instruction/Independent Study.....	Yes	Yes	N/A
DD. Determination of Funding for Nonclassroom-Based Instruction.....	N/A	N/A	N/A
EE. Annual Instructional Minutes - Classroom Based.....	Yes	Yes	Yes
FF. Charter School Facility Grant Program.....	N/A	N/A	N/A

N/A – The Charter School did not offer the program during the current fiscal year or the program applies to a different type of Local Education Agency.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Audit Guide and which are described in the accompanying schedule of findings and questioned costs as items 2022-001. Our opinion on each applicable state program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Golden Valley Charter Schools for Education Renewal’s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Golden Valley Charter Schools for Education Renewal’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over State 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 state 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 state 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Audit Guide. Accordingly, this report is not suitable for any other purpose.

El Cajon, California  
December 15, 2022

## Auditor's Results, Findings & Recommendations

# Golden Valley Charter Schools for Education Renewal

## Summary of Auditor's Results

Year Ended June 30, 2022

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### FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified?            Yes     X     No

One or more significant deficiencies identified that are not considered material weakness(es)?            Yes     X     No

Noncompliance material to financial statements noted?            Yes     X     No

### STATE PROGRAMS

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

Internal control over applicable state programs:

One or more material weakness(es) identified?            Yes     X     No

One or more significant deficiencies identified that are not considered material weakness(es)?            Yes     X     No

Any audit findings disclosed that are required to be reported in accordance with *2021-22 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting*?            Yes     X     No

# Golden Valley Charter Schools for Education Renewal

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, or the *2021-22 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting* (the Audit Guide). Finding codes as identified in the Audit Guide are as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

## A. Financial Statement Findings

None

## B. State Award Findings

Finding Number: 2022-001 Attendance (10000)  
Repeat Finding: No  
Program Name: Instructional Minutes and Days  
Questioned Costs: None  
Type of Finding: State Compliance – Attendance (10000)

### Criteria

If the charter school operates a multi-track calendar, verify compliance with Education Code Section 47612, by the following steps:

- Verify that the charter school operated each track for a minimum of 175 days.
- For each track, verify that the charter school provided the total number of instructional minutes, as specified in Education Code Section 47612.5.

## Golden Valley Charter Schools for Education Renewal

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2022

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### Condition

In our review of attendance backup for instructional days and minutes, it was noted that Golden Valley Tahoe did not operate for the required number of instructional minutes or days.

### Cause

Education Code 47612 requires that the charter school operate for a minimum of 175 days, and provide the total number of instructional minutes as specified. The School made a good faith effort to meet these requirements, but due to extenuating circumstances and subsequent school closure were unable to. These circumstances include not having a viable site for the school and a decrease in enrollment.

### Effect

The School did not meet the conditions of apportionment identified in Education Code Section 47612.

### Potential Fiscal Impact

The School received an invoice from the California Department of Education (CDE), School Fiscal Services Division to recover FY 2021-22 Principal Apportionment funds as of the Second Principal (P2) apportionment. The total billing was for \$108,121.

### Context

The condition was identified as a result of our complete review of the attendance program compliance requirements outlined in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

### Recommendation

We recommend that the School cooperates with California Department of Education (CDE) to resolve any issues that arise due to the school closure before year end and not meeting required minimum days and annual minutes.

### LEA Response

Due to the decrease in enrollment and lack of facility, Golden Valley Tahoe did not reach the minimum requirements for the fiscal year. The Board voted to close the Tahoe School after 108 days of instruction. There were no other options available to Golden Valley Charter Schools, in their fiduciary responsibility with public funds, but to close the School.

# Golden Valley Charter Schools for Education Renewal

Schedule of Prior Year Audit Findings

Year Ended June 30, 2022

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<u>Finding/Recommendation</u>	<u>Status</u>	<u>Explanation if Not Implemented</u>
There were no findings in the prior year audit.	N/A	N/A