

# Sacramento Valley Charter School Transaction Report

December 15, 2022 - January 11, 2023

Account	Amount
<b>Total for 8096 - Cash in Lieu of Property Taxes</b>	
UNRESTRICTED REVENUE:0000 - Unrestricted:8096 - Cash in Lieu of Property Taxes	\$ 41,830.00
<b>Total for Miscellaneous</b>	
UNRESTRICTED REVENUE:0000 - Unrestricted:8699 - Other Local Income:Miscellaneous : Donation	\$ 720.00
<b>Total for Transportation</b>	
UNRESTRICTED REVENUE:0000 - Unrestricted:8699 - Other Local Income:Transportation	\$ 6,255.00
<b>Total for 8311 - Special Education - State</b>	
V RESTRICTED REVENUE:6500 - Special Education - Sac Vly Chtr - Dec 22-23 Dec 22-23 ERMHS SacVly Chtr	\$ 17,792.00
	\$ 1,145.00
	<u>\$ 67,742.00</u>

# Sacramento Valley Charter School Check Detail

December 15, 2022 - January 11, 2023

Date	Transaction Type	Num	Name	Memo/Description	Amount
12/15/2022	Check	5030	Teresa Phillips	Reimbursement for the classroom supplies	201.31
12/15/2022	Check	5031	DMV	For Pull Notice	3.00
12/15/2022	Check	5032	City of West Sacramento	For Utility Charges	322.66
12/15/2022	Check	5033	West Sacramento Truck Stop	For Fuel	5,176.41
12/15/2022	Check	5034	Traveling lantern theatre Company	For Educational Shows - Kn- 8th	891.00
12/15/2022	Check	5035	WageWorks	For Cobra Service	40.00
12/15/2022	Check	5036	R&P Enterprises INC	For Sandwich Wheat Breads	265.20
12/15/2022	Check	5037	Chill-Chain, Inc.	For Milk & Butter	435.57
12/15/2022	Check	5038	Great America Financial	For Copier Lease	1,276.50
12/15/2022	Check	5039	Cesar Mojica	Reimbursement for Supplies - Steam Night	80.97
12/15/2022	Check	5040	Securly , Inc	For Software - Cloud based web filtering/ advanced teacher controls	6,832.00
12/15/2022	Check	5041	Sarbjeet Nijjar	For credentials - Sarbjeet Nijjar	100.00
12/15/2022	Check	5042	Bus West	Installing Camera - Bus S5	4,271.85
12/23/2022	Check	5043	Gurdeep Singh	Transport Students to SVCS Deliver Lunch Grocery to School	1,785.00 500.00
					<b>2,285.00</b>
12/23/2022	Check	5044	New Horizon Flooring	Janitorial Service for the month of December 2022	5,000.00
12/23/2022	Check	5045	Bus Paramedic	For Bus Repairs - S5 & S3	1,585.68
12/23/2022	Check	5046	Raghuwant Singh Arora	Transport Students to SVCS	1,785.00
12/23/2022	Check	5047	MetLife	For AD&D and LTD	376.91
12/23/2022	Check	5050	Mary Meyer	For Driver Training - Ranjeet Singh	175.00
12/23/2022	Check	5048	Raghuwant Singh Arora	Replacement check to be issued on 12/23/22	1,215.00
12/23/2022	Check	5049	Ramil Custodio	Reverse JE 616 Voided Ck #4833 Placeholder for reissue in Dec 2022	38.00

RESOLUTION NO. 2022-23 007

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO VALLEY CHARTER SCHOOL PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM DATED MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE GOVERNING BODY OF SACRAMENTO VALLEY CHARTER SCHOOL PURSUANT TO BROWN ACT PROVISIONS. THE SCHOOL BOARD IS REQUIRED TO TAKE ACTION TO EXTEND THE LOCAL EMERGENCY NOT TO EXCEED 30-DAY PERIODS. THE ABILITY TO ADOPT RESOLUTIONS TO SUSPEND THE SPECIFIC BROWN ACT PROVISIONS RELATING TO TELECONFERENCING EXPIRES ON JANUARY 1, 2024.

WHEREAS, the Sacramento Valley Charter School is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Sacramento Valley Charter School's governing body are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the School's governing body conduct its business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a governing body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the State caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the School's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions exist in the School's areas of attendance, specifically, the Governor's March 4, 2020 declaration of a State of Emergency for COVID-19; and,

WHEREAS, Yolo County and Sacramento County have issued continuing and revised health orders in July 2021 regarding wearing masks in all public indoor settings regardless of vaccination status,

WHEREAS, the Board of Directors does hereby find that COVID-19, its variants and masking orders and recommendation, and similar conditions may cause imminent risk to participants, has caused, and will continue to cause, conditions of peril to the safety of persons within the School that are likely to be beyond the control of services, personnel, equipment, and facilities of the School, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the governing body of Sacramento Valley Charter School shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, SACRAMENTO VALLEY CHARTER SCHOOL HAS TAKEN AND CONTINUES TO TAKE MEASURES FOR PUBLIC PARTICIPATION THROUGH ZOOM LINKS AND A TELECONFERENCING OPTION FOR MAXIMUM INCLUSION OF THE PUBLIC.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SACRAMENTO VALLEY CHARTER SCHOOL DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the area served by the School, and due to the age of many of the Board Members, Staff, and public participants as well as the infection rate of students, staff and the public - regardless of vaccination status - poses imminent risk of the spread of COVID-19 and its variants.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020 and the local orders from July 2021 that are in the process of being revised, rescinded or not extended or renewed.

Section 4. Remote Teleconference Meetings. The staff and governing body of Sacramento Valley Charter School are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of February 11, 2023, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the governing body of Sacramento Valley Charter School may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Sacramento Valley Charter School, this 11th day of January 2023, by the following vote:

AYES: B. Bhinder, S. Dhillon, N. Thandi, S. Bassi

NOES: 0

ABSENT: D. Ghuman

ABSTAIN: 0

SACRAMENTO VALLEY CHARTER SCHOOL  
Charter No. 1338  
Audited Financial Statements  
June 30, 2022

HARSHWAL<sup>®</sup>   
& COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**SACRAMENTO VALLEY CHARTER SCHOOL**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Sacramento Valley Charter School  
West Sacramento, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Sacramento Valley Charter School (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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sacramento Valley Charter School 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sacramento Valley Charter School 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 opinion.

#### *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 Sacramento Valley Charter School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 Sacramento Valley Charter School'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 Sacramento Valley Charter School'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.

### **Other Matters**

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and as required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel 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 information is 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 the Sacramento Valley Charter School'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 the Charter School'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 the Sacramento Valley Charter School's internal control over financial reporting and compliance.

*Harshmal & Company LLP*

Oakland, California  
December 15, 2022

## **FINANCIAL SECTION**

**SACRAMENTO VALLEY CHARTER SCHOOL**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**

**ASSETS**

Current assets:

Cash	\$ 1,939,599
Accounts receivable (Note 4)	618,767
Prepaid expenses and other assets	<u>43,650</u>
Total current assets	<u>2,602,016</u>

Noncurrent assets:

Long-term deposits (Note 7)	151,200
Property and equipment - net (Note 5)	478,958
Intangible assets - net (Note 6)	<u>44,125</u>
Total noncurrent assets	<u>674,283</u>
Total assets	<u>\$ 3,276,299</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:

Account payable	\$ 276,655
Accrued liabilities	38,143
Deferred revenue (Note 8)	176,915
Note payable, current (Note 9)	<u>117,893</u>
Total current liabilities	609,606

Long-term liabilities:

Notes payable (Note 9)	<u>145,218</u>
Total liabilities	<u>754,824</u>

Net assets:

With donor restrictions	240,057
Without donor restrictions	<u>2,281,418</u>
Total net assets	<u>2,521,475</u>
Total liabilities and net assets	<u>\$ 3,276,299</u>

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

**SACRAMENTO VALLEY CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND SUPPORT</b>			
Local Control Funding Formula Sources:			
State aid	\$ 1,201,118	\$ -	\$ 1,201,118
EPA entitlement	967,904	-	967,904
Cash in-lieu of property taxes	522,878	-	522,878
Federal revenues	-	124,939	124,939
Other state revenue	52,220	548,341	600,561
Local revenue:			
Other local revenue	106,589	-	106,589
Net asset released from restrictions	<u>734,447</u>	<u>(734,447)</u>	<u>-</u>
Total revenues, gains, and support	<u>3,585,156</u>	<u>(61,167)</u>	<u>3,523,989</u>
<b>EXPENSES</b>			
Program expenses:			
Educational programs	2,960,524	-	2,960,524
Supporting services:			
Management and general	<u>427,675</u>	<u>-</u>	<u>427,675</u>
Total expenses	<u>3,388,199</u>	<u>-</u>	<u>3,388,199</u>
Change in net assets	196,957	(61,167)	135,790
Net assets, beginning of year	<u>2,084,461</u>	<u>301,224</u>	<u>2,385,685</u>
Net assets, end of year	<u>\$ 2,281,418</u>	<u>\$ 240,057</u>	<u>\$ 2,521,475</u>

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

**SACRAMENTO VALLEY CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 135,790
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	126,397
Changes in operating assets and liabilities:	
Accounts receivable	795,509
Prepaid expense	20,330
Accounts payable	(54,158)
Accounts payable	37,893
Unearned revenue	<u>176,915</u>
Net cash provided by operating activities	<u>1,238,676</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Repayment of loans	<u>(110,663)</u>
Net cash used in financing activities	<u>(110,663)</u>

NET INCREASE IN CASH	1,128,013
CASH, beginning of year	<u>811,586</u>
CASH, end of year	<u>\$ 1,939,599</u>

**Supplemental disclosures:**

Interest paid during the year	\$ <u>19,785</u>
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The accompanying notes are an integral part of these financial statements.

**SACRAMENTO VALLEY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1: SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

Sacramento Valley Charter School (the Charter School) is a California non-profit public benefit corporation that was incorporated on June 14, 2011, and is organized to manage, operate, guide, direct and promote a California Public Charter School.

The Charter School is funded principally through State of California Public Education monies received through the California Department of Education and the Yolo County Office of Education. A Board of Directors, consisting of five board members, governs the Charter School. Washington Unified School District (the Sponsoring District) renewed the charter for the Charter School for a five-year term through June 2024. Along with the approval of the Charter, the Charter School signed a Memorandum of Understanding (MOU) with the Sponsoring District.

The charter could be revoked by the Sponsoring District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Effective July 1, 2020, the Charter School joined the El Dorado County Charter Special Education Local Plan Area (SELPA) to enable the Charter School to provide services for the Charter School's special education students.

**A. Basis of Accounting and Financial Statement Presentation**

The financial statements have been prepared on the accrual basis of accounting recognizing revenues when earned and expenses when incurred. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Charter School and changes therein are classified as follows:

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Charter School or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Charter School. The Charter School's board may designate assets without restrictions for specific operational purposes from time to time.

**B. Revenue Recognition**

The Charter School receives state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

**SACRAMENTO VALLEY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1: SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The Charter School primarily receives the funds from California Department of Education (CDE). Amounts received from the CDE are recognized by the Charter School based on the average daily attendance (ADA) of students.

Contributions and grants are recognized in full when received or unconditionally promised. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor restricted amounts are reported as increases in net assets with donor restriction. Net assets with donor restriction become net assets without donor restriction, and are reported in the statement of activities as net assets released from restrictions, when time restrictions expire or the contributions are used for the restricted purpose.

**C. Property and Equipment**

Property and equipment is stated at cost or, if donated, at the estimated fair market value at the date of donations. The Charter School capitalizes all expenditures for property and equipment in excess of \$5,000. Depreciation is computed using the straight-line method over an estimated useful life for vehicles of 7-8 years.

**D. Intangible assets**

Intangible assets subject to amortization includes science and social studies curriculum licenses, which are being amortized on straight line method over the life of the assets.

**E. Donated Property and Equipment**

Donation of property and equipment received prior to June 15, 2015, are recorded as contributions at fair value at the date of donation. Such donation is reported as increases in net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose. After June 15, 2015, these assets are recorded at acquisition value.

**F. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates included in these financial statements are management's estimate of the collectability of accounts receivable and the useful life of vehicles. Accordingly, actual results could differ from those estimates.

**G. Income Taxes**

The Charter School is publicly supported and has received tax-exempt status under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code.

The Charter School uses the same accounting methods for tax and financial reporting. Accordingly, no provision for federal and state income taxes has been made in the accompanying financial statements. There is no unrelated taxable income and accordingly, there is no provision for income taxes in these financial statements.

**SACRAMENTO VALLEY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1: SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Charter School in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Charter School's returns are subject to examination by Federal and State Taxing Authorities, generally three years and four years respectively after they are filed.

**H. Functional Expenses**

In order to provide information related to service efforts, the costs of providing each of the Charter School's programs and support services have been presented in a separate statement of functional expenses. In this presentation, certain costs were required to be allocated among the programs and services with reasonable basis. The expenses that are allocated include rent, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

**I. Recent accounting pronouncement**

The Charter School considers the applicability and impact of all ASU's. ASU's not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Charter School's financial position and changes in net assets.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the statement of activities. Lessors will classify leases as sales-type, direct financing, or operating using criteria similar to current GAAP. In June 2020, the FASB issued ASU 2020-05 to defer the effective date of the new standard for not-for-profit organizations to fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Charter School is currently evaluating the impact of adopting the new standard in the financial statements.

**NOTE 2: CASH IN BANK**

The Charter School maintains its cash balance with a financial institution located in Northern California. Cash balances in these accounts are insured up to \$250,000 by the Federal Depository Insurance Corporation. On June 30, 2022, the Charter School has uninsured balance of \$1,783,911.



**SACRAMENTO VALLEY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Charter School monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Charter School had the following financial assets at June 30, 2022, that could readily be made available within one year to fund expenses without limitations:

Cash and cash equivalents	\$ 1,939,599
Accounts receivable	<u>618,767</u>
Total financial assets available for general expenditures within one year	<u>\$ 2,558,366</u>

**NOTE 4: ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following at June 30, 2022:

State sources	\$ 597,446
Local sources	1,819
Federal sources	<u>19,502</u>
	<u>\$ 618,767</u>

**NOTE 5: PROPERTY AND EQUIPMENT**

A summary of property and equipment at June 30, 2022, is as follows:

Vehicles	\$ 940,802
Less: accumulated depreciation	<u>(461,844)</u>
	<u>\$ 478,958</u>

Depreciation expense for the year ended June 30, 2022, was \$116,163.

**NOTE 6: INTANGIBLE ASSETS**

Intangible assets, net consists of the following at June 30, 2022:

Curriculum licenses	\$ 74,829
Less: accumulated amortization	<u>(30,704)</u>
	<u>\$ 44,125</u>

Amortization expense for the year ended June 30, 2022, totaled \$10,234 and is included within depreciation and amortization on the statement of Functional Expenses.

Estimated amortization expense over future years is as follows:

<u>Year ending June 30,</u>	
2023	\$ 10,235
2024	9,422
2025	9,422
2026	9,422
2027	<u>5,624</u>
	<u>\$ 44,125</u>

**SACRAMENTO VALLEY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7: RELATED PARTY TRANSACTIONS**

The Charter School and the Sikh Temple Sacramento (the Temple) share one common board member and have entered into a memorandum of understanding (MOU) for issuance of note payable and use of facility. The following are the terms:

Facility Lease

The Charter School leases the School facilities from the Temple under a non-cancelable operating lease. Rental expense paid for the period ending June 30, 2022, was \$298,386. At its May 15, 2019, special meeting, the Board approved a facility lease agreement effective July 1, 2019 through June 30, 2024, with future increase tied to K-14 COLA adopted state budget cost of living allowance. Effective May 1, 2012, and for the remained lease term, the Charter School leased an additional 1,350 square feet from the Temple at the current cost per square foot of \$1.42. Future COLA estimates are 5.33% and 3.61% for fiscal year ending 2023 and 2024 respectively.

Future minimum lease payments under this lease as of June 30, 2022, are as follows:

Year Ending June 30,

2023	\$ 314,295
2024	<u>325,641</u>
	<u>\$ 639,936</u>

Power Purchase Agreement

The Temple has entered into an agreement with Technology Credit Corporation/Staten Solar (the TCC) to install a Solar System with a total production capability of 3.77M KWH at the rear of the Evergreen Avenue Building. The Energy Commission Report recommended a Solar System with an output of 50,000 KWH per year for the Charter School, and awarded \$151,200 for this purpose. The Temple has an option in the agreement with the TCC to buy the Solar System after four years at a cost of \$361,000 given by the TCC (original value at installation date was \$743,000). Since the Charter School did not have enough funding for outright purchase of the solar system, due to the fact that current funding would be enough to proceed with the purchase option in four years to acquire about 40% ownership of the solar system, the Board decided to wait for four years to purchase the current solar system jointly with the Temple. In the meantime, in order to generate some revenue for the Charter School from the grant money, the Charter School, on June 11, 2018, entered into a power purchase agreement with the Temple to transfer the money as a non-collateralized deposit to the Temple in exchange for free annual use of up to 50,000 KWH power generated through the current solar system. Since the Temple pays 14.5 cents for each KWH to the TCC, this is estimated to be a total power-usage of \$7,250 per year allowed by the Temple to be used by the Charter School for the next four years in lieu of \$151,200 transferred to the Temple. However, the ability of the Temple to proceed with the purchase option at maturity will be affected by the financial condition of the Temple at the maturity of the purchase option. In addition, during this time, the deposit may be exposed to all the potential risks associated with the Temple.

**SACRAMENTO VALLEY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8: DEFERRED REVENUE**

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

Expanded Learning Opportunities (ELO) Program	\$ 65,086
Child Dev UTK Planning & Implement Grant	57,588
Elementary and Secondary School Emergency Relief III	47,654
Expanded Learning Opportunities (ELO) - Paraprofessional	<u>6,587</u>
Total net assets with donor restrictions	<u><u>\$ 176,915</u></u>

**NOTE 9: NOTES PAYABLE**

The following is a summary of long-term notes payable at June 30, 2022:

<b>A.</b>	During the year ended June 30, 2019, the Charter School purchased one vehicle which was financed through a loan with a financing company. The loan was for an original amount of \$166,256 with an interest rate of 6.20% percent and matures on March 1, 2024. The loan is secured by the vehicle. During the year, the Charter School repaid the loan amount of \$33,640,	\$ 64,108
<b>B.</b>	During the year ended June 30, 2020, the Charter School purchased three vehicles which were financed through a loan from a bank. The loan was for an original amount of \$393,501 with an interest rate of 6 percent and matures on October 10, 2024. The loan is secured by the vehicles. During the year, the Charter School repaid the loan amount of \$77,023.	<u>199,003</u>
		263,111
	Less: current portion included in current liabilities	<u>(117,893)</u>
	Non-current portion	<u><u>\$ 145,218</u></u>

Loan maturities for each of the five years following June 30, 2022, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>
2023	\$ 117,446
2024	115,186
2025	<u>30,479</u>
Total	<u><u>\$ 263,111</u></u>

**NOTE 10: AGREEMENT**

The Charter School has an MOU with the Sponsoring District through June 30, 2024. As stated in the Education Code, up to 1% of all the Charter School's revenues (excluding grants and private monies outside of the funding model) is paid to the Sponsoring District for the actual expenses incurred in monitoring and overseeing the Charter School. During the year ended June 30, 2022, the Charter School accrued \$27,318 as oversight fee expense.

**SACRAMENTO VALLEY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11: RESTRICTED NET ASSETS**

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2022:

CA Energy - Prop 39	\$ 151,200
Educator Effectiveness	69,614
Lottery Instructional Materials	17,977
Classified Schl Empl PD Block Grant	<u>1,266</u>
Total net assets with donor restrictions	<u>\$ 240,057</u>

Net assets released from restriction during the year were:

Beginning net assets with donor restrictions	\$ 301,224
Restricted grants received	673,280
Net assets released from restriction:	
Restricted purpose satisfied	<u>(734,447)</u>
Ending net assets with donor restrictions	<u>\$ 240,057</u>

**NOTE 12: CONTINGENCIES**

The Charter School has received State funds for specific purposes that a subject to review and audit by the grantor agencies. Although such audits could generate disallowance under terms of the grants, it is believed that any reimbursement, if required would not be material.

Operating Lease Commitment

During the year ended June 30, 2021, the Charter School entered into a non-cancelable operating lease agreement for equipment. Future minimum rental payments for each of the five years following June 30, 2022, are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ 7,922
2024	7,922
2025	7,923
2026	<u>2,641</u>
Total future minimum payments	<u>\$ 26,408</u>

**SACRAMENTO VALLEY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13: FUNCTIONAL EXPENSES**

For the year ended June 30, 2022, the Charter School's operating expenses grouped by functional classification are as follows:

	<u>Program Expenses</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
Certificated salaries	\$ 1,132,528	\$ 55,409	\$ 1,187,937
Classified salaries	518,270	113,085	631,355
Employee benefits	271,106	30,547	301,653
Books and supplies	226,182	7,760	233,942
Rent	238,709	59,677	298,386
Services and other operating expenses	427,547	161,197	588,744
Depreciation and amortization	126,397	-	126,397
Interest expense	19,785	-	19,785
Total expenses	<u>\$ 2,960,524</u>	<u>\$ 427,675</u>	<u>\$ 3,388,199</u>

**NOTE 14: SUBSEQUENT EVENTS**

The management of the Charter School reviewed the results of operations for the period of time from its year end June 30, 2022 through December 15, 2022, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

## **SUPPLEMENTARY INFORMATION**

**SACRAMENTO VALLEY CHARTER SCHOOL  
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT  
ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

	<u>Charter School</u>
June 30, 2022 Unaudited Actuals Financial Report	\$ 2,593,146
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Understatement of deferred revenue	(71,673)
Rounding	<u>2</u>
Adjusted June 30, 2022, Unaudited Actuals Financial Report	\$ <u>2,521,475</u>
June 30, 2022, audited financial statement net assets	\$ <u>2,521,475</u>

See accompanying notes to supplementary information

**SACRAMENTO VALLEY CHARTER SCHOOL  
ORGANIZATION  
JUNE 30, 2022**

Sacramento Valley Charter School (Charter School No.1338) is a California non-profit public benefit corporation that was incorporated on June 14, 2011, and is organized to manage, operate, guide, direct, and promote a California public charter school. The Charter School provides instruction to kindergarten to eighth grades.

**GOVERNING BOARD**

<b>Member</b>	<b>Office</b>	<b>Term</b>
Chamkaur Dhatt	Chairman	8/31/2022
Narinder Thandi	President	8/31/2023
Daljit Ghuman	Vice President	8/31/2022
Surjit Dhillon	Secretary	8/31/2023
Bhajan Bhinder	Vice Chairman	8/31/2023

**ADMINISTRATION**

Dr. Amrik Singh  
Principal



**SACRAMENTO VALLEY CHARTER SCHOOL  
 SCHEDULE OF AVERAGE DAILY ATTENDANCE  
 FOR THE YEAR ENDED JUNE 30, 2022**

Classroom based ADA:	<u>Second Period Report</u>	<u>Annual Report</u>
Grades K through 3	124.56	125.82
Grades 4 through 6	87.38	87.13
Grades 7 through 8	<u>42.42</u>	<u>42.45</u>
ADA total	<u><u>254.36</u></u>	<u><u>255.40</u></u>

See accompanying notes to supplementary information

**SACRAMENTO VALLEY CHARTER SCHOOL  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2022**

Grade Level	Instructional Minutes		Instructional Days	Status
	Requirement	Actual		
Kindergarten	36,000	57,510	180	Complied
Grade 1	50,400	58,365	180	Complied
Grade 2	50,400	58,365	180	Complied
Grade 3	50,400	58,365	180	Complied
Grade 4	54,000	58,365	180	Complied
Grade 5	54,000	58,365	180	Complied
Grade 6	54,000	60,930	180	Complied
Grade 7	54,000	60,930	180	Complied
Grade 8	54,000	60,930	180	Complied

See accompanying notes to supplementary information

**SACRAMENTO VALLEY CHARTER SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES**

**Reconciliation of Charter School Unaudited Actuals Financial Report**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

**Organization**

This schedule provides information about the school operated, members of the governing board, and members of the administration.

**Schedule of Average Daily Attendance**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the Charter Schools. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students.

**Schedule of Instructional Time**

This schedule presents information on the number of instructional time offered on the traditional calendar by the Charter School and whether the Charter School complied with the provisions of Education Code section 47612 and 47612.5.

**OTHER INDEPENDENT AUDITOR'S REPORT**

**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  
Sacramento Valley Charter School  
West Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sacramento Valley Charter School (the Charter School), which comprise statement of financial position as of June 30, 2022, and the related statements of activities, 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.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Charter School'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Charter School'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Harshmal & Company LLP*

Oakland, California  
December 15, 2022

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Directors  
Sacramento Valley Charter School  
West Sacramento, California

### Report on State Compliance

We have audited Sacramento Valley Charter School's compliance with the types of compliance requirements as identified in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Sacramento Valley Charter School's state programs as noted below for the year ended June 30, 2022.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Sacramento Valley Charter School's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about the Sacramento Valley Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Sacramento Valley Charter School's compliance with those requirements.

**Compliance Requirements Tested**

In connection with the audit referred to above, we selected and tested transactions and records to determine the Charter School’s compliance with laws and regulations applicable to the following items:

	<u>Procedures Performed</u>
<b>SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS</b>	
California Clean Energy Jobs Act	Not Applicable
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunization	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive	Not Applicable
In-Person Instruction Grant	Yes
<b>CHARTER SCHOOLS</b>	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Yes

The term "Not Applicable" is used above to mean either that the Charter School did not offer the program during the current fiscal year or that the program applies only to a different type of local education agency.

**Opinion on State Compliance**

In our opinion, Sacramento Valley Charter School complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table above for the year ended June 30, 2022.

**Purpose of this Report**

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

*Harshmal & Company LLP*

Oakland, California  
December 15, 2022



## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SACRAMENTO VALLEY CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no findings and questioned costs related to the basic financial statements or state compliance for the year ended June 30, 2022.

**SACRAMENTO VALLEY CHARTER SCHOOL  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

No findings were reported in the prior year.

# California Assembly Bill 5 (AB5): What's In It and What It Means

By REBECCA LAKE Updated January 09, 2022

Reviewed by ROBERT C. KELLY

Fact checked by KATHARINE BEER

## What Is California Assembly Bill 5 (AB5)?

California Assembly Bill 5 (AB5) is a piece of legislation that went into effect on Jan. 1, 2020. Known popularly known as the gig worker bill, it required companies that hire independent contractors to reclassify them as employees.<sup>[1]</sup> The passage of Proposition 22 later that year overrode it as far as app-based drivers were concerned.<sup>[2][3]</sup>

### KEY TAKEAWAYS

- California Assembly Bill 5 (AB5) extends employee classification status to some gig workers.
- Under AB5, companies must use a three-pronged test to prove workers are independent contractors, not employees.<sup>[1]</sup>
- AB5 was designed to regulate companies that hire gig workers in large numbers, such as Uber, Lyft, and DoorDash.
- On Sept. 4, 2020, the California legislature passed Assembly Bill 2257, which exempts a long list of job categories from AB5 strictures.<sup>[4]</sup>
- On Nov. 3, 2020, California voters approved Proposition 22, an initiative backed by Uber, Lyft, and DoorDash that legally designates drivers for app-based ride-hailing and delivery services as independent contractors—overriding AB5.<sup>[2][3]</sup>

## Understanding California Assembly Bill 5 (AB5)

California Assembly Bill 5 (AB5) is a piece of legislation signed into law by Gov. Gavin Newsom in September 2019. It went into effect on Jan. 1, 2020, and required companies that hire independent contractors to reclassify them as employees, with a few exceptions. In September 2020, the California legislature passed Assembly Bill 2257, which rewrote a number of the requirements of AB5 and exempts a substantial list of job categories.<sup>[1][4]</sup>

The passage of the bill means that all company employees are considered workers eligible to receive W-2s. That is unless a company can prove that certain individuals can be classified as independent contractors, according to the ABC test in the state.

This test, which is a three-pronged approach, was established following a legal ruling in a case heard by the state Supreme Court in 2018. The case was filed by a company by the name of Dynamex Operations West, Inc.

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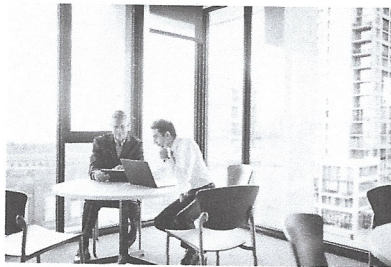
down.

**Important:** Gig workers and the companies that hire them in other states should pay close attention to AB5. Illinois has considered legislation that mirrors its guidelines. In New York, plans are in the works to introduce legislation that would protect gig workers on a similar scale.

## Impact of Assembly Bill 5 (AB5) on Workers

### Advantages

The most immediate implication of AB5 and its one-two-three test is that it turned some independent contractors into employees. "The key factor for gig companies is '2,' which says that anyone performing work for a company that is the same as the business of that company is presumed to be an employee," according to [Danielle Lackey](#), chief legal officer at Motus, which provides reimbursement solutions for businesses with mobile-enabled workforces.



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Lackey says that, under the bill, if employers begin classifying gig workers as employees, it means these workers will be entitled to a [minimum wage](#), expense reimbursements, health insurance, rest breaks, and the other benefits afforded to employees under California state law. In that sense, the bill creates a level playing field between those working in the gig economy and those hired as regular employees.

### Disadvantages

But there are potential downsides. If gig workers who are treated as employees are, because of this, expected to adhere to a new set of standards regarding how they perform their work. For example, one major appeal of being a gig worker is the ability to choose when and when not to work.

As an employee, a former gig worker may lose that choice. "Certain people are very attracted to this type of work and flexibility and will most likely drop out, as they may not like fixed schedules or other rules and requirements," says Elliot Dinkin, president and CEO of [Cowden Associates](#), a Pittsburgh-based consulting and actuarial firm.

Lackey says AB5 doesn't mandate the elimination of flexibility altogether. "But if employers begin incurring [the greater cost of paying for employees](#)

### Pros

- Creates a level playing field between gig economy workers and regular employees
- Entitles workers to a minimum wage, employee benefits, and other perks

### Cons

- Potential loss of flexibility in hours for reclassified workers
- Reclassifying costs could raise prices for consumers

## Impact of Assembly Bill 5 (AB5) on Businesses

The signing of California AB5 into law affects many, but not all, businesses that rely on gig workers in California. Examples of the types of professions and businesses that are exempt include:

- Insurance agents
- Attorneys
- Real estate agents
- Certain types of business-to-business contractors and referral agencies [1]

Companies that are not exempt will have to take a closer look at how they classify employees and independent contractors to ensure that they're not violating the terms of the bill.

For companies that do reclassify gig workers as employees, the question of how easy the transition will be centered on cost. If companies now have to pay a minimum wage, offer paid time off and health insurance, and pay unemployment insurance and workers' compensation benefits for this new crop of employees, that could have a significant impact on the bottom line.

AB5 put ride-sharing and delivery companies, such as Uber, Lyft, and DoorDash, in the spotlight. Some analysts suggested that the cost of reclassifying gig workers as employees would potentially bankrupt both companies, destroying the gig worker business model in the process.<sup>[5]</sup> Dinkin says that if companies want to preserve their profit position, then the additional costs of reclassifying will likely be passed on to the consumers who use their services.

50+

*The number of businesses and professions exempted from AB5.<sup>[1]</sup>*

## What Is the Assembly Bill 5 (AB5) ABC Test?

As noted above, California's AB5 expanded on a ruling made in a case that reached the California Supreme Court in 2018, *Dynamex Operations West, Inc. vs. Superior Court of Los Angeles*.<sup>[1]</sup> In the 2018 *Dynamex* case, the California Supreme Court ruled that companies must use a

hether to  
his test

assumes that workers are employees unless the company that hires them can prove the following three things:

1. The worker is free to perform services without the control or direction of the company.
2. The worker is performing work tasks that are outside the usual course of the company's business activities.
3. The worker is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.<sup>[6]</sup>

This test holds companies to a higher standard in proving workers are independent contractors than was previously used in California. AB5 made this test the new gold-standard requirement for all companies in the state. But it was designed to regulate companies that hire gig workers in large numbers, such as Uber, Lyft, and DoorDash.<sup>[1]</sup>

Uber and Lyft resisted the requirements of AB5 and, on Aug. 10, 2020, California Superior Court Judge Ethan Schulman ordered the companies to reclassify their contract drivers as employees with the same protections and benefits as their other staffers. That entitled them to workers' compensation, unemployment insurance, paid sick and family leave, and health insurance, among other employee benefits. "To state the obvious, drivers are central, not tangential, to Uber and Lyft's entire ride-hailing business," Judge Schulman wrote. The case was filed by the Attorney General of California, joined by the City Attorneys of Los Angeles, San Diego, and San Francisco.<sup>[7]</sup>

### **AB2257 Exempts Many Workers From Assembly Bill 5 (AB5)**

The controversies surrounding AB5 became so intense that, on Sept. 4, 2020, the California legislature passed—and Governor Gavin Newsom signed—Assembly Bill 2257, which went into effect immediately and rewrote a number of the requirements of AB5.<sup>[4]</sup>

It exempts a long list of job categories from AB5. Among those exempted from the strictures are still and video photographers and editors, freelance writers, content contributors, editors, translators, fine artists, and musicians. One key change was the removal of caps for categories of freelancers that had limited the number of contributions they could make to an outlet, such as a website, without having to be reclassified as employees.<sup>[4]</sup>

However, workers for gig-economy companies such as Lyft and Uber were not exempted.<sup>[4]</sup>

A detailed blog post from law firm Seyfarth Shaw LLP noted that AB2257 broadens the business-to-business exemption of AB5, creates an exemption for individual business people who contract with each other, exempts more referral agencies, increases the number of professional

Legal actions that are already underway "may yet affect the scope of AB 2257's application," the Seyfarth post noted. The post's authors also pointed out that—rather than lobby for additional exemptions—companies not covered by AB 2257 "may choose to follow the lead of transportation platform companies, which are funding a ballot initiative (Proposition 22) to create a new class of workers applicable to drivers, if their efforts prove successful."<sup>[8]</sup>

And those efforts did indeed prove successful on Nov. 3, 2020, when Proposition 22 passed.<sup>[2]</sup>

### **Proposition 22 and Assembly Bill 5 (AB5)**

Almost as soon as AB5 passed, Uber, Lyft, and DoorDash began to work to unravel it. They responded by heavily supporting California Proposition 22, a ballot initiative that legally designated drivers for app-based ride-hailing and delivery apps as independent contractors. Thanks to their efforts to garner signatures, the measure did get on the ballot in the November 2020 state general election—and was approved, with the support of 58% of California voters.<sup>[2]</sup>

Prop 22 declares app-based drivers to be independent contractors, not employees—though it does provide certain "engaged time" protections for them, such as health care subsidies, and accident and accidental death insurance.<sup>[9]</sup>

Prop 22 essentially overrode AB5 on the question of whether app-based drivers are employees or independent contractors.

However, on Aug. 20, 2021, Alameda County Superior Court Judge Frank Roesch ruled that two sections of Proposition 22 were unconstitutional and that the measure as a whole was unenforceable.<sup>[10]</sup>

Uber and Lyft announced they would appeal, and Prop 22 remains in effect as the court battles continue.<sup>[11]</sup>

### **Challenging Assembly Bill 5 (AB5)**

AB5 didn't just hit ride-sharing and delivery apps the wrong way. There were challenges put forth by other organizations as well.

For instance, the California Trucking Association appealed the Supreme Court's decision. At issue was Part B of the three-prong test, which states that individuals are considered workers if they perform any duties outside the usual scope of the company. Since the owner-operators of trucks are the ones who perform these duties, the organization requested an exemption but the court denied any review of the ruling.<sup>[12]</sup>

Different versions of the law were also enacted by other states, including Massachusetts and New Jersey. Groups representing journalists and photographers tried to block any enforcement of the Supreme Court's



## What Is the ABC Test?

The ABC test is a three-pronged test to determine whether to classify workers as employees or independent contractors. It assumes that workers are employees unless the company that hires them can prove the following three things. One, the worker is free to perform services without the control or direction of the company. Two, the worker is performing work tasks that are outside the usual course of the company's business activities. Three, the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.<sup>[6]</sup>

## What Is the Gig Economy?

The gig economy is based on flexible, temporary, or freelance jobs, often involving connecting with clients or customers through an online platform. It can benefit workers, businesses, and consumers by making work more adaptable to the needs of the moment and demand for flexible lifestyles. At the same time, the gig economy can have downsides, due to the erosion of traditional economic relationships between workers, businesses, and clients.

## How Does AB5 Impact Workers?

The most immediate implication of AB5 is that it turned some independent contractors into employees. This means these workers will be entitled to a minimum wage, business expense reimbursements, employee benefits, rest breaks, and the other benefits afforded to employees under California state law. However, a gig worker may lose flexibility in choosing when and when not to work.<sup>[1]</sup>

## How Does AB5 Impact Businesses?

It centers on cost. If companies now have to pay a minimum wage, offer paid time off and health insurance, and pay unemployment insurance and worker's compensation benefits for this new crop of employees, AB5 could have a significant impact on their bottom line.

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## Journal of Accountancy

# Key tax and retirement provisions in the Secure 2.0 Act

By Alistair M. Nevius, J.D.

January 4, 2023

The [Consolidated Appropriations Act, 2023](https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf) (<https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>), P.L. 117-328, enacted on Dec. 29 included (as its Division T) the Secure 2.0 Act, which contains several retirement and tax provisions. The Secure 2.0 provisions mostly focus on expanding coverage, increasing retirement savings, and simplifying and clarifying retirement plan rules, but there are other changes included as well.

Many tax items that have been proposed or discussed recently were not included in the act, including extensions of various expired or expiring provisions.

Here is a discussion of the major provisions of the Secure 2.0 Act.

### Expanded automatic enrollment in retirement plans

The act creates a new Sec. 414A, under which all Sec. 401(k) and 403(b) plans will have to provide for automatic enrollment of eligible employees (i.e., they must be an eligible automatic contribution arrangement under Sec. 414(w)(3)). Such plans must also meet three requirements:

1. They must allow permissible withdrawals (defined in Sec. 414(w)(2)) within 90 days after the first elective contribution.
2. They must provide for automatic contributions, starting with a minimum contribution percentage of between 3% and 10% in the participant's first year of participation, unless the participant specifically elects out. At the end of each year of participation, the contribution percentage must automatically increase by 1 percentage point (unless the participant elects otherwise), to at least 10%, but not more than 15%. For plan years ending before Jan. 1, 2025, the maximum percentage is 10% for any arrangement that is not a safe-harbor plan under Sec. 401(k)(12) or 401(k)(13).
3. Automatically contributed amounts must be invested in accordance with the requirements of Labor Department regulation 29 C.F.R. Section 2550.404c-5, if the participant makes no investment decision.

Plans established before the act's enactment date are exempt from the automatic enrollment provision. So are SIMPLE 401(k) plans, Sec. 414(d) governmental plans, and Sec. 414(e) church plans. Any plan maintained by an employer that has been in existence for less than three years and any plan maintained by an employer with 10 or fewer employees is also exempt.

For multiemployer plans, the automatic enrollment requirements are applied separately to each employer.

The automatic enrollment provision is effective for plan years beginning after Dec. 31, 2024.

### **Modified credit for small-employer pension plan startup costs**

The act provides an increase to the Sec. 45E credit for all or a portion of employer contributions to small employer pensions for the first five employer tax years beginning with the one that includes the plan's start date. The amount of the small-employer pension credit would be increased by the applicable percentage of employer contributions on behalf of employees, up to a per-employee cap of \$1,000. The applicable percentage is 100% in the first and second tax years, 75% in the third year, 50% in the fourth year, and 25% in the fifth year. No credit is available in the sixth and subsequent years.

Employers with 50 or fewer employees are eligible for 100% of the credit, which then phases out for employers with between 51 and 100 employees. No credit is allowed for employer contributions on behalf of an employee who makes more than \$100,000 (adjusted for inflation after 2023).

### **Saver's match**

The act adds a new Sec. 6433 that provides a matching contribution, up to \$2,000, for any eligible individual who makes a qualified retirement savings contribution for a tax year, which the individual will claim as a tax credit. The match will equal 50% of the individual's contribution for the tax year but will phase out for taxpayers with modified adjusted gross income above \$41,000, for married taxpayers filing jointly; \$30,750, for taxpayers filing as head of household; and \$20,500, for single taxpayers (adjusted for inflation after 2027). Eligible individuals are anyone age 18 or older who is not a dependent or full-time student and who is not a nonresident alien.

The saver's match is effective for tax years beginning after Dec. 31, 2026.

### **Increase in beginning age for RMDs**

The act increases the applicable age at which beneficiaries must begin taking required minimum distributions (RMDs) from qualified retirement plans and annuity contracts as follows:

- For an individual who attains age 72 after Dec. 31, 2022, and age 73 before Jan. 1, 2033, the applicable age is 73.
- For an individual who attains age 74 after Dec. 31, 2032, the applicable age is 75.

This increase applies to RMDs required to be made after Dec. 31, 2022, by taxpayers who reach age 72 after that date.

### **IRA catch-up limit indexed for inflation**

Defined contribution retirement plans can allow participants who are age 50 or older to make additional pretax elective deferrals, which are referred to as catch-up contributions. The act indexes the \$1,000 catch-up contribution limit in Sec. 219(b)(5) for inflation for years after 2023.

## **Higher catch-up limit for older individuals**

The act increases the current catch-up limit to the greater of \$10,000 (\$5,000 for SIMPLE plans) or 50% more than the regular catch-up amount in 2024 (2025 for SIMPLE plans) for individuals who attain ages 60, 61, 62, and 63, effective for tax years beginning after Dec. 31, 2024. The dollar amounts are indexed for inflation beginning in 2026.

## **Credit for military spouses that participate in employer defined contribution plans**

The act creates a credit for small employers for each military spouse that starts participating in the employer's eligible defined contribution plan (new Sec. 45AA). A small employer is defined as one with no more than 100 employees who earned at least \$5,000 in the preceding year.

The annual credit amount is \$200 for each military spouse who participates in the employer's plan, plus the amount of related employer contributions to the plan (but capped at \$300 of contributions for any individual). A military spouse counts for purposes of the credit only in the tax year that includes the date they begin participating in the plan and the two succeeding tax years. "Military spouse" is defined as an individual who is married to a member of the uniformed services (as defined in 10 U.S.C. Section 101(a)(5)) serving on active duty. Highly compensated employees (within the meaning of Sec. 414(q)) are excluded from the definition of "military spouse."

## **Small financial incentives for contributing to a plan**

The act allows employers to provide *de minimis* financial incentives (not paid for with plan assets) to employees who elect to have their employer make contributions pursuant to a salary reduction agreement.

## **Starter 401(k) plans and safe-harbor 403(b) plans**

The act establishes two new retirement plans: starter 401(k) deferral-only arrangements and safe-harbor 403(b) plans.

An employer is generally eligible to offer a starter 401(k) deferral-only arrangement if neither the employer nor a predecessor employer maintains another qualified plan for the year in which the determination is being made. Under the starter 401(k) deferral-only arrangement, each eligible employee must be treated (unless the employee elects otherwise) as having elected to have the employer make elective contributions in an amount equal to the applicable qualified percentage of compensation.

All employees of the employer must be eligible to participate in the arrangement other than those that do not meet the age and service requirements. The qualified percentage is determined under the terms of the arrangement, but must not be less than 3% or more than 15%, and it must be applied uniformly.

Employers may not make matching or nonelective contributions to starter 401(k) deferral-only arrangements. An employee's elective contributions for a calendar year may not exceed \$6,000, adjusted for cost of living, with up to \$1,000 of catch-up contributions permitted for employees who attain age 50 by the end of the tax year.

Similar rules apply to safe-harbor 403(b) plans for tax-exempt employers that do not already maintain a qualified plan.

## **ABLE program age limit increased**

The act increases the age limit before which an individual's disability or blindness must have occurred from 26 to 46 in order for the individual to be eligible to establish and become the designated beneficiary of an achieving a better life experience (ABLE) account. The change is effective for tax years beginning after Dec. 31, 2025.

## **Improving coverage for part-time workers**

Previously, Sec. 401(k) plans generally had to permit long-term part-time employees to make elective deferrals if the employee had worked at least 500 hours per year with the employer for at least three consecutive years and had met the minimum age requirement (age 21) by the end of the three-consecutive-year period. The act reduces the three-year requirement to two years, effective for plan years beginning after Dec. 31, 2024.

## **Tax-free rollovers from Sec. 529 accounts to Roth IRAs**

The act permits beneficiaries of Sec. 529 college savings accounts to make direct trustee-to-trustee rollovers from a Sec. 529 account to a Roth IRA without tax or penalty. The Sec. 529 account must have been in existence for more than 15 years at the time of the rollover, and aggregate rollovers cannot exceed \$35,000. Rollovers are also subject to the Roth IRA annual contribution limits. The change is effective for distributions made after Dec. 31, 2023.

## **Pension-linked emergency savings accounts**

The act amends the Employee Retirement Income Security Act (ERISA) to allow plans to establish short-term savings accounts as part of an individual account plan on behalf of an eligible participant. Such accounts will be Roth accounts of up to \$2,500 with no minimum contribution or account balance requirements that allow for withdrawal or distribution of the account balance, at least once a month, at the participant's discretion. Such distributions will not be subject to the Sec. 72(t) 10% additional tax for early withdrawals.

## **Penalty-free emergency withdrawals**

The act adds a new exception from the Sec. 72(t) 10% tax on early distributions from retirement accounts. The new exception applies to certain distributions used for emergency expenses, which are used for meeting unforeseeable or immediate financial needs relating to necessary personal or family emergencies. One distribution is allowed per year of up to \$1,000. Taxpayers have the option to repay the distribution within three years. No further emergency distributions are allowed during the three-year repayment period unless repayment has been made. The exception is available for distributions made after Dec. 31, 2023.

## **Penalty-free retirement plan withdrawals for domestic abuse victims**

The act amends Sec. 72(t) to allow domestic abuse victims to take distributions of up to \$10,000 (adjusted for inflation after 2024) from a qualified retirement plan without being subject to the 10% additional tax for early withdrawals. "Domestic abuse" includes physical, psychological, sexual, emotional, or economic abuse by a spouse or domestic partner. Employees or participants can self-certify that they qualify for the exception. The provision is effective for distributions made after Dec. 31, 2023.

## **Penalty-free retirement plan withdrawals for individuals with terminal illness**

The act amends Sec. 72(t) to allow individuals with a terminal illness to take distributions from a qualified retirement plan without being subject to the 10% additional tax for early withdrawals. Employees or participants will need a physician's certification to qualify for the exception. A terminally ill person is defined as someone who has an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification. The provision is effective for distributions made after Dec. 31, 2023.

## **Penalty-free retirement plan withdrawals in connection with qualified disasters**

The act amends Sec. 72(t) to allow penalty-free withdrawals of up to \$22,000 for "qualified disaster recovery distributions." These are defined as any distribution made on or after the first day of the "incident period" of a qualified disaster and before 180 days after the "applicable date" for that disaster. Eligible individuals must have their principal place of abode within the qualified disaster area and must have sustained an economic loss as a result of the qualified disaster.

The "incident period" means the period designated by the Federal Emergency Management Agency as the period during which the disaster occurred. The "applicable date" is the latest of (1) the date of enactment of the act, (2) the first day of the incident period, or (3) the date of the disaster declaration.

Any amount of a qualified disaster recovery distribution that an individual must include in income will be included ratably over a three-year period.

The provision applies to distributions with respect to disasters for which the incident period begins on or after Jan. 26, 2021 (30 days after the enactment of the Taxpayer Certainty and Disaster Relief Act of 2020, P.L. 116-260).

The provision is effective for distributions made after Dec. 31, 2023.

## **Elimination of 10% additional tax on corrective distributions of excess contributions**

The act provides that earnings attributable to excess contributions to an IRA that are returned by the due date for the taxpayer's return for the year (including extensions) are exempt from the Sec. 72(t) 10% additional tax.

## **QLAC premium limit**

The act repeals the 25% premium limit for qualifying longevity annuity contracts (QLACs). It also increases the dollar limitation on premiums from \$125,000 to \$200,000.

The act makes changes to facilitate joint and survivor QLAC benefits, and it creates a "free look" period, allowing rescission of the QLAC contract by the employee within 90 days.

## **Accidental overpayment of plan benefits**

Under the act, inadvertent overpayment of retirement plan benefits will not result in noncompliance with plan requirements merely because the fiduciary, in the exercise of its discretion, does not seek recovery of the overpayment from participants or beneficiaries.

## **Reduction in excise tax on retirement plan accumulations**

The act reduces the Sec. 4974(a) penalty for failure to take RMDs from 50% to 25%. If the failure to take the RMD is corrected in a timely manner (i.e., during the "correction window"), the penalty is reduced from 25% to 10%. The correction window is the period beginning on the date on which the Sec. 4974(a) excise tax is imposed and ending on the earliest of: (1) the date of mailing of a notice of deficiency with respect to the excise tax; (2) the date on which the excise tax is assessed; or (3) the last day of the second tax year that begins after the end of the tax year in which the excise tax is imposed.

## **Retirement savings lost-and-found database**

The act mandates the creation of a retirement savings lost-and-found online searchable database to be managed by the Department of Labor. The database must be established within two years of the date of enactment of the act. The database will allow individuals to search for plans and the contact information of the administrator of any plan in which they are a participant or beneficiary.

## **Exclusion of disability-related first-responder retirement payments from income**

The act creates a new Sec. 139B that allows certain first responders (law enforcement officers, firefighters, paramedics, and emergency medical technicians) to exclude from gross income certain service-related disability pension or annuity payments after they reach retirement age. The exclusion is effective for eligible amounts received after Dec. 31, 2026.

## **Retroactive first-year elective deferrals for sole proprietors**

The act allows sole proprietors (i.e., an individual who owns the entire interest in an unincorporated trade or business and who is the only employee of that trade or business) to make an elective deferral under a 401(k) plan during the period before the time for filing the individual's return for the tax year (determined without regard to any extensions) ending after or with the end of the 401(k) plan's first plan year, and the deferral will be treated as having been made before the end of the plan's first plan year.

## **Surviving spouse's election to be treated as an employee**

In the case of an employee who dies before RMDs have begun under an employer-provided qualified retirement plan, and who has designated a spouse as sole beneficiary, the act allows the designated beneficiary surviving spouse to elect to be treated as if the surviving spouse were the employee for purposes of the RMD rules of Sec. 401(a)(9). The IRS will prescribe the time and manner for making the election. This provision is effective for calendar years after 2023.

## **Long-term-care contracts purchased with retirement plan distributions**

The act amends Sec. 401(a) to allow retirement plans to make "qualified long-term care distributions." Under this provision, up to \$2,500 can be distributed to purchase long-term-care insurance.

## **SIMPLE and SEP Roth IRAs**



The act repealed Sec. 408A(f), so now SIMPLE IRAs and SEPs can allow employees to treat contributions as nondeductible Roth contributions. This change is effective for tax years beginning after Dec. 31, 2022.

## **Roth treatment of catch-up contributions**

The act makes catch-up contributions under Sec. 401(k), Sec. 403(b), or Sec. 457(b) plans subject to mandatory Roth tax treatment, except those made by participants whose wages for the preceding calendar year do not exceed \$145,000, as annually indexed for inflation. That means these contributions will be made on an after-tax basis and qualified distributions will generally be excluded from income when made.

## **Roth treatment of matching or nonelective contributions**

Under the act, Sec. 401(k), Sec. 403(b), and Sec. 457(b) plans can allow a participant to designate some or all matching contributions and nonelective contributions as designated Roth contributions. This applies only to the extent that a participant is fully vested in these contributions.

## **Limitation on conservation easement deductions for passthrough entities**

The act disallows a charitable deduction for an otherwise-qualified conservation easement contribution that is made by a partnership, S corporation, or other passthrough entity, if the amount of the contribution exceeds 2.5 times the sum of each partner/member's relevant basis in the contributing entity.

Certain exceptions apply: if the contribution meets a three-year holding period test; if substantially all of the contributing entity is owned by members of a family; or if the contribution relates to the preservation of a certified historic structure.

The act also creates a safe harbor to allow taxpayers to correct easement deed language regarding extinguishment clauses and boundary line adjustments. The IRS is directed to develop safe-harbor language for this purpose.

— *To comment on this article or to suggest an idea for another article, contact Alistair M. Nevius at [Alistair.Nevius@aicpa-cima.com](mailto:Alistair.Nevius@aicpa-cima.com) (mailto:Alistair.Nevius@aicpa-cima.com).*

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[\\_\(https://future.aicpa.org/home\)](https://future.aicpa.org/home)



# Sacramento Valley Charter School

Learn. Compete. Excel.

2399 Sellers Way  
West Sacramento, CA 95691  
Front Office: 916.596.6422  
Fax: 916.372-7249

*Dr. Amrik Singh, Principal  
Gurpreet Kaur, Admin Secretary*

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## Board Meeting: Principal's Report (1/11/2023)

**Winter Staff Retreat** - We held our annual retreat as a way to express our gratitude for everyone's dedication to making SVCS the finest possible learning environment for our students. The overall agenda was to build community partnership and our scholars' social and emotional development. Our SVCS staff has been so amazing in helping develop our future generation of leaders in the Sacramento region.

**Bhajan Bhinder**  
Chairman

**Narinder Thandi**  
President

**Daljit Ghuman**  
Vice-President

**Surjeet Dhillon**  
Board  
Secretary

**Surinder Bassi**  
Board Member

**STEAM Night** - We had an overwhelming response to the SVCS STEAM Night on December 15th, 2022. After the pandemic it was the first big event that attracted the SVCS community. About 300 students, parents, and families attended the event. Students showcased their Math and Science skills through fun and challenging projects they created. Teachers and staff worked hard to put up a highly organized and informational event.

**Award Assembly** - On Dec 15, 2022 We recognized our scholar's accomplishments during the award ceremony. Every grade level attended the ceremony to inspire all of our scholars to learn, compete and excel. Scholars were recognized and awarded Principal's Honor Roll and Honor Roll as well.

**Teacher Shortage** - We are currently understaffed for teachers and we are also looking for a school counselor. A job posting was made on Edjoin. We are looking for teachers teaching 3rd grade and for special education. It has been very hard to hire new teachers in the past 3-4 months.

**Attendance & Uniform** - Attendance has been decreasing alarmingly and steps are being taken to address this concern to parents. A letter has been sent out to parents regarding this situation in order to raise awareness and in hopes of increasing attendance. School Liaison has been calling and scheduling meetings with the principal and parents whose children are habitually tardy and absent. Uniform is enforced when kids become too lax in wearing their school uniform.



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*Dr. Amrik Singh, Principal*  
*Gurpreet Kaur, Admin Secretary*

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Parents are called immediately and asked to bring the correct uniform to school the same day.

**Independent Studies** - SVCS has been receiving too many requests for IS for prolonged vacations or for other reasons. Each Independent Study request is referred to the principal for scheduling an appointment with parents. During the meeting, parents are made aware of the legal aspect of IS Study. They are informed about the consequences of their child not turning in the completed work on time and are informed about possible failure or retention in view of incomplete assignments.

**Bhajan Bhinder**  
Chairman

**Narinder Thandi**  
President

**Daljit Ghuman**  
Vice-President

**Surjeet Dhillon**  
Board  
Secretary

**Surinder Bassi**  
Board Member

**Spelling Bee** - Will be held on January 31st, 2023. Elementary grades 4-6th and middle school grades 7- 8th will be participating.

**Holi Run** - After 3 years we will be hosting the annual Holi Run on March 31st, 2023 as a mark of spring celebration.