

WILLITS UNIFIED SCHOOL DISTRICT

A regular meeting of the Willits Unified School District Board of Education will be held on Wednesday, April 14, 2021. The Board of Education will call the meeting to order at 4 p.m. via Zoom, at which time the Board of Education will move to Closed Session regarding the item listed under Closed Session. The public meeting will reconvene at 5:00 p.m. via

Zoom: <https://us04web.zoom.us/j/9782489039?pwd=V0U2cUtHZUMzQk5xR3d5Vy9wT1JkZz09>

You may also view the meeting at: <https://www.youtube.com/channel/UCm14iSqMtl-7TKLnLP5NkFQ>

MODIFIED MEETING PROCEDURES DURING COVID-19 (CORONAVIRUS) PANDEMIC:

As per Executive Order N-29-20 from Governor Newsom, the Willits Unified School District Board of Education meeting scheduled for Wednesday, April 14, 2021, at 5:00 p.m. will be in a virtual/teleconferencing environment using Zoom at this link: <https://us04web.zoom.us/j/9782489039?pwd=V0U2cUtHZUMzQk5xR3d5Vy9wT1JkZz09>. The purpose of the Governor's executive order is to control the spread of Coronavirus (COVID-19) and to reduce and minimize the risk of infection by "limiting attendance at public assemblies, conferences, or other mass events." The Governor's executive order on March 12, 2020, already waived the requirement for a majority of board members to physically participate in a public board meeting at the same location. The April 15 agenda contains only routine and time-sensitive items.

Agenda

1. Call Meeting to Order
2. Agenda Approval
3. Public Comments on Closed Session Items
4. Recess to Closed Session
 - A. Classified Leave of Absence Request (2) (G.C. 54957)
 - B. Certificated Leave of Absence Request (1) (G.C. 54957)
 - C. Public Employee Discipline/Dismissal/Release (G.C. 54957)
 - D. Public Employment (G.C. 54957)
5. Reconvene to Open Session
6. Report Out of Closed Session
7. Flag Salute
8. Informational
 - A. Autism Acceptance Video
 - B. *Presentation of 2019/2020 Audit Report; Christy White Associates
 - C. *GASB 75 Actuarial Valuation
 - D. *MCOE Certification of the 2020-21 First and Second Interim Budget Reports
9. WTA Comments
10. CSEA Comments
11. Board Comments
12. Superintendent Comments
13. Action/Discussion
 - A. Public Comments on Agenda Items
 - B. Consent Agenda
 - 1) *Approval of the Minutes from the Regular Meeting held on March 10, 2021
 - 2) *Approval of Employee Status Changes (6)
 - 3) *Approval of Warrant Registers March 1, 2021- March 31, 2021
 - 4) *Approval of Consultant Contract
 - C. Approval of Career Technical Education Plan 2020/2021
 - D. *Approval of the WHS Parking Lot Project
 - E. *Approval of the Roofing Project at Brookside, Baechtel Grove and Willits High School
 - F. Discussion of the Blosser Property Rezoning/Preparation for Sale
 - G. Discussion of Fund Balance Policy
14. Public Comments for Items Not on the Agenda
15. Items for Next Regular Board Agenda
16. Adjournment

Agenda Packet & Supporting Documents Notice: The agenda packet and supporting materials, including materials distributed less than 72 hours prior to the scheduled meeting, can be viewed at the Willits Unified School District- Reception Desk, located at 1277 Blosser Lane., Willits, CA. For more information please call (707) 459-5314. *Items so marked have supporting documents which have been distributed to School Board Members. An extra copy is available upon request.

ADA Compliance Notice: Willits Unified School District adheres to the Americans with Disabilities Act. Should you require special accommodations, or more information about accessibility, please contact the Superintendent, (707) 459-5314. All efforts will be made for

reasonable accommodations.

BOARD MEETINGS ARE RECORDED AND UPLOADED TO DISTRICT WEB SITE: www.willitsunifed.com. For technical assistance, please contact Jennifer Maples (707) 459-5314 ext. 1105

**WILLITS UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES**

Regular Meeting

A regular meeting of the Willits Unified School District Board of Education will be held on **Wednesday, April 14, 2021**. The Board of Education will call the meeting to order at 4 p.m. via Zoom, at which time the Board of Education will move to Closed Session regarding the item listed under Closed Session. The public meeting will reconvene at 5:00 p.m. via Zoom: <https://us04web.zoom.us/j/9782489039?pwd=V0U2cUtHZUMzQk5xR3d5Vy9wT1JkZz09>

You may also view the meeting at: <https://www.youtube.com/channel/UCm14iSqMtl-7TKLnLP5NkFQ>

Public Comments- Individuals may address the Board on regular session agenda items at the time they are under consideration.

Agenda Analysis

1. Call Meeting to Order
2. Agenda Approval
3. Public Comments on Closed Session Items
4. Recess to Closed Session
 - A. Classified Leave of Absence Request (2) (G.C. 54957)
 - B. Certificated Leave of Absence Request (1) (G.C. 54957)
 - C. Public Employee Discipline/Dismissal/Release (G.C. 54957)
 - D. Public Employment (G.C. 54957)
5. Reconvene to Open Session
6. Report out of Closed Session
7. Flag Salute
8. Informational
 - A. Autism Acceptance Video
 - B. *Presentation of 2019/2020 Audit Report; Christy White Associates
 - C. *GASB 75 Actuarial Valuation
 - D. *MCOE Certification of the 2020-21 First and Second Interim Budget Reports
9. WTA Comments
10. CSEA Comments
11. Board Comments
12. Superintendent Comments
13. Action/Discussion
 - A. Public Comments on the Consent Agenda
 - B. Consent Agenda
 - 1) *Approval of Minutes from the Regular Meeting Held on March 10, 2021

Recommendation: Administration recommends approval of the Minutes from the Regular Meeting Held on March 10, 2021.

Attachments: Yes

2) *Approval of Employee Status Changes (6)

Background: Classified New Hire: Shannon Folsom, .75 FTE, Special Education Instructional Assistant, Willits High School, 03/22/2021. Gwyneth Hernandez, .75 FTE, Special Education Instructional Assistant, Brookside Elementary School, 3/22/2021.

Classified Resignation: Aldaie Nieto, 1.0 FTE, Night Custodian, Baechtel Grove Middle School, 03/31/2021

Certificated Resignation: Yuko Kohut, 1.0 FTE, Teacher, Brookside Elementary School, 6/15/2021. James Schweig, 1.0 FTE, Teacher, Baechtel Grove Middle School, 6/15/2021

Certificated Retirement: Laurel Burghardt, 1.0 FTE, Teacher, Sherwood School, 6/15/2021.

Recommendation: Administration recommends the approval of the Employee Status changes as presented.

Attachments: Yes

3) *Warrant Registers from March 1, 2021- March 31, 2021

Recommendation: Administration recommends the approval of Warrant Registers from March 1, 2021-March 31, 2021.

Attachments: Yes

4) *Approval of Consultant Contract

Recommendation: Administration recommends the approval of the Consultant Contract

Attachments: Yes

-
- C. Approval of Career Technical Education Plan 2020/2021

Background: As part of the Federal Perkins Career Technical Education grant funds, schools are beginning to coordinate with post-secondary institutions to identify CTE pathways. The benefit and purpose of these initial pathway documents is to focus student counseling on delivering specific services to these students. With this model and emphasis students can then begin to concurrently enroll in necessary high school and college courses. With the current budget constraints and significant program costs, this partnership of schools is a positive and viable solution to expanding our vocational education program.

Recommendation: Administration recommends the approval of the CTE Plan as received

Attachments: Not available at time of posting

D. *Approval of Bid/Contract for Willits High School Parking Lot Project

Background: Bids must be sealed and submitted to the District Office no later than April 8, 2021 at 2:00pm and thereafter publicly open and read aloud the bids.

Recommendation: Administration recommends the approval of the bid/contract as received

Attachments: Yes

E. *Approval of Bid/Contract for Roofing Project at Brookside, Baechtel Grove Middle School and Willits High School

Background: Bids must be sealed and submitted to the District Office no later than April 8, 2021, 3:00pm and thereafter publicly open and read aloud the bids.

Recommendation: Administration recommends the approval of the bid/contract as received

Attachments: Yes

F. Discussion of Blosser Property Rezoning/Preparation for Sale

Background: Update Board with status of rezoning process of the Blosser Lane Property.

Attachments: No

G. Discussion of Fund Balance Policy

Background: Discussion of updates to the policy regarding Fund Balance and Reserves

Attachments: No

14. Public Comments for Items Not on the Agenda

This is an opportunity for citizens to address the School Board on any item that is not on the agenda and other school related matters, or suggest topics for future agendas. Because concerns expressed are not agendaized for tonight, the Board cannot take action on items introduced under the Public Comments Sections, per state law. The Board President may rule on the appropriateness of a topic. If the topic would be more suitably addressed at a later time, the president may indicate the time and place when it should be presented.

The Board shall not prohibit public criticism of its policies, procedures, programs, service, acts, or omissions (Government Code §54954.3). In addition, the Board may not prohibit public criticism of district employees. Please note: it is requested that statements critical of personnel or students, or specific actions of personnel or students, be made in accordance with Board Policy 1312.1.

Members of the public are asked to check with the Superintendent, Board President, or Clerk of the board regarding the District Complaint Procedure prior to making statements referring to personnel or students. Employees of the district who wish to make statements related to contractual issues need to file the appropriate grievance procedure statements. Speakers are cautioned that under California law, no person is immune from liability for making intentionally false or defamatory comments regarding any person simply because those comments are made at a public meeting.

15. Items for the Next Regular Board Agenda

Background: The board has asked that this item be a standing agenda item for all regular meetings. This will give the board an opportunity to publicly add items to the agenda

Recommendation: Await further direction from the Board

Attachments: No

16. Adjournment

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Willits Unified School District staff and students, in partnership with parents and community members, provide a challenging, caring and safe educational environment, which prepares students to be positive members of the community, effective communicators, problem solvers, and lifelong learners.

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WILLITS UNIFIED SCHOOL DISTRICT

**AUDIT REPORT
JUNE 30, 2020**



**WILLITS UNIFIED SCHOOL DISTRICT
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
Willits Unified School District
Willits, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Willits Unified School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Willits Unified School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Willits Unified School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Willits Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report March 30, 2021 on our consideration of Willits Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Willits Unified School District'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 Willits Unified School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
March 30, 2021

WILLITS UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

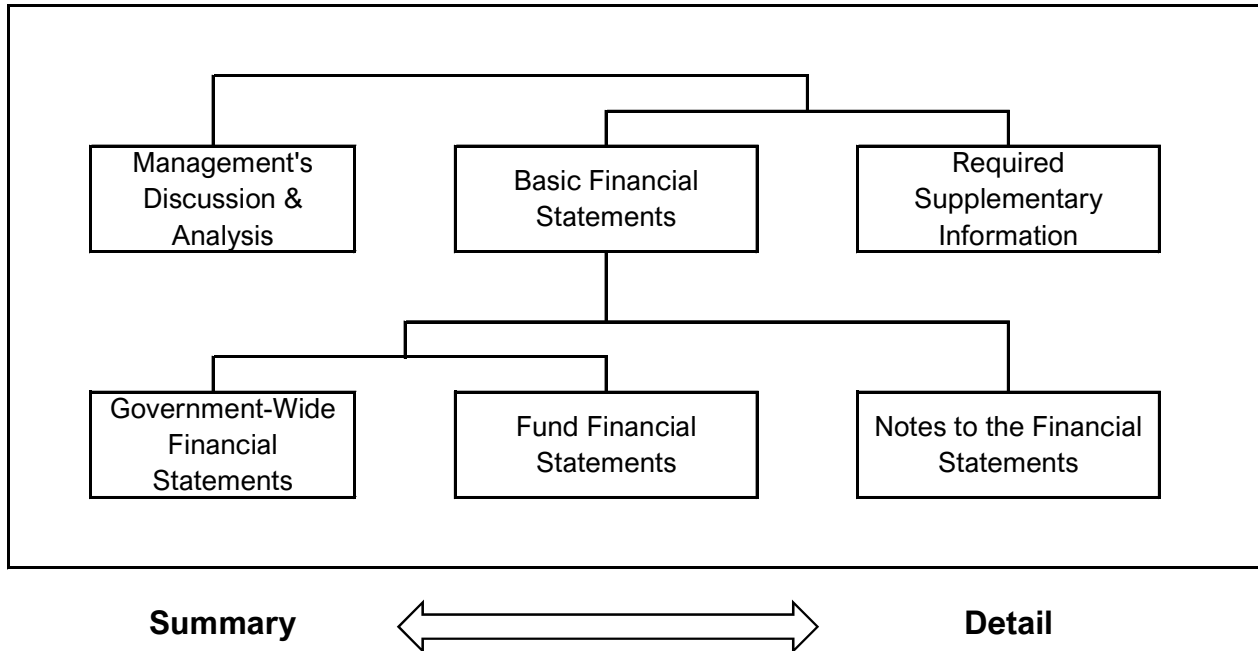
Our discussion and analysis of Willits Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position was \$(7,866,813) at June 30, 2020. This was a decrease of \$1,415,482 from the prior year.
- Overall revenues were \$22,563,026 which were exceeded by expenses of \$23,978,508.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**WILLITS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
 - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.
 - ▶ **Fiduciary Funds** report balances for which the District is a custodian or *trustee* of the funds, such as Associated Student Bodies and pension funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

**WILLITS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was \$(7,866,813) at June 30, 2020, as reflected in the table below. Of this amount, \$(17,339,614) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2020	2019	Net Change
ASSETS			
Current and other assets	\$ 7,349,933	\$ 6,661,941	\$ 687,992
Capital assets	19,886,983	20,627,348	(740,365)
Total Assets	27,236,916	27,289,289	(52,373)
DEFERRED OUTFLOWS OF RESOURCES	5,197,217	5,982,277	(785,060)
LIABILITIES			
Current liabilities	2,471,915	2,057,656	414,259
Long-term liabilities	35,952,066	36,466,644	(514,578)
Total Liabilities	38,423,981	38,524,300	(100,319)
DEFERRED INFLOWS OF RESOURCES	1,876,965	1,198,597	678,368
NET POSITION			
Net investment in capital assets	7,928,340	8,034,376	(106,036)
Restricted	1,544,461	1,378,942	165,519
Unrestricted	(17,339,614)	(15,864,649)	(1,474,965)
Total Net Position	\$ (7,866,813)	\$ (6,451,331)	\$ (1,415,482)

**WILLITS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The following table takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	Governmental Activities		
	2020	2019	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 415,346	\$ 458,876	\$ (43,530)
Operating grants and contributions	4,028,266	4,368,996	(340,730)
General revenues			
Property taxes	6,900,189	6,790,194	109,995
Unrestricted federal and state aid	10,598,682	9,987,389	611,293
Other	620,543	580,355	40,188
Total Revenues	22,563,026	22,185,810	377,216
EXPENSES			
Instruction	11,871,853	11,988,697	(116,844)
Instruction-related services	2,221,793	2,267,152	(45,359)
Pupil services	3,299,656	3,451,797	(152,141)
General administration	1,866,410	1,897,897	(31,487)
Plant services	2,410,137	2,575,474	(165,337)
Ancillary services	294,485	289,143	5,342
Debt service	591,775	421,148	170,627
Other outgo	30,755	33,086	(2,331)
Depreciation	1,391,644	1,376,091	15,553
Total Expenses	23,978,508	24,300,485	(321,977)
Change in net position	(1,415,482)	(2,114,675)	699,193
Net Position - Beginning	(6,451,331)	(4,336,656)	(2,114,675)
Net Position - Ending	\$ (7,866,813)	\$ (6,451,331)	\$ (1,415,482)

The cost of all our governmental activities this year was \$23,978,508. The amount that our taxpayers ultimately financed for these activities through taxes was only \$6,900,189, primarily because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

**WILLITS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

The net cost of services provided for the year ended June 30, 2020 was \$19,534,896.

	Net Cost of Services	
	2020	2019
Instruction	\$ 9,037,473	\$ 9,033,351
Instruction-related services	2,034,686	2,023,420
Pupil services	2,225,005	2,314,527
General administration	1,558,047	1,532,718
Plant services	2,407,401	2,490,251
Ancillary services	283,810	248,021
Debt service	591,775	421,148
Transfers to other agencies	5,055	33,086
Depreciation	1,391,644	1,376,091
Total Expenses	\$ 19,534,896	\$ 19,472,613

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$5,381,278 which is more than last year's ending fund balance of \$5,089,451. The District's General Fund had \$479,093 more in operating revenues than expenditures for the year ended June 30, 2020. The District's Bond Interest and Redemption Fund had \$210,243 more in operating revenues than expenditures for the year ended June 30, 2020.

CURRENT YEAR BUDGET 2019-2020

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

**WILLITS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2019-2020 the District had invested \$19,886,983 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2020	2019	Net Change
CAPITAL ASSETS			
Land	\$ 533,782	\$ 533,782	\$ -
Construction in progress	90,380	-	90,380
Buildings & improvements	36,615,950	36,615,950	-
Furniture & equipment	3,059,128	2,498,229	560,899
Accumulated depreciation	(20,412,257)	(19,020,613)	(1,391,644)
Total Capital Assets	\$ 19,886,983	\$ 20,627,348	\$ (740,365)

Long-Term Liabilities

At year-end, the District had \$35,952,066 in long-term liabilities, a decrease of 1% – as shown below. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

	Governmental Activities		
	2020	2019	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	\$ 15,622,987	\$ 15,908,928	\$ (285,941)
Compensated absences	89,192	71,380	17,812
Total OPEB liability	1,520,348	1,859,385	(339,037)
Net pension liability	19,549,139	19,406,551	142,588
Less: current portion of long-term liabilities	(829,600)	(779,600)	(50,000)
Total Long-term Liabilities	\$ 35,952,066	\$ 36,466,644	\$ (514,578)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

According to the UCLA Anderson Forecast, the U.S. economy is in a "depression-like crisis" and it will take at least three years before its GDP and unemployment rate return to the levels it saw before the COVID-19 pandemic struck. Between February 2020 and April 2020, California lost 2.56 million nonfarm payroll jobs, a 15% drop that is nearly double the job loss during the Great Recession in 2008 and 2009.

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. Governor Gavin Newsom and the State Legislature provided resources and support beyond the Proposition 98 requirement in 2020–21, giving one-time federal resources and pension rate relief and promising more than the minimum guarantee in 2021–22.

**WILLITS UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (continued)

Landmark legislation passed in Year 2013 reformed California school district finance by creating the Local Control Funding Formula (LCFF). The LCFF is designed to provide a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per-pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low income brackets, those that are English language learners and foster youth.

Factors related to LCFF that the District is monitoring include: (1) estimates of funding in the next budget year and beyond; (2) the Local Control and Accountability Plan (LCAP) that aims to link student accountability measurements to funding allocations; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADs); and, (4) meeting annual compliance and audit requirements.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2020. The amount of the liability is material to the financial position of the District. In response to the ongoing pandemic, the 2020-21 State Budget reduced employer contribution rates in 2020-21 and 2021-22. This will reduce the CalSTRS employer rate from 18.4% to approximately 16.15% in 2020-21 and from 18.2% to 16.0% in 2021-22. The CalPERS employer contribution rate will be reduced from CalPERS recently set rate for 2020-21 of 22.68% to 20.7% and 2021-22 estimated rate of 24.6% to 23.0%. Despite this reduction in the planned rate increases, the projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act provides California K-12 education with \$1.65 billion in Elementary and Secondary School Emergency Relief (ESSER) Funds, \$355 million in Governor's Emergency Education Relief (GEER) Funds, and \$4.4 billion in Coronavirus Relief Funds (CRF). Collectively, GEER Funds, CRF, and \$540 million in state General Fund (GF) contributions are known as Learning Loss Mitigation Funding (LLMF). CARES Act funds will be apportioned in 2020-21, however, ESSER and GEER are to be used on eligible expenditures beginning March 13, 2020 through September 30, 2022, GF is to be used on eligible expenditures beginning March 1, 2020 through June 30, 2021, and CRF is to be used on eligible expenditures beginning March 1, 2020 through December 30, 2020. On December 27, 2020, the President signed the Consolidated Appropriations Act which extended the CRF spending deadline to December 30, 2021.

All of these factors were considered in preparing the District's budget for the 2020-21 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office at (707) 459-5314 or by mail at 1277 Blosser Lane; Willits, CA 95490.

**WILLITS UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities
ASSETS	
Cash and investments	\$ 4,508,914
Accounts receivable	2,806,370
Inventory	18,373
Prepaid expenses	16,276
Capital assets, not depreciated	624,162
Capital assets, net of accumulated depreciation	19,262,821
Total Assets	27,236,916
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	5,145,041
Deferred outflows related to OPEB	52,176
Total Deferred Outflows of Resources	5,197,217
LIABILITIES	
Deficit cash	118,877
Accrued liabilities	1,432,339
Unearned revenue	91,099
Long-term liabilities, current portion	829,600
Long-term liabilities, non-current portion	35,952,066
Total Liabilities	38,423,981
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,575,777
Deferred inflows related to OPEB	301,188
Total Deferred Inflows of Resources	1,876,965
NET POSITION	
Net investment in capital assets	7,928,340
Restricted:	
Debt service	1,010,988
Educational programs	503,724
Food service	29,749
Unrestricted	(17,339,614)
Total Net Position	\$ (7,866,813)

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

**WILLITS UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 11,871,853	\$ 281,228	\$ 2,553,152	\$ (9,037,473)
Instruction-related services				
Instructional supervision and administration	267,918	15,140	142,845	(109,933)
Instructional library, media, and technology	233,057	245	7,262	(225,550)
School site administration	1,720,818	200	21,415	(1,699,203)
Pupil services				
Home-to-school transportation	782,536	-	-	(782,536)
Food services	1,260,014	4,328	775,142	(480,544)
All other pupil services	1,257,106	82,888	212,293	(961,925)
General administration				
Centralized data processing	327,703	-	-	(327,703)
All other general administration	1,538,707	28,870	279,493	(1,230,344)
Plant services	2,410,137	2,077	659	(2,407,401)
Ancillary services	294,485	370	10,305	(283,810)
Interest on long-term debt	591,775	-	-	(591,775)
Other outgo	30,755	-	25,700	(5,055)
Depreciation (unallocated)	1,391,644	-	-	(1,391,644)
Total Governmental Activities	\$ 23,978,508	\$ 415,346	\$ 4,028,266	(19,534,896)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				5,816,356
Property taxes, levied for debt service				1,083,833
Federal and state aid not restricted for specific purposes				10,598,682
Interest and investment earnings				63,702
Interagency revenues				163,712
Miscellaneous				393,129
Subtotal, General Revenue				18,119,414
CHANGE IN NET POSITION				(1,415,482)
Net Position - Beginning				(6,451,331)
Net Position - Ending				\$ (7,866,813)

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

**WILLITS UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020**

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 3,197,517	\$ 1,058,997	\$ 87,240	\$ 4,343,754
Accounts receivable	2,659,848	-	146,522	2,806,370
Due from other funds	17,635	-	8,062	25,697
Stores inventory	-	-	18,373	18,373
Prepaid expenditures	16,276	-	-	16,276
Total Assets	\$ 5,891,276	\$ 1,058,997	\$ 260,197	\$ 7,210,470
LIABILITIES				
Deficit cash	\$ -	\$ -	\$ 118,877	\$ 118,877
Accrued liabilities	1,352,239	-	32,011	1,384,250
Due to other funds	217,331	-	17,635	234,966
Unearned revenue	90,618	-	481	91,099
Total Liabilities	1,660,188	-	169,004	1,829,192
FUND BALANCES				
Nonspendable	18,776	-	18,373	37,149
Restricted	461,576	1,058,997	71,897	1,592,470
Assigned	605,051	-	923	605,974
Unassigned	3,145,685	-	-	3,145,685
Total Fund Balances	4,231,088	1,058,997	91,193	5,381,278
Total Liabilities and Fund Balances	\$ 5,891,276	\$ 1,058,997	\$ 260,197	\$ 7,210,470

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

**WILLITS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2020**

Total Fund Balance - Governmental Funds \$ 5,381,278

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

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

Capital assets	\$ 40,299,240	
Accumulated depreciation	<u>(20,412,257)</u>	19,886,983

Unmatured interest on long-term debt:

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

(48,009)

Long-term liabilities:

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

Total general obligation bonds	\$ 15,622,987	
Compensated absences	89,192	
Total OPEB liability	1,520,348	
Net pension liability	<u>19,549,139</u>	(36,781,666)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources related to pensions	\$ 5,145,041	
Deferred inflows of resources related to pensions	<u>(1,575,777)</u>	3,569,264

Deferred outflows and inflows of resources relating to OPEB:

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

Deferred outflows of resources related to OPEB	\$ 52,176	
Deferred inflows of resources related to OPEB	<u>(301,188)</u>	(249,012)

Internal service funds:

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

374,349

Total Net Position - Governmental Activities	<u>\$ (7,866,813)</u>
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The accompanying notes are an integral part of these financial statements.

**WILLITS UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	\$ 15,925,606	\$ -	\$ -	\$ 15,925,606
Federal sources	1,011,044	-	750,171	1,761,215
Other state sources	1,904,801	9,710	80,822	1,995,333
Other local sources	2,338,772	1,081,915	123,913	3,544,600
Total Revenues	21,180,223	1,091,625	954,906	23,226,754
EXPENDITURES				
Current				
Instruction	11,770,851	-	120,119	11,890,970
Instruction-related services				
Instructional supervision and administration	265,071	-	-	265,071
Instructional library, media, and technology	221,417	-	-	221,417
School site administration	1,639,136	-	2,955	1,642,091
Pupil services				
Home-to-school transportation	1,264,658	-	-	1,264,658
Food services	-	-	1,165,690	1,165,690
All other pupil services	1,253,411	-	1,012	1,254,423
General administration				
Centralized data processing	302,991	-	-	302,991
All other general administration	1,326,816	-	60,516	1,387,332
Plant services				
Facilities acquisition and maintenance	2,236,628	-	2,123	2,238,751
Ancillary services	90,380	-	-	90,380
Transfers to other agencies	299,016	-	-	299,016
Transfers to other agencies	30,755	-	-	30,755
Debt service				
Principal	-	765,000	-	765,000
Interest and other	-	116,382	-	116,382
Total Expenditures	20,701,130	881,382	1,352,415	22,934,927
Excess (Deficiency) of Revenues Over Expenditures	479,093	210,243	(397,509)	291,827
Other Financing Sources (Uses)				
Transfers in	-	-	404,139	404,139
Transfers out	(404,139)	-	-	(404,139)
Net Financing Sources (Uses)	(404,139)	-	404,139	-
NET CHANGE IN FUND BALANCE	74,954	210,243	6,630	291,827
Fund Balance - Beginning	4,156,134	848,754	84,563	5,089,451
Fund Balance - Ending	\$ 4,231,088	\$ 1,058,997	\$ 91,193	\$ 5,381,278

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

**WILLITS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Governmental Funds \$ 291,827

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

Capital outlay:

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

Expenditures for capital outlay:	\$	651,279	
Depreciation expense:		<u>(1,391,644)</u>	(740,365)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 765,000

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: 3,666

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. (493,659)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (17,812)

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: 32,413

(continued on next page)

**WILLITS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2020**

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: (1,299,392)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 14,600

Internal Service Funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was: 28,240

Change in Net Position of Governmental Activities \$ (1,415,482)

**WILLITS UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020**

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current assets	
Cash and investments	\$ 165,160
Due from other funds	209,269
Total current assets	<u>374,429</u>
Total Assets	<u>374,429</u>
LIABILITIES	
Current liabilities	
Accrued liabilities	<u>80</u>
Total current liabilities	<u>80</u>
Total Liabilities	<u>80</u>
NET POSITION	
Restricted	<u>374,349</u>
Total Net Position	<u>\$ 374,349</u>

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

**WILLITS UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2020**

	Governmental Activities
	Internal Service Fund
	Fund
OPERATING REVENUES	
Charges for services	\$ 209,509
Total operating revenues	<u>209,509</u>
OPERATING EXPENSES	
Professional services	185,303
Total operating expenses	<u>185,303</u>
Operating income/(loss)	<u>24,206</u>
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	4,034
Total non-operating revenues/(expenses)	<u>4,034</u>
CHANGE IN NET POSITION	28,240
Net Position - Beginning	346,109
Net Position - Ending	<u>\$ 374,349</u>

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

**WILLITS UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Cash flows from operating activities	
Cash received from user charges	\$ 240
Cash payments for payroll, insurance, and operating costs	(187,028)
Net cash provided by (used for) operating activities	<u>(186,788)</u>
Cash flows from investing activities	
Interest received	4,034
Net cash provided by (used for) investing activities	<u>4,034</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(182,754)
 CASH AND CASH EQUIVALENTS	
Beginning of year	347,914
End of year	<u>\$ 165,160</u>
 Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	\$ 24,206
Changes in assets and liabilities:	
(Increase) decrease in due from other funds	(209,269)
Increase (decrease) in accrued liabilities	(1,725)
Net cash provided by (used for) operating activities	<u>\$ (186,788)</u>

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

WILLITS UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Agency Fund</u> <u>Student Body</u> <u>Fund</u>
ASSETS	
Cash and investments	\$ 133,049
Total Assets	\$ 133,049
LIABILITIES	
Due to student groups	\$ 133,049
Total Liabilities	\$ 133,049

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

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Willits Unified School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization’s relationship with the District is such that exclusion would cause the District’s financial statements to be misleading or incomplete. The District has no such component units.

C. Basis of Presentation

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

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

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

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements (continued).

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

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

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

Major Governmental Funds

General Fund. The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

Non-Major Governmental Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (*Education Code Sections 52616[b] and 52501.5[a]*).

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Special Revenue Funds (continued)

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

Cafeteria Special Revenue Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Special Revenue Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).

Proprietary Funds

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

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

Fiduciary Funds

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

Government-Wide, Proprietary, and Fiduciary Financial Statements

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

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

Governmental Funds

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

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursements grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

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

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

**WILLITS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$100,000 for buildings and \$20,000 for equipment. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	25-50 years
Furniture and Equipment	5-15 years
Vehicles	8 years

Interfund Balances

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

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 - June 30, 2020

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Premiums and Discounts

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

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

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

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Fund Balance

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

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

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

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Activity

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

G. Estimates

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

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard's primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2019. The District has not yet determined the impact on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has not yet determined the impact on the financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. A portion of this statement was effective upon issuance, while the majority of this statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

GASB Statement No. 95 – In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This standard's primary objective is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The statement is effective immediately. The District has implemented GASB Statement No. 95.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	<u>Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>
Investment in county treasury*	\$ 4,169,417	\$ 165,160	\$ 4,334,577	\$ -
Cash on hand and in banks	52,960	-	52,960	133,049
Cash in revolving fund	2,500	-	2,500	-
Total	\$ 4,224,877	\$ 165,160	\$ 4,390,037	\$ 133,049

*net of deficit cash

B. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Mendocino County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Medium-Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$4,401,468 and an amortized book value of \$4,334,577. The average weighted maturity for this pool is 376 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2020, the pooled investments in the County Treasury were not rated.

**WILLITS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

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

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Mendocino County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2020 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 4,401,468
Total	<u>\$ 4,401,468</u>

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 consisted of the following:

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government			
Categorical aid	\$ 41,436	\$ 135,034	\$ 176,470
State Government			
Apportionment	1,514,626	-	1,514,626
Categorical aid	601,444	11,488	612,932
Lottery	159,572	-	159,572
Local Government			
Other local sources	342,770	-	342,770
Total	\$ 2,659,848	\$ 146,522	\$ 2,806,370

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 533,782	\$ -	\$ -	\$ 533,782
Construction in progress	-	90,380	-	90,380
Total Capital Assets not Being Depreciated	533,782	90,380	-	624,162
Capital assets being depreciated				
Buildings & improvements	36,615,950	-	-	36,615,950
Furniture & equipment	2,498,229	560,899	-	3,059,128
Total Capital Assets Being Depreciated	39,114,179	560,899	-	39,675,078
Less Accumulated Depreciation				
Buildings & improvements	17,572,960	1,247,124	-	18,820,084
Furniture & equipment	1,447,653	144,520	-	1,592,173
Total Accumulated Depreciation	19,020,613	1,391,644	-	20,412,257
Governmental Activities				
Capital Assets, net	\$ 20,627,348	\$ (740,365)	\$ -	\$ 19,886,983

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due To/From Other Funds)

At June 30, 2020, interfund receivables/payables were as follows:

<u>Due To Other Funds</u>	<u>Due From Other Funds</u>			
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 8,062	\$ 209,269	\$ 217,331
Non-Major Governmental Funds	17,635	-	-	17,635
Total	\$ 17,635	\$ 8,062	\$ 209,269	\$ 234,966

Due from the General Fund to the Adult Education Fund to correct accounts receivable.	\$ 8,062
Due from the General Fund to the Self-Insurance Fund for benefits.	209,269
Due from the Adult Education Fund to the General Fund for indirect costs.	654
Due from the Child Development Fund to the General Fund for indirect costs and expenditures.	16,981
Total	\$ 234,966

B. Operating Transfers

For the year ended June 30, 2020, there was an interfund transfer of \$404,139 from the General Fund to the Non-Major Cafeteria Fund for contribution to the fund.

NOTE 6 – ACCRUED LIABILITIES

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

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service Funds</u>	<u>District-Wide</u>	<u>Governmental Activities</u>
Payroll	\$ 37,102	\$ 2,521	\$ -	\$ -	\$ 39,623
Vendors payable	576,000	29,490	80	-	605,570
Unmatured interest	-	-	-	48,009	48,009
Due to grantor government	739,137	-	-	-	739,137
Total	\$ 1,352,239	\$ 32,011	\$ 80	\$ 48,009	\$ 1,432,339

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2020 consisted of the following:

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Governmental Activities</u>
Federal sources	\$ 62,473	\$ -	\$ 62,473
State categorical sources	28,145	481	28,626
Total	\$ 90,618	\$ 481	\$ 91,099

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2020 consisted of the following:

	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020	Balance Due In One Year
Governmental Activities					
General obligation bonds	\$ 12,271,783	\$ -	\$ 619,729	\$ 11,652,054	\$ 815,000
Unamortized premium	321,189	-	14,600	306,589	14,600
Accreted interest	3,315,956	493,659	145,271	3,664,344	-
Total general obligation bonds	15,908,928	493,659	779,600	15,622,987	829,600
Compensated absences	71,380	17,812	-	89,192	-
Total OPEB liability	1,859,385	-	339,037	1,520,348	-
Net pension liability	19,406,551	142,588	-	19,549,139	-
Total	\$ 37,246,244	\$ 654,059	\$ 1,118,637	\$ 36,781,666	\$ 829,600

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for compensated absences are typically made in the fund in which the employee worked.

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2020 amounted to \$89,192. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. General Obligation Bonds

The District's general obligation bonds as of June 30, 2020 consisted of the following:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2020
				Outstanding July 01, 2019	Additions	Deductions	
6/30/1999	7/15/2019	5.71-9.00%	\$ 2,498,958	\$ 69,729	\$ -	\$ 69,729	\$ -
12/4/2007	7/15/2020	4.00%	1,695,000	375,000	-	180,000	195,000
7/14/2010	7/15/2041	6.31-12.00%	3,787,054	3,787,054	-	-	3,787,054
7/14/2010	7/15/2027	2.75-6.75%	10,120,000	8,040,000	-	370,000	7,670,000
				\$ 12,271,783	\$ -	\$ 619,729	\$ 11,652,054

On July 15, 1999 the District issued bonds in the aggregate principal amount of \$2,498,958, pursuant to an election held within the District on March 2, 1999. This election authorized the issuance of bonds in the maximum aggregate principal amount of \$2,500,000. The bonds were fully paid off as of June 30, 2020.

On December 4, 2007 the District issued Refunding Bonds in the amount of \$1,695,000. The District used the net proceeds of the Refunding Bonds to defease the bonds that are current interest bonds. These bonds are placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. Because these funds are held for the purpose of paying defeased debt, the assets and related liabilities are not reflected in these financial statements. After the refunding, the old bonds that are capital appreciation bonds remained outstanding.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

The annual requirements to amortize the Series 2007 refunding general obligation bonds payable, outstanding as of June 30, 2020, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 195,000	\$ 7,800	\$ 202,800
Total	\$ 195,000	\$ 7,800	\$ 202,800

On June 8, 2010, the registered voters of the District authorized the issuance of \$43,000,000 principal amount of general obligation bonds for the purpose of financing certain school facilities.

On July 14, 2010, the District issued the first three series of bonds to be issued under the authorization in the aggregate principal amount of \$18,877,054. The District issued Series A Bonds in the aggregate principal amount of \$3,787,054 and Series B Bonds in the aggregate principal amount of \$10,120,000.

The 2010 Election, Series A Bonds are Capital Appreciation Bonds, which do not bear interest on a current basis, but will accrete interest from the date of delivery to maturity. The annual requirements to amortize the Series A Bonds outstanding as of June 30, 2020, are as follows:

<u>Year Ended June 30,</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026 - 2030	767,503	1,667,497	2,435,000
2031 - 2035	1,690,095	5,314,905	7,005,000
2036 - 2040	1,216,759	7,328,241	8,545,000
2041 - 2042	112,697	3,817,303	3,930,000
Total	\$ 3,787,054	\$ 18,127,946	\$ 21,915,000

**Principal does not include accreted interest of \$3,664,344 as of June 30, 2020.*

The 2010 Election, Series B Bonds include \$10,015,000 in Taxable Direct-Pay Qualified School Construction General Obligation Bonds and \$105,000 in Taxable General Obligation Bonds. The District is eligible for a cash subsidy payment from the United States Treasury for the Qualified School Construction Bonds. The annual requirements to amortize the Series B Bonds outstanding as of June 30, 2020, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Cash Subsidy</u>	<u>Total</u>
2021	\$ 620,000	\$ 502,931	\$ (413,413)	\$ 709,518
2022	855,000	465,731	(379,995)	940,736
2023	900,000	411,225	(333,911)	977,315
2024	950,000	353,850	(285,401)	1,018,450
2025	1,000,000	293,288	(234,196)	1,059,092
2026 - 2028	3,345,000	459,675	(367,059)	3,437,616
Total	\$ 7,670,000	\$ 2,486,700	\$ (2,013,974)	\$ 8,142,727

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Other Postemployment Benefits

The District's beginning total OPEB liability was \$1,859,385 and decreased by \$339,037 during the year ended June 30, 2020. The ending total OPEB liability at June 30, 2020 was \$1,520,348. See Note 10 for additional information regarding the total OPEB liability.

D. Net Pension Liability

The District's beginning net pension liability was \$19,406,551 and increased by \$142,588 during the year ended June 30, 2020. The ending net pension liability at June 30, 2020 was \$19,549,139. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2020:

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	\$ 2,500	\$ -	\$ -	\$ 2,500
Stores inventory	-	-	18,373	18,373
Prepaid expenditures	16,276	-	-	16,276
Total non-spendable	<u>18,776</u>	<u>-</u>	<u>18,373</u>	<u>37,149</u>
Restricted				
Educational programs	461,576	-	42,148	503,724
Debt service	-	1,058,997	-	1,058,997
Food service	-	-	29,749	29,749
Total restricted	<u>461,576</u>	<u>1,058,997</u>	<u>71,897</u>	<u>1,592,470</u>
Assigned				
Other assignments	605,051	-	923	605,974
Total assigned	<u>605,051</u>	<u>-</u>	<u>923</u>	<u>605,974</u>
Unassigned	3,145,685	-	-	3,145,685
Total Fund Balance	<u>\$ 4,231,088</u>	<u>\$ 1,058,997</u>	<u>\$ 91,193</u>	<u>\$ 5,381,278</u>

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

**WILLITS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Willits Unified School District’s defined benefit OPEB plan, Willits Unified School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

B. Benefits Provided

The eligibility requirements and benefits provided by the Plan are as follows:

	<u>Hired before 7/1/02*</u>	<u>Hired 7/1/02 to 6/30/14</u>	<u>Hired after 6/30/14</u>
Benefit types provided	Medical only	Medical only	Medical only
Duration of Benefits	7 years	1 year for each 4 years of service	1 year for each 5 years of service, but not beyond age 65
Required Service	7 years	12 years	12 years
Minimum Age	55	55	61
Dependent Coverage	Yes	Yes	Yes
District Contribution %	100% to cap	100% to cap	100% to cap
District Cap	Active Cap	Active Cap	Active Cap

*Those retiring prior to 7/1/19 may choose the better of the first two tiers above

C. Contributions

For fiscal year 2019-20, the District contributed \$181,476 to the Plan, all of which was used for current premiums on a pay-as-you-go basis.

D. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	23
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	110
Total number of participants**	133

*Information not provided

**As of the June 30, 2020 valuation date

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

E. Total OPEB Liability

The Willits Unified School District’s total OPEB liability of \$1,520,348 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Economic assumptions:

Inflation	2.75%
Salary increases	2.75%
Investment rate of return	2.20%
Healthcare cost trend rates	4.00%

Non-economic assumptions:

Mortality:

Certificated	2020 CalSTRS Mortality Table
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Retirement rates:

Certificated	2020 CalSTRS Retirement Rates Tables
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The actuarial assumptions used in the June 30, 2020 valuation were based on a review of plan experience. The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

G. Changes in Total OPEB Liability

	<u>June 30, 2020</u>
Total OPEB Liability	
Service cost	\$ 105,406
Interest on total OPEB liability	63,747
Difference between expected and actual experience	(222,573)
Changes of assumptions	(104,141)
Benefits payments	(181,476)
Net change in total OPEB liability	(339,037)
Total OPEB liability - beginning	1,859,385
Total OPEB liability - ending	<u>\$ 1,520,348</u>
Covered-employee payroll	\$ 7,410,676
District's total OPEB liability as a percentage of covered-employee payroll	20.52%

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Willits Unified School District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.20 percent) or one percentage point higher (3.20 percent) than the current discount rate:

	1% Decrease (1.20%)	Valuation Discount Rate (2.20%)	1% Increase (3.20%)
Total OPEB liability	\$ 1,649,522	\$ 1,520,348	\$ 1,405,402

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Willits Unified School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (3.00 percent) or one percentage point higher (5.00 percent) than the current healthcare cost trend rate:

	1% Decrease (3.00%)	Valuation Trend Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$ 1,354,176	\$ 1,520,348	\$ 1,718,043

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

For the fiscal year ended June 30, 2020, the Willits Unified School District recognized OPEB expense of \$149,063. At June 30, 2020, the Willits Unified School District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 205,184
Changes in assumptions	52,176	96,004
Total	\$ 52,176	\$ 301,188

Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 5,436	\$ 25,526
2022	5,436	25,526
2023	5,436	25,526
2024	5,436	25,526
2025	5,436	25,526
Thereafter	24,996	173,558
Total	\$ 52,176	\$ 301,188

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained 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 District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	\$ 10,849,689	\$ 3,134,929	\$ 1,210,402	\$ 1,368,291
PERS Pension	8,699,450	2,010,112	365,375	1,846,955
Total	\$ 19,549,139	\$ 5,145,041	\$ 1,575,777	\$ 3,215,246

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District 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. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**WILLITS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2020, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2020 was 18.13% of annual payroll reduced to 17.10% pursuant to California Senate Bill 90 (SB 90). The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$1,128,121 for the year ended June 30, 2020.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$825,676 to CalSTRS.

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

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

District's proportionate share of the net pension liability	\$ 10,849,689
State's proportionate share of the net pension liability associated with the District	<u>5,919,277</u>
Total	<u>\$ 16,768,966</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District’s proportion was 0.012 percent, which did not change from its proportion measured as of June 30, 2018.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

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

For the year ended June 30, 2020, the District recognized pension expense of \$1,368,291. In addition, the District recognized pension expense and revenue of \$161,948 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 417,933
Differences between expected and actual experience	27,390	305,732
Changes in assumptions	1,372,249	-
Changes in proportion and differences between District contributions and proportionate share of contributions	607,169	486,737
District contributions subsequent to the measurement date	1,128,121	-
Total	<u>\$ 3,134,929</u>	<u>\$ 1,210,402</u>

The \$1,128,121 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 498,299	\$ 246,787
2022	498,299	536,937
2023	453,222	250,882
2024	453,584	109,670
2025	103,404	34,085
2026	-	32,041
Total	<u>\$ 2,006,808</u>	<u>\$ 1,210,402</u>

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

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

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Global Equity	47%	4.80%
Fixed Income	12%	1.30%
Real Estate	13%	3.60%
Private Equity	13%	6.30%
Risk Mitigating Strategies	9%	1.80%
Inflation Sensitive	4%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

*20-year geometric average

**WILLITS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 16,156,085	\$ 10,849,689	\$ 6,449,676

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. 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, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District 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 2020 was 20.733% of annual payroll reduced to 19.721% pursuant to California Senate Bill 90 (SB 90). Contributions to the plan from the District were \$787,733 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$8,699,450 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District's proportion was 0.030 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2018.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

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

For the year ended June 30, 2020, the District recognized pension expense of \$1,846,955. At June 30, 2020, the District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 80,689
Differences between expected and actual experience	631,929	-
Changes in assumptions	414,121	-
Changes in proportion and differences between District contributions and proportionate share of contributions	176,329	284,686
District contributions subsequent to the measurement date	<u>787,733</u>	<u>-</u>
Total	\$ 2,010,112	\$ 365,375

The \$787,733 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 767,786	\$ 197,160
2022	342,572	(67,638)
2023	101,838	51,608
2024	10,183	184,245
Total	\$ 1,222,379	\$ 365,375

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	100.0%		

*An expected inflation of 2.00% used for this period.

**An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	\$ 12,539,685	\$ 8,699,450	\$ 5,513,709

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Construction Commitments

As of June 30, 2020, the District had no commitments with respect to unfinished capital projects.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The Willits Unified School District participates in three joint powers agreement (JPA) entities, the Northern California School Insurance Group (NCSIG), the School Excess Liability Fund (SELF) and the Schools Insurance Group Northern Alliance (SIGNAL). The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage.

Each JPA is governed by a board consisting of a representative from each member school agency. Each governing board controls the operations of its JPA independent of any influence by the Willits Unified School District beyond the District's representation on the governing boards.

Each JPA is independently accountable for its fiscal matters. Budgets are not subject to any approval other than that of the respective governing boards. Member district's share surpluses and deficits proportionately to their participation in the JPA.

The relationship between the District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes. Financial statements are available directly from the JPAs.

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2020**

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2020, total deferred outflows related to pensions was \$5,145,041 and total deferred inflows related to pensions was \$1,575,777.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2020, total deferred outflows related to other postemployment benefits was \$52,176 and total deferred inflows related to other postemployment benefits was \$301,188.

NOTE 15 – SUBSEQUENT EVENT

On January 14, 2021, the District issued \$4,000,000 of General Obligation Election of 2020 Series A Bonds to finance the renovation, construction and improvement of school facilities of the District.

REQUIRED SUPPLEMENTARY INFORMATION

**WILLITS UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 15,661,503	\$ 15,787,714	\$ 15,925,606	\$ 137,892
Federal sources	1,085,766	1,173,045	1,172,507	(538)
Other state sources	1,564,852	1,630,135	1,904,801	274,666
Other local sources	2,102,032	2,455,502	2,177,309	(278,193)
Total Revenues	20,414,153	21,046,396	21,180,223	133,827
EXPENDITURES				
Certificated salaries	7,385,424	7,552,454	7,523,640	28,814
Classified salaries	3,244,878	3,155,558	3,066,097	89,461
Employee benefits	5,559,183	5,735,301	5,953,834	(218,533)
Books and supplies	952,893	1,024,375	871,656	152,719
Services and other operating expenditures	2,802,688	2,857,954	2,659,385	198,569
Capital outlay	190,351	551,841	656,279	(104,438)
Other outgo				
Excluding transfers of indirect costs	-	-	30,755	(30,755)
Transfers of indirect costs	(66,235)	(64,752)	(60,516)	(4,236)
Total Expenditures	20,069,182	20,812,731	20,701,130	111,601
Excess (Deficiency) of Revenues Over Expenditures	344,971	233,665	479,093	245,428
Other Financing Sources (Uses)				
Transfers out	(288,876)	(265,795)	(404,139)	(138,344)
Net Financing Sources (Uses)	(288,876)	(265,795)	(404,139)	(138,344)
NET CHANGE IN FUND BALANCE	56,095	(32,130)	74,954	107,084
Fund Balance - Beginning	4,181,319	4,156,134	4,156,134	-
Fund Balance - Ending	\$ 4,237,414	\$ 4,124,004	\$ 4,231,088	\$ 107,084

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reason:

- Revenues for Medi-Cal Billing Option and Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability			
Service cost	\$ 105,406	\$ 98,360	\$ 95,727
Interest on total OPEB liability	63,747	62,128	67,929
Difference between expected and actual experience	(222,573)	-	-
Changes of assumptions	(104,141)	63,048	-
Benefits payments	<u>(181,476)</u>	<u>(180,123)</u>	<u>(177,469)</u>
Net change in total OPEB liability	(339,037)	43,413	(13,813)
Total OPEB liability - beginning	<u>1,859,385</u>	<u>1,815,972</u>	<u>1,829,785</u>
Total OPEB liability - ending	<u>\$ 1,520,348</u>	<u>\$ 1,859,385</u>	<u>\$ 1,815,972</u>
Covered-employee payroll	\$ 7,410,676	\$ 7,152,286	\$ 7,132,502
District's total OPEB liability as a percentage of covered-employee payroll	20.52%	26.00%	25.46%

See accompanying note to required supplementary information.

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.012%	0.012%	0.011%	0.012%	0.012%	0.012%
District's proportionate share of the net pension liability	\$ 10,849,689	\$ 11,050,902	\$ 10,282,752	\$ 9,755,110	\$ 8,289,481	\$ 6,943,281
State's proportionate share of the net pension liability associated with the District	5,919,277	6,327,189	6,083,239	5,554,228	4,384,211	4,192,654
Total	<u>\$ 16,768,966</u>	<u>\$ 17,378,091</u>	<u>\$ 16,365,991</u>	<u>\$ 15,309,338</u>	<u>\$ 12,673,692</u>	<u>\$ 11,135,935</u>
District's covered payroll	\$ 6,579,328	\$ 6,493,119	\$ 6,002,283	\$ 6,009,208	\$ 5,720,912	\$ 5,292,121
District's proportionate share of the net pension liability as a percentage of its covered payroll	164.9%	170.2%	171.3%	162.3%	144.9%	131.2%
Plan fiduciary net position as a percentage of the total pension liability	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.030%	0.031%	0.031%	0.031%	0.031%	0.029%
District's proportionate share of the net pension liability	\$ 8,699,450	\$ 8,355,649	\$ 7,351,747	\$ 6,208,389	\$ 4,524,332	\$ 3,281,033
District's covered payroll	\$ 4,133,598	\$ 4,132,110	\$ 3,926,978	\$ 3,546,310	\$ 3,399,129	\$ 3,033,945
District's proportionate share of the net pension liability as a percentage of its covered payroll	210.5%	202.2%	187.2%	175.1%	133.1%	108.1%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 1,128,121	\$ 1,057,862	\$ 929,495	\$ 752,848	\$ 640,617	\$ 506,798
Contributions in relation to the contractually required contribution*	(1,128,121)	(1,057,862)	(929,495)	(752,848)	(640,617)	(506,798)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 6,686,564	\$ 6,579,328	\$ 6,493,119	\$ 6,002,283	\$ 6,009,208	\$ 5,720,912
Contributions as a percentage of covered payroll	16.87%	16.08%	14.32%	12.54%	10.66%	8.86%

*Amounts do not include on-behalf contributions

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 787,733	\$ 746,569	\$ 641,991	\$ 546,747	\$ 446,274	\$ 404,066
Contributions in relation to the contractually required contribution*	(787,733)	(746,569)	(641,991)	(546,747)	(446,274)	(404,066)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,994,873	\$ 4,133,598	\$ 4,132,110	\$ 3,926,978	\$ 3,546,310	\$ 3,399,129
Contributions as a percentage of covered payroll	19.72%	18.06%	15.54%	13.92%	12.58%	11.89%

*Amounts do not include on-behalf contributions

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Total OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

There were no changes in benefit terms.

Changes in Assumptions

The discount rate was changed from 3.50% to 2.20% since the previous measurement.

Schedule of the District's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

**WILLITS UNIFIED SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
 FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2020, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Employee benefits	\$ 5,735,301	\$ 5,953,834	\$ 218,533
Capital outlay	\$ 551,841	\$ 656,279	\$ 104,438
Other outgo			
Excluding transfers of indirect costs	\$ -	\$ 30,755	\$ 30,755

SUPPLEMENTARY INFORMATION

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 466,576
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	61,224
Title III, English Learner Student Program	84.365	14346	36,788
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	34,156
Title VI, Part B, Rural & Low Income School Program	84.358B	14356	33,360
Department of Rehabilitation: Workability II, Transitions Partnership Program	84.126	10006	6,022
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	320,917
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	34,109
Subtotal Special Education Cluster			<u>355,026</u>
Vocational Programs: Voc & Appl Tech Secondary II C, Sec 131 (Carl Perkins Act)	84.048	14893	16,954
Total U. S. Department of Education			<u><u>1,010,106</u></u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	197,878
National School Lunch Program	10.555	13391	315,104
COVID-19 Emergency Acts Funding - Unanticipated School Closures	10.555	*	89,378
USDA Commodities	10.555	*	46,707
Meal Supplements	10.555	*	7,765
Subtotal Child Nutrition Cluster			<u>656,832</u>
CACFP Claims - Centers and Family Day Care	10.558	13393	52,075
Forest Reserve Funds	10.665	10044	939
NSLP Equipment Assistance Grants	10.579	14906	41,263
Total U. S. Department of Agriculture			<u>751,109</u>
Total Federal Expenditures			<u><u>\$ 1,761,215</u></u>

* - Pass-Through Entity Identifying Number not available or not applicable

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

	Second Period Report	Annual Report
	Certificate No. EB8A43A6	Certificate No. DF5D6482
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	491.99	491.99
Extended Year Special Education	1.56	1.56
Total TK/K through Third	<u>493.55</u>	<u>493.55</u>
Fourth through Sixth		
Regular ADA	306.00	306.00
Extended Year Special Education	0.49	0.49
Total Fourth through Sixth	<u>306.49</u>	<u>306.49</u>
Seventh through Eighth		
Regular ADA	173.68	173.68
Extended Year Special Education	0.13	0.13
Total Seventh through Eighth	<u>173.81</u>	<u>173.81</u>
Ninth through Twelfth		
Regular ADA	480.66	480.66
Extended Year Special Education	0.35	0.35
Total Ninth through Twelfth	<u>481.01</u>	<u>481.01</u>
TOTAL SCHOOL DISTRICT	<u>1,454.86</u>	<u>1,454.86</u>

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2020**

Grade Level	Minutes Requirement	2019-20 Actual Instructional Minutes*	2019-20 Planned Number of Days	2019-20 Actual Number of Days	Number of Days Certified Closed due to COVID-19*	Status
Kindergarten	36,000	54,300	180	126	54	Complied
Grade 1	50,400	52,900	180	126	54	Complied
Grade 2	50,400	54,300	180	126	54	Complied
Grade 3	50,400	54,300	180	126	54	Complied
Grade 4	54,000	55,200	180	126	54	Complied
Grade 5	54,000	55,200	180	126	54	Complied
Grade 6	54,000	56,225	180	126	54	Complied
Grade 7	54,000	56,225	180	126	54	Complied
Grade 8	54,000	56,225	180	126	54	Complied
Grade 9	64,800	65,995	180	126	54	Complied
Grade 10	64,800	65,995	180	126	54	Complied
Grade 11	64,800	65,995	180	126	54	Complied
Grade 12	64,800	65,995	180	126	54	Complied

*On September 14, 2020 the District certified that all schools were closed from March 16, 2020 to June 5, 2020 for a total of 54 instructional days due to COVID-19. The planned minutes covered by the COVID-19 School Closure Certification were included in the actual minutes column but were not actually offered due to the COVID-19 school closure.

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

	2021 (Budget)	2020	2019	2018
General Fund - Budgetary Basis				
Revenues And Other Financing Sources	\$ 21,646,463	\$ 21,180,223	\$ 21,105,837	\$ 19,141,860
Expenditures And Other Financing Uses	21,447,929	21,105,269	21,295,758	19,877,198
Net change in Fund Balance	\$ 198,534	\$ 74,954	\$ (189,921)	\$ (735,338)
Ending Fund Balance	\$ 4,429,622	\$ 4,231,088	\$ 4,156,134	\$ 4,346,055
Available Reserves*	\$ 3,439,395	\$ 3,145,685	\$ 3,033,296	\$ 3,947,199
Available Reserves As A Percentage Of Outgo	16.04%	14.90%	14.24%	19.86%
Long-term Liabilities	\$ 35,952,066	\$ 36,781,666	\$ 37,246,244	\$ 35,848,528
Average Daily Attendance At P-2	1,433	1,455	1,401	1,420

The General Fund balance has decreased by \$114,967 over the past two years. The fiscal year 2020-21 budget projects an increase of \$198,534. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in two of the past three years but anticipates incurring an operating surplus during the 2020-21 fiscal year. Total long-term obligations have increased by \$933,138 over the past two years.

Average daily attendance has increased by 35 ADA over the past two years. A decrease of 22 ADA is anticipated during the 2020-21 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

**WILLITS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

There were no adjustments necessary to reconcile the annual financial and budget report with the audited financial statements.

**WILLITS UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2020**

Charter #	Charter School	Status	Included in Audit Report
0822	La Vida Charter	Active	No
0166	Willits Charter	Active	No
1373	Willits Elementary Charter	Active	No

See accompanying note to supplementary information.

**WILLITS UNIFIED SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2020**

The District was established in 1961 and its boundaries encompass the City of Willits. There were no changes in the boundaries of the District during the current year. The District provides education for grades K-12 and is currently operating: two elementary schools, one necessary small elementary school, one middle school, one high school, a K-12 independent study school and an adult school. Three charter schools also operate within the district boundaries.

GOVERNING BOARD

Member	Office	Term Expires
Alex Bowlds	President	December 2020
Robert Colvig	Clerk	December 2020
Robert Chavez	Member	December 2022
Jeanne King	Member	December 2022
Paula Nunez	Member	December 2022

DISTRICT ADMINISTRATORS

Mark Westerburg
Superintendent

Nikki Agenbroad
Director of Fiscal Services

**WILLITS UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the 10 percent de minimis indirect cost rate.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code Sections* 46200 through 46208.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

This schedule lists all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

OTHER INDEPENDENT AUDITORS' REPORTS

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

Independent Auditors' Report

Governing Board
Willits Unified School District
Willits, 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 the governmental activities, each major fund, and the aggregate remaining fund information of Willits Unified School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Willits Unified School District's basic financial statements, and have issued our report thereon dated March 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Willits Unified School District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Willits Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Willits Unified School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings and Questioned Costs that we consider to be significant deficiencies. (Finding #2020-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Willits Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Willits Unified School District's Response to Findings

Willits Unified School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Willits Unified School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
March 30, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board
Willits Unified School District
Willits, California

Report on Compliance for Each Major Federal Program

We have audited Willits Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Willits Unified School District's major federal programs for the year ended June 30, 2020. Willits Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Willits Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Willits Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Willits Unified School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Christy White, Inc.

San Diego, California
March 30, 2021

REPORT ON STATE COMPLIANCEIndependent Auditors' Report

Governing Board
Willits Unified School District
Willits, California

Report on State Compliance

We have audited Willits Unified School District's compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Willits Unified School District's state programs for the fiscal year ended June 30, 2020, as identified below.

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 for each of Willits Unified School District'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 *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810. 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 occurred. An audit includes examining, on a test basis, evidence about Willits Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Willits Unified School District's compliance with those requirements.

Opinion on State Compliance

In our opinion, Willits Unified School District 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 below for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2020-002 and #2020-003. Our opinion on state compliance is not modified with respect to these matters.

Willits Unified School District’s response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. Willits Unified School District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Procedures Performed

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

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	No
After/Before School Education and Safety Program	Yes
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

(Continued on the next page)

Procedures Performed (continued)

PROGRAM NAME	PROCEDURES PERFORMED
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes – Classroom Based; for charter schools	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for California Clean Energy Jobs Act because the District closed out the program during the prior year.

Christy White, Inc.

San Diego, California
March 30, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

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

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

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**WILLITS UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FIVE DIGIT CODE
30000

AB 3627 FINDING TYPE
Internal Control

FINDING #2020-001: STUDENT BODY FUNDS (30000)

Criteria: Maintaining sound internal control procedures over cash receipts, cash disbursements, bank reconciliations and minutes of council meetings reduced the opportunity for irregularities to go undetected. The Fiscal Crisis & Management Assistance Team (FCMAT) Associated Student Body Accounting Manual & Desk Reference outlines the proper internal control procedures for associated student body accounts to follow.

Condition: Based on our understanding of internal controls and testing of controls over the ASB cash receipting, cash disbursements, and reconciliations we noted the following deficiencies:

Blosser Lane Elementary

- School site was unable to provide financial statements.

Baechtel Grove Middle School

- Three (3) out of 10 cash disbursements tested did not have proper pre-approval.
- Five (5) out of 10 cash receipts tested did not have adequate supporting documentation to substantiate the amount collected and deposited.
- Three (3) out of 10 cash receipts tested did not appear to be deposited timely.

Willits High School

- Two (2) out of 10 cash disbursements tested did not have proper pre-approval.
- One (1) out of 10 cash receipts tested did not have adequate supporting documentation to substantiate the amount collected and deposited.
- Five (5) out of 10 cash receipts tested did not appear to be deposited timely.
- School site was unable to provide financial statements.
- A reconciliation was not performed on the June 30, 2020 bank statement.

Effect: Potential for irregularities in accounting to go undetected.

Cause: Insufficient controls over student body activities.

Repeat Finding: Yes, this is a repeat finding of Finding #2019-003.

Recommendation: We recommend that the District provide the FCMAT manual to all ASB staff as well as provide District-wide ASB training to reinforce the importance for sound internal control procedures to be implemented. We recommend maintaining sufficient supporting documentation for both, cash collections and cash disbursements, to establish a clear audit trail from point of collection to time of deposit. We recommend that financial statements are prepared and bank accounts are reconciled. We also recommend that the District follow up with sites to verify that internal control procedures are in place.

Corrective Action Plan: FCMAT provided ASB training to staff in October 2019. Staff also received updated copies of the FCMAT ASB manual at that time. At Willits High School there was a staffing change late in 2019/20. The new staff person received CASBO ASB training in the Fall of 2020. In addition, Mendocino County Office of Education will provide additional assistance in conducting a full reconciliation of WHS ASB so that the new staff person can move forward with regular monthly reconciliations and financial reporting. All ASB secretaries will be required to take the CASBO ASB training again in 2021/22.

**WILLITS UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

FIVE DIGIT CODE
50000

AB 3627 FINDING TYPE
Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2020.

**WILLITS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental Instruction
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

FINDING #2020-002: SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria: School Accountability Report Cards (SARCs), should contain information regarding school facility conditions, as indicated in the most recently prepared facility inspection tool (FIT) form or a local evaluation instrument that meets the same criteria, as per Education Code Sections 33126(b)(8) and 1700(d).

Condition: Information pertaining to the interior conditions in facility inspection for Brookside Elementary School SARC did not match with the information listed within the Facility Inspection Tools (FIT) form. The SARC listed the conditions as “Fair” while the FIT form listed as “Poor”.

Cause: Clerical error.

Effect: The District is not in compliance with the related sections of California Education Code.

Questioned Cost: There are no questioned costs associated with this finding.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District implement procedures to ensure that conditions per the FIT form match the SARC.

Corrective Action Plan: The SARC report is prepared by site administrators. All site administrators will be reminded that the SARC must match the FIT form. In addition there will be review by the Executive Assistant to ensure that the SARCs match the FITS prior to publication.

**WILLITS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2020-003: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: Students classified as English Learners (EL) and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the designation. Auditors are required to verify compliance with Education Code Section 42238.02(b)(3)(b) in Section W of the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Condition: Five (5) out of eight (8) students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who were classified as English Learners did not have proper supporting documentation to support their designation. Upon extrapolation of the error rate (5/8), we calculated an additional 24 students without proper supporting documentation for a total of 29 ineligible students.

Effect: The District is not in compliance with State requirements. The extrapolated error is 29 students.

Cause: Incorrect designation of students due to oversight by the District.

Repeat Finding: Yes, this is a repeat finding of Finding #2019-006.

Questioned Cost: \$55,650 as calculated on next page.

**WILLITS UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

**FINDING #2020-003: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)
(continued)**

Questioned Cost (continued):

Total Adjusted Enrollment from the UPP exhibit as of P-2	4,612
Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	3,267
Audit Adjustment - Number of Enrollment	-
Audit Adjustment - Number of Unduplicated Pupil Count	(29)
Revised Adjusted Enrollment	4,612
Revised Adjusted Unduplicated Pupil Count	3,238
UPP calculated as of P-2	0.7084
Revised UPP for audit finding	0.7021
Charter Schools Only: Determinative School District Concentration Cap	
Revised UPP adjusted for Concentration Cap	0.7021
Supplemental and Concentration Grant TK/K-3 ADA	492.33
Supplemental and Concentration Grant 4-6 ADA	310.55
Supplemental and Concentration Grant 7-8 ADA	172.41
Supplemental and Concentration Grant 9-12 ADA	482.37
Adjusted Base Grant per TK/K-3 ADA	\$8,503
Adjusted Base Grant per 4-6 ADA	\$7,818
Adjusted Base Grant per 7-8 ADA	\$8,050
Adjusted Base Grant per 9-12 ADA	\$9,572
Supplemental Grant Funding calculated as of P-2	\$1,787,903
Revised Supplemental Grant Funding for audit finding	\$1,772,004
Supplemental Grant Funding audit adjustment	(\$15,899)
Concentration Grant Funding calculated as of P-2	\$999,450
Revised Concentration Grant Funding for audit finding	\$959,699
Concentration Grant Funding audit adjustment	(\$39,751)
Total Supplemental and Concentration audit adjustment	(\$55,650)

Recommendation: We recommend that the District ensure that all students listed as English Learner in the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report have proper documentation to support their CALPADS designation and are properly designated in a timely manner. Additionally, we recommend the District ensure students designated as EL are properly tested on an annual basis.

Corrective Action Plan: The District created new positions called Bilingual Family Liaisons. In 2020/21 they were tasked with reviewing all students on the EL list to ensure correct designation. Site administrators have also been reminded that they must review the designations for accuracy annually prior to the Fall 1 CALPADS submission.

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-001: INTERFUND ACTIVITY (30000)

Criteria: Education Code Section 42603 allows the governing board to authorize the temporary borrowing of monies held in any fund to another fund for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds and shall not be available for apportionment or be considered income to the borrowing fund. Amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year.

Condition: Through review of interfund borrowing transaction detail it was apparent that prior year interfund payables and receivables were not properly repaid to the respective fund. The uncleared interfund activity is as follows:

Due from the Adult Education Fund to the General Fund to cover operating expenses	\$ 5,420
Due from the Adult Education Fund to the General Fund to recognize interest	1,753
Due from the Child Development Fund to the General Fund to recognize interest	7,841
Due from the Child Development Fund to the General Fund to recognize salaries	10,980
Due from the Child Development Fund to the General Fund to cover operating expenses	466
Total	<u>\$ 26,460</u>

Effect: Interfund borrowing activities are not being properly monitored and cleared as required by Education Code Section 42603.

Cause: Lack of oversight during the year end closing procedures.

Repeat Finding: No, this is not a repeat finding.

Recommendation: We recommend the District implement proper controls to ensure interfund payables and receivables are cleared within the same fiscal year or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year.

Corrective Action Plan: It has been the District's policy to clear Due To's and Due From's during the year end closing process. In order to prevent similar oversights in the future, the policy will be amended to require these to be cleared during the Interim reporting periods. This will allow for more timely monitoring.

Current Status: Implemented.

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-002: INTERNAL CONTROLS OVER FOOD SERVICES (30000)

Criteria: Proper internal controls are necessary to ensure the safeguard over Food Services reporting. Reconciliations of meal claim reimbursements and bank statements are important to ensure that the District's financial statements are free of material misstatements.

Condition: The Cafeteria Fund was tested using substantive procedures to ensure accurate balances are recorded. We tested all balance sheet and income statement items as of June 30, 2019, during the testing of balance sheet and income statement items, we noted the following deficiencies:

- Bank reconciliations are not performed regularly
- Meal claim reimbursement was not submitted for May claims
- Inventory counts are not performed

Effect: Appears to be a potential misstatement of the Cafeteria Fund and improperly reflected balances of cash and inventory as of June 30, 2019. In addition, a loss of federal and state revenues due to the failure of submitting a meal claim reimbursement for May 2019.

Cause: Food Services and Business Services are not properly communicating and/or reconciling the Cafeteria Fund balances to reflect accurate financials.

Repeat Finding: No, this is not a repeat finding.

Recommendation: We recommend Food Services and Business Services implement proper review and reconciliations of the account. We recommend the District review all procedures in place surrounding the closing process and ensure the submittal of monthly meal reimbursement claims for all food service programs to prevent loss of revenues.

Corrective Action Plan: The food service department is now required to file claims no later than the 15th of the month in which the claim is due. District office staff is following up on this to ensure claims are not missed. Bank reconciliations will be done monthly. The food service department will be required to submit a June 30th inventory report no later than July 15th annually

Current Status: Implemented.

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-003: STUDENT BODY FUNDS (30000)

Criteria: Maintaining sound internal control procedures over cash receipts, cash disbursements, bank reconciliations and minutes of council meetings reduced the opportunity for irregularities to go undetected. The Fiscal Crisis & Management Assistance Team (FCMAT) Associated Student Body Accounting Manual & Desk Reference outlines the proper internal control procedures for associated student body accounts to follow.

Condition: Based on our understanding of internal controls and testing of controls over the ASB cash receipting and cash disbursement processes we noted the following deficiencies:

Blosser Lane Elementary

- One (1) of 2 cash receipts did not have adequate supporting documentation to support amount collected

Baechtel Grove Middle School

- An annual budget is not prepared or adopted by the student body
- Monthly activity reports and bank reconciliations are not submitted to the District for proper review of account activity
- Signors on the account are not removed in a timely manner
- One (1) of 10 cash receipts did not have adequate supporting documentation to substantiate the amount collected and deposited

Willits High School

- A potential raffle was conducted
- Three (3) of 10 cash receipts did not have sufficient support to substantiate the amount collected and deposited

Perspective: We tested receipts and disbursements at three (3) ASB's throughout the District.

Effect: Potential for irregularities in accounting to go undetected.

Cause: Insufficient controls over student body activities.

Repeat Finding: Yes, this is a repeat finding.

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-003: STUDENT BODY FUNDS (30000) (continued)

Recommendation: We recommend that the District provide the FCMAT manual to all ASB staff as well as provide District-wide ASB training to reinforce the importance for sound internal control procedures to be implemented. We recommend maintaining sufficient supporting documentation for both, cash collections and cash disbursements, to establish a clear audit trail from point of collection to time of deposit. Additionally, personnel who are no longer employed by the District should be removed as a signor on the account in a timely manner. We also recommend that the District follow up with sites to verify that internal control procedures are in place.

Corrective Action Plan: For 2019/20 the District contracted with FCMAT to provide ASB training. The training was provided on October 11, 2019 and was mandatory for site secretaries who handle ASB accounts. In addition site secretaries and ASB advisors were provided copies of the FCMAT ASB manual. All ASB bank accounts have been updated to reflect current personnel. The District will be meeting with each school site in Spring 2020 in order to review that appropriate internal controls are being followed.

Current Status: Not implemented, see Finding #2020-001.

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-004: INDEPENDENT STUDY (10000)

Criteria: For attendance generated through independent study, all independent study written agreements must contain the signature of the pupil, pupil's parent, and certificated employee affixed prior to the commencement of the independent study (Education Code Section 51747(c)(8)). Education Code Section 51745.5 requires independent study by each pupil be coordinated, evaluated, and under the supervision of an employee of the charter who possesses a valid and proper credential. Such employee shall assess and determine the time value of pupil work samples in order for the charter school to claim apportionment. Work samples must be maintained to document the pupil is making satisfactory educational progress, E.C. Section 51749.5.

Condition: Through our testing of short-term and long-term independent study, we noted the following deficiencies:

**Short-term Independent Study
*Sherwood Elementary***

- One (1) of 2 master agreements for effective dates of October 10 to October 17, 2018 was signed after the end date, which results in an overstatement of 6 attendance days.

Blosser Lane Elementary

- One (1) of 5 master agreements for effective dates of October 8 to October 12, 2018 was signed December 8, 2018, this results in an overstatement of 5 attendance days.

Baechtel Middle

- Five (5) of 5 master agreements reviewed were missing required signatures and dates from either the pupil and/or the parent or guardian. Overall, this resulted in an overstatement of 25 attendance days.

**Long-term Independent Study
*Willits High***

- Work samples and teacher evaluations of work samples were not provided from three (3) of 10 pupils. In this case, we were unable to verify the attendance credited and results in an overstatement of 15 attendance days.
- Overall, work samples are not maintained for assignments completed using the online platform, Odysseyware.

Effect: Loss of apportionment funding for days of attendance related to incomplete and deficient independent study contracts, teacher evaluations of work samples, and evidence of work samples.

Cause: Due to a change in staffing during the school year, procedures were not fully followed to obtain all required elements of the independent study agreement, teacher evaluations and work sample. This results in a loss of apportionment funding for days of attendance related to deficient independent study contracts and required supplemental documentation

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-004: INDEPENDENT STUDY (10000) (continued)

Repeat Finding: No, this is not a repeat finding.

Questioned Costs: A total of 51 attendance days are overstated resulting in calculated questioned costs of \$3,045.

Questioned costs are calculated as follows:

Grade Span	Grades 4-6	Grades 7-8	Grades 9-12	Total
Unallowable Apportionment Days	11	25	15	
Days in P-2	137	137	137	
Overstated ADA	0.08	0.18	0.11	
Base Grant per ADA	\$ 7,571	\$ 7,796	\$ 9,269	
Questioned Cost by Grade Span	\$ 608	\$ 1,423	\$ 1,015	\$ 3,045

Recommendations: We recommend that the District implement adequate procedures related to the independent study program to ensure that independent study contracts are being filled out with all the necessary information required prior to the beginning of the contract. We recommend teacher evaluations and work sample be maintained to support the apportionment credit in the attendance system and to document the pupil is making satisfactory educational progress. The District should revise P2 and Annual attendance.

Corrective Action Plan: During the 2018/19 school year the district piloted a new of offering independent study which included increasing the number teachers assigned to the program. During the course of the audit it became clear that it was difficult to provide thorough training to that higher number of staff. For the 2019/20 school year the district has returned to the original design of the program, which limits the number of teachers of full-time independent study and makes training and oversight easier. In addition, the district will hold a training meeting with all staff involved in both short term and long-term independent study to ensure all staff are clear on program requirements.

Current Status: Implemented.

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-005: AFTER SCHOOL EDUCATION & SAFETY (ASES) PROGRAM (40000)

Criteria: Education Code Section 8482.3 states that after school programs participating in the ASES program are required to submit student outcome data to the California Department of Education which includes measurable student outcomes including attendance. As a result, ASES 2018-19 1st Half After School Base Attendance Report (covering the period of August to December 2018) was reviewed along with supporting documentation for each school site in order to determine whether the reported number of students served is supported by written records maintained.

Condition: Attendance reported for Baechtel Middle School for the month of December 2018 did not reconcile to supporting excel attendance counts. The attendance reported for Baechtel Middle School on the 1st Half Base Grant Attendance Report submitted to CDE was 1,414 while the supporting excel attendance count showed 1,450 attendance days, an understatement of 36 attendance days were reported to the CDE. In addition, we selected a representative sample of 25 students for the week of December 3 to December 7, 2018 and traced attendance from the excel attendance counts to the sign in/out sheets to ensure proper reconciliation was performed. We noted discrepancies in attendance reported for twelve (12) of 25 pupils which resulted in an understatement of 10 attendance days. Of the 25 pupils enrolled in ASES who did not participate in a full day of the program during the week of December 3, 2018, three (3) did not have signed early release forms on file to justify the reason for leaving the program early.

Effect: Errors were made calculating number of students served. For the attendance report submitted to the CDE for the 1st Half: After School Base, the District reported a total number of 17,580 students. As a result of our audit procedures, the adjusted amount for the 1st Half: After School Base should be increased to a total of 17,616 students served.

Cause: Reporting errors.

Repeat Finding: No, this is not a repeat finding.

Questioned Costs: None. The ASES program funding is not affected as long as the pupil participation level is maintained at 85% of the projected attendance or greater. Since the finding noted a net under reporting of 36 student days of attendance, program attendance did not fall below 85% of the projected attendance; therefore, there is no questioned cost.

Recommendation: We recommend that the District provide oversight and training to staff responsible for reconciling attendance records regarding the importance of accurately reviewing attendance for discrepancies when comparing against signed rosters and student early release policies. This will ensure that the records, to support attendance being sent to the state, can be relied upon and sufficient for internal and external review.

Corrective Action Plan: The district is part of a consortium for the ASES grant. MCOE provides administrative support for this program. The District will work with MCOE to ensure that ASES staff are appropriately trained on attendance reporting and documentation.

Current Status: Implemented.

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-006: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: Students classified as English Learners, or Free or Reduced Price Meals eligible and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the designation. Auditors are required to verify compliance with Education Code Section 42238.02(b)(3)(b) in Section W of the 2018-19 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Condition: 4 of 8 students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who were classified as English Learners (EL) did not have proper supporting documentation to support their designation. Upon extrapolation of the error rate (1/2), we calculated an additional 12 students without proper supporting documentation for a total of 16 ineligible students.

In addition, 1 of 13 students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who were designated as Free or Reduced and who are directly certified did not have proper supporting documentation to support their designation. Upon extrapolation of the error rate (1/13), we calculated a total of 15 ineligible students.

Effect: The District is not in compliance with State requirements. The extrapolated error is 31 students.

Cause: Incorrect designation of students due to oversight by the District.

Repeat Finding: Yes, this is a repeat finding.

Questioned Cost: \$56,459 as calculated on next page.

Recommendation: We recommend that the District ensure that all students listed as FRPM and/or English Learner in the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report have proper documentation to support their CALPADS designation and are properly designated in a timely manner. Additionally, we recommend the District ensure students designated as EL are properly tested on an annual basis.

Corrective Action Plan: The District will hold meetings for all staff involved in the FRPM and EL designation processes in order to clarify roles and responsibilities. Staff will then be trained on appropriate program timeline and reporting requirements.

**WILLITS UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING #2019-006: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Questioned Cost (continued):

1	Total Adjusted Enrollment from the UPP exhibit as of P-2				4,594
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2				3,411
3	Audit Adjustment - Number of Enrollment				-
4	Audit Adjustment - Number of Unduplicated Pupil Count				(31)
5	Revised Adjusted Enrollment				4,594
6	Revised Adjusted Unduplicated Pupil Count				3,380
7	UPP calculated as of P-2				0.7425
8	Revised UPP for audit finding				0.7357
10	Revised UPP adjusted for Concentration Cap				0.7357
	LCFF Target Supplemental Grant Funding Audit Adjustment	TK/K-3	4-6	7-8	9-12
9	Supplemental and Concentration Grant ADA	467.58	305.74	211.87	436.33
10	Adjusted Base Grant per ADA	\$8,235	\$7,571	\$7,796	\$9,269
11	Target Supplemental Grant Funding calculated as of P-2				\$1,761,411
12	Revised Target Supplemental Grant Funding for audit finding				\$1,745,281
13	Target Supplemental Grant Funding audit adjustment				(\$16,130)
	LCFF Target Concentration Grant Funding Audit Adjustment				
14	Target Concentration Grant Funding calculated as of P-2				\$1,141,656
15	Revised Target Concentration Grant Funding for audit finding				\$1,101,327
16	Target Concentration Grant Funding audit adjustment				(\$40,329)
	Estimated Cost of Unduplicated Pupil Count Audit Adjustment for LEAs funded at LCFF Target				
18	Total Target Supplemental and Concentration audit adjustment				(\$56,459)
	Estimated Cost of Unduplicated Pupil Count Audit Adjustment for LEAs funded on LCFF Floor and Gap				
19	Statewide Gap Funding Rate as of P-2				1.0000000000
20	Estimated Cost of Unduplicated Pupil Count audit adjustment				(\$56,459)

Current Status: Not implemented, see Finding #2020-003.

**Willits Unified School District
Actuarial Study of
Retiree Health Liabilities Under GASB 74/75
Valuation Date: June 30, 2020
Measurement Date: June 30, 2020
For Fiscal Year-End: June 30, 2020**

*Prepared by:
Total Compensation Systems, Inc.*

Date: November 25, 2020

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**Willits Unified School District
Actuarial Study of Retiree Health Liabilities**

PART I: EXECUTIVE SUMMARY

A. Introduction

This report was produced by Total Compensation Systems, Inc. for Willits Unified School District to determine the liabilities associated with its current retiree health program as of a June 30, 2020 measurement date and to provide the necessary information to determine accounting entries for the fiscal year ending June 30, 2020. This report may not be suitable for other purposes such as determining employer contributions or assessing the potential impact of changes in plan design.

Different users of this report will likely be interested in different sections of information contained within. We anticipate that the following portions may be of most interest depending on the reader:

- A high level comparison of key results from the current year to the prior year is shown on this page.
- The values we anticipate will be disclosed in the June 30, 2020 year-end financials are shown on pages 2 and 3.
- Additional accounting information is shown on page 12 and Appendices C and D.
- Description and details of measured valuation liabilities can be found beginning on page 10.
- Guidance regarding the next actuarial valuation for the June 30, 2021 measurement date is provided on page 13.

B. Key Results

Willits USD uses an Actuarial Measurement Date that is the same as its Fiscal Year-End. This means that these actuarial results measured as of June 30, 2020 will be used directly for the June 30, 2020 Fiscal Year-End.

Key Results	Current Year	Prior Year
	<i>June 30, 2020 Measurement Date for June 30, 2020 Fiscal Year-End</i>	<i>June 30, 2019 Measurement Date for June 30, 2019 Fiscal Year-End</i>
Total OPEB Liability (TOL)	\$1,520,348	\$1,859,385
Fiduciary Net Position (FNP)	\$0	\$0
Net OPEB Liability (NOL)	\$1,520,348	\$1,859,385
Service Cost (<i>for year following</i>)	\$96,500	\$105,406
Estimated Pay-as-you-go Cost (<i>for year following</i>)	\$144,065	\$181,476
GASB 75 OPEB Expense (<i>for year ending</i>)	\$149,063	\$165,924

Refer to results section beginning on page 10 or the glossary on page 25 for descriptions of the above items.

Key Assumptions	Current Year	Prior Year
	<i>June 30, 2020 Measurement Date for June 30, 2020 Fiscal Year-End</i>	<i>June 30, 2019 Measurement Date for June 30, 2019 Fiscal Year-End</i>
Valuation Interest Rate	2.20%	3.50%
Expected Rate of Return on Assets	N/A	N/A
Long-Term Medical Trend Rate	4.00%	4.00%
Projected Payroll Growth	2.75%	2.75%

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C. Summary of GASB 75 Accounting Results

1. Changes in Net OPEB Liability

The following table shows the reconciliation of the June 30, 2019 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2020 NOL. A more detailed version of this table can be found on page 12.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2019 Measurement Date	\$1,859,385	\$0	\$1,859,385
Service Cost	\$105,406	\$0	\$105,406
Interest on TOL / Return on FNP	\$63,747	\$0	\$63,747
Employer Contributions	\$0	\$181,476	(\$181,476)
Benefit Payments	(\$181,476)	(\$181,476)	\$0
Administrative Expenses	\$0	\$0	\$0
Experience (Gains)/Losses	(\$222,573)	\$0	(\$222,573)
Changes in Assumptions	(\$104,141)	\$0	(\$104,141)
Other	\$0	\$0	\$0
Net Change during 2019-20	(\$339,037)	\$0	(\$339,037)
Actual Balance at June 30, 2020 Measurement Date	\$1,520,348	\$0	\$1,520,348

2. Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 12 while the complete deferral history is shown beginning on page 22.

Balances at June 30, 2020 Fiscal Year-End	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
Differences between expected and actual experience	\$0	(\$205,184)
Changes in assumptions	\$52,176	(\$96,004)
Differences between projected and actual return on assets	\$0	\$0
Total	\$52,176	(\$301,188)

To be recognized fiscal year ending June 30:	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
2021	\$5,436	(\$25,526)
2022	\$5,436	(\$25,526)
2023	\$5,436	(\$25,526)
2024	\$5,436	(\$25,526)
2025	\$5,436	(\$25,526)
Thereafter	\$24,996	(\$173,558)
Total	\$52,176	(\$301,188)

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3. OPEB Expense

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, administrative expenses, and change in TOL due to plan changes, adjusted for deferred inflows and outflows. OPEB expense can also be derived as change in net position, adjusted for employer contributions, which can be found on page 12.

To be recognized fiscal year ending June 30, 2020	<i>Expense Component</i>
Service Cost	\$105,406
Interest Cost	\$63,747
Expected Return on Assets	\$0
Administrative Expenses	\$0
Recognition of Experience (Gain)/Loss Deferrals	(\$17,389)
Recognition of Assumption Change Deferrals	(\$2,701)
Recognition of Investment (Gain)/Loss Deferrals	\$0
Employee Contributions	\$0
Changes in Benefit Terms	\$0
Net OPEB Expense for fiscal year ending June 30, 2020	\$149,063

* May include a slight rounding error.

4. Adjustments

We are unaware of any adjustments that need to be made.

5. Trend and Interest Rate Sensitivities

The following presents what the Net OPEB Liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

Net OPEB Liability at June 30, 2020 Measurement Date	<i>Discount Rate</i>	<i>Healthcare Trend Rate</i>
1% Decrease in Assumption	\$1,649,522	\$1,354,176
Current Assumption	\$1,520,348	\$1,520,348
1% Increase in Assumption	\$1,405,402	\$1,718,043

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D. Description of Retiree Benefits

Following is a description of the current retiree benefit plan for certificated employees and certificated administrators (Cash “buy-out” benefits are subject to GASB 73 and are not reflected in this report.):

	<i>Hired before 7/1/02*</i>	<i>Hired 7/1/02 to 6/30/14</i>	<i>Hired after 6/30/14</i>
Benefit types provided	Medical only	Medical only	Medical only
Duration of Benefits	7 years	1 year for each 4 years of service	1 year for each 5 years of service, but not beyond age 65
Required Service	7 years	12 years	12 years
Minimum Age	55	55	61
Dependent Coverage	Yes	Yes	Yes
District Contribution %	100% to cap	100% to cap	100% to cap
District Cap	Active Cap	Active Cap	Active Cap

*Those retiring prior to 7/1/19 may choose the better of the first two tiers above

E. Summary of Valuation Data

This report is based on census data provided to us as of November, 2020. Distributions of participants by age and service can be found on page 17.

	Current Year <i>June 30, 2020 Valuation Date</i> <i>June 30, 2020 Measurement Date</i>	Prior Year <i>June 30, 2018 Valuation Date</i> <i>June 30, 2019 Measurement Date</i>
Active Employees eligible for future benefits		
Count	110	111
Average Age	43.6	44.9
Average Years of Service	7.4	5.2
Retirees currently receiving benefits		
Count	23	23
Average Age	65.6	64.3

We were not provided with information about any terminated, vested employees.

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F. Certification

The actuarial information in this report is intended solely to assist Willits USD in complying with Governmental Accounting Standards Board Accounting Statement 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of Willits USD. Release of this report may be subject to provisions of the Agreement between Willits USD and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2019 to June 30, 2020, using a measurement date of June 30, 2020. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by Willits USD. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. We relied on the following materials to complete this study:

- We used paper reports and digital files containing participant demographic data from the District personnel records.
- We used relevant sections of collective bargaining agreements provided by the District.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations and in combination represent our estimate of anticipated experience of the Plan.

This report contains estimates of the Plan's financial condition and future results only as of a single date. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. This valuation cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of Willits USD and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all applicable Actuarial Standards of Practice. I meet the Qualifications Standards of the American Academy of

Total Compensation Systems, Inc.

Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

A handwritten signature in cursive script that reads "Luis Murillo". The signature is written in a light blue or grey ink.

Luis Murillo, ASA, MAAA
Actuary
Total Compensation Systems, Inc.
(805) 496-1700

PART II: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by Willits USD. We then selected assumptions that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate assumption factors based on the participant's age, sex, length of service, and employee classification.

The actuarial assumptions used for this study are summarized beginning on page 14.

B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent Willits USD uses contribution caps, the influence of the trend factor is further reduced. We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We multiplied the above expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan. Finally, we discounted the expected cost for each year to the measurement date June 30, 2020 at 2.20% interest.

For any *current retirees*, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 100%).

The value generated from the process described above is called the actuarial present value of projected benefit payments (APVPBP). We added APVPBP for each participant to get the total APVPBP for all participants which is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2020 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age. However, for most actuarial and accounting purposes, the APVPBP is not used directly but is instead apportioned over the lifetime of each participant as described in the following sections.

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C. Actuarial Accrual

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an “implicit rate subsidy”).

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method” and uses the APVPBP to develop expense and liability figures. Furthermore, the APVPBP should be accrued over the working lifetime of employees.

In order to accrue the APVPBP over the working lifetime of employees, actuarial cost methods apportion the APVPBP into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability or present value of future service costs). Of the future service liability, the portion attributable to the single year immediately following the measurement date is known as the normal cost or Service Cost under GASB 74 and 75.

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. The actuarial cost method mandated by GASB 75 is the “entry age actuarial cost method”. Under the entry age actuarial cost method, the actuary determines the service cost as the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. Under GASB 75, the service cost is calculated to be a level percentage of each employee’s projected pay.

D. Actuarial Assumptions

The APVPBP and service cost are determined using several key assumptions:

- The current *cost of retiree health benefits* (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.
- The “*trend*” rate at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A “cap” on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.
- *Mortality rates* varying by age and sex (and sometimes retirement or disability status). If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.
- *Employment termination rates* have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.
- The *service requirement* reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

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- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the **real** rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds rated AA or higher. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

E. Total OPEB Liability

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

Changes in the TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. Change in the TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience. GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses are deferred five years.
- Experience gains and losses are deferred over the Expected Average Remaining Service Lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARSL quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARSL.
- Liability changes resulting from plan changes, for example, cannot be deferred.

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F. Valuation Results

This section details the measured values of the concepts described on the previous pages.

1. Actuarial Present Value of Projected Benefit Payments (APVPBP)

Actuarial Present Value of Projected Benefit Payments as of June 30, 2020 Valuation Date

	<i>Total</i>	<i>Certificated Management</i>	<i>Certificated</i>
Active: Pre-65 Benefit	\$1,952,341	\$129,470	\$1,822,871
Post-65 Benefit	\$393,208	\$13,493	\$379,715
Subtotal	\$2,345,549	\$142,963	\$2,202,586
Retiree: Pre-65 Benefit	\$181,185	\$0	\$181,185
Post-65 Benefit	\$509,588	\$7,394	\$502,194
Subtotal	\$690,773	\$7,394	\$683,379
Grand Total	\$3,036,322	\$150,357	\$2,885,965
Subtotal Pre-65 Benefit	\$2,133,526	\$129,470	\$2,004,056
Subtotal Post-65 Benefit	\$902,796	\$20,887	\$881,909

2. Service Cost

The service cost represents the value of the benefit earned during a single year of employment. It is the APVPBP spread over the expected working lifetime of the employee and divided into annual segments. We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

Service Cost Valuation Year Beginning July 1, 2020

	<i>Total</i>	<i>Certificated Management</i>	<i>Certificated</i>
# of Eligible Employees	110	7	103
First Year Service Cost			
Pre-65 Benefit	\$80,581	\$5,082	\$75,499
Post-65 Benefit	\$15,919	\$469	\$15,450
Total	\$96,500	\$5,551	\$90,949

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. While the service cost for each employee is targeted to remain level as a percentage of covered payroll, the service cost as a dollar amount would increase each year based on covered payroll. Additionally, the overall service cost may grow or shrink based on changes in the demographic makeup of the employees from year to year.

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3. Total OPEB Liability and Net OPEB Liability

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables as shown in the table on page 15.

Total OPEB Liability and Net OPEB Liability as of June 30, 2020 Valuation Date

	<i>Total</i>	<i>Certificated Management</i>	<i>Certificated</i>
Active: Pre-65 Benefit	595,276	\$57,928	\$537,348
Active: Post-65 Benefit	\$234,299	\$11,514	\$222,785
Subtotal	\$829,575	\$69,442	\$760,133
Retiree: Pre-65 Benefit	\$181,185	\$0	\$181,185
Retiree: Post-65 Benefit	\$509,588	\$7,394	\$502,194
Subtotal	\$690,773	\$7,394	\$683,379
Subtotal: Pre-65 Benefit	\$776,461	\$57,928	\$718,533
Subtotal: Post-65 Benefit	\$743,887	\$18,908	\$724,979
Total OPEB Liability (TOL)	\$1,520,348	\$76,836	\$1,443,512
Fiduciary Net Position as of June 30, 2020	\$0		
Net OPEB Liability (NOL)	\$1,520,348		

4. "Pay As You Go" Projection of Retiree Benefit Payments

We used the actuarial assumptions shown in Appendix C to project the District's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are **certain** to be *inaccurate*. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District's share of retiree health costs.

<i>Year Beginning July 1</i>	<i>Total</i>	<i>Certificated Management</i>	<i>Certificated</i>
2020	\$144,065	\$3,674	\$140,391
2021	\$109,285	\$4,837	\$104,448
2022	\$104,408	\$2,355	\$102,053
2023	\$88,825	\$4,128	\$84,697
2024	\$70,278	\$5,948	\$64,330
2025	\$64,848	\$7,402	\$57,446
2026	\$59,998	\$3,540	\$56,458
2027	\$52,478	\$3,862	\$48,616
2028	\$60,657	\$4,136	\$56,521
2029	\$64,931	\$4,373	\$60,558

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G. Additional Reconciliation of GASB 75 Results

The following table shows the reconciliation of the June 30, 2019 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2020 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2019	\$1,859,385	\$0	\$1,859,385
Service Cost	\$105,406	\$0	\$105,406
Interest on Total OPEB Liability	\$63,747	\$0	\$63,747
Expected Investment Income	\$0	\$0	\$0
Administrative Expenses	\$0	\$0	\$0
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$0	\$0
Employer Contributions as Benefit Payments	\$0	\$181,476	(\$181,476)
Benefit Payments from Trust	\$0	\$0	\$0
Expected Benefit Payments from Employer	(\$181,476)	(\$181,476)	\$0
Expected Balance at June 30, 2020	\$1,847,062	\$0	\$1,847,062
Experience (Gains)/Losses	(\$222,573)	\$0	(\$222,573)
Changes in Assumptions	(\$104,141)	\$0	(\$104,141)
Changes in Benefit Terms	\$0	\$0	\$0
Investment Gains/(Losses)	\$0	\$0	\$0
Other	\$0	\$0	\$0
Net Change during 2020	(\$339,037)	\$0	(\$339,037)
Actual Balance at June 30, 2020*	\$1,520,348	\$0	\$1,520,348

* May include a slight rounding error.

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for Willits USD is shown beginning on page 22. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2020

	<i>Beginning Balance</i>	<i>Change Due to New Deferrals</i>	<i>Change Due to Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	\$0	(\$222,573)	\$17,389	(\$205,184)
Assumption Changes	\$57,612	(\$104,141)	\$2,701	(\$43,828)
Investment (Gains)/Losses	\$0	\$0	\$0	\$0
Deferred Balances	\$57,612	(\$326,714)	\$20,090	(\$249,012)

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

OPEB Expense Fiscal Year Ending June 30, 2020

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$1,859,385	\$1,520,348	(\$339,037)
Deferred Balances	\$57,612	(\$249,012)	(\$306,624)
Net Position	\$1,801,773	\$1,769,360	(\$32,413)
Adjust Out Employer Contributions			\$181,476
OPEB Expense			\$149,063

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H. Procedures for Future Valuations

GASB 74/75 require annual measurements of liability with a full actuarial valuation required every two years. This means that for the measurement date one year following a full actuarial valuation, a streamlined “roll-forward” valuation may be performed in place of a full valuation. The following outlines the key differences between full and roll-forward valuations.

	Full Actuarial Valuation	Roll-Forward Valuation
Collect New Census Data	Yes	No
Reflect Updates to Plan Design	Yes	No
Update Actuarial Assumptions	Yes	Typically Not
Update Valuation Interest Rate	Yes	Yes
Actual Assets as of Measurement Date	Yes	Yes
Timing	4-6 weeks after information is received	1-2 weeks after information is received
Fees	Full	Reduced
Information Needed from Employer	Moderate	Minimal
Required Frequency	At least every two years	Each year, unless a full valuation is performed

The majority of employers use an alternating cycle of a full valuation one year followed by a roll-forward valuation the next year. However, a full valuation may be required or preferred under certain circumstances. Following are examples of actions that could cause the employer to consider a full valuation instead of a roll-forward valuation.

- The employer considers or puts in place an early retirement incentive program.
- The employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- The employer desires the measured liability to incorporate more recent census data or assumptions.
- The employer forms a qualifying trust or changes its investment policy.
- The employer adds or terminates a group of participants that constitutes a significant part of the covered group.

We anticipate that the next valuation we perform for Willits USD will be a roll-forward valuation with a measurement date of June 30, 2021 which will be used for the fiscal year ending June 30, 2021. Please let us know if Willits USD would like to discuss whether another full valuation would be preferable based on any of the examples listed above.

PART III: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Willits USD to understand that the appropriateness of all selected actuarial assumptions and methods are Willits USD's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, Willits USD's actual historical experience, and TCS's judgment based on experience and training.

A. ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74 and 75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

SUBSTANTIVE PLAN: As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Willits USD regarding practices with respect to employer and employee contributions and other relevant factors.

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B. ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.75% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 2.20% per year net of expenses. This is based on the Bond Buyer 20 Bond Index.

TREND: We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), using an aggregate payroll assumption for the purpose of calculating the service cost results in a negligible error.

FIDUCIARY NET POSITION (FNP): The following table shows the beginning and ending FNP numbers that were provided by Willits USD.

Fiduciary Net Position as of June 30, 2020

	<i><u>06/30/2019</u></i>	<i><u>06/30/2020</u></i>
Cash and Equivalents	\$0	\$0
Contributions Receivable	\$0	\$0
Total Investments	\$0	\$0
Capital Assets	\$0	\$0
Total Assets	\$0	\$0
Benefits Payable	\$0	\$0
Fiduciary Net Position	\$0	\$0

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C. NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix C, Paragraph 52 for more information.

MORTALITY

<i>Participant Type</i>	<i>Mortality Tables</i>
Certificated	2020 CalSTRS Mortality

RETIREMENT RATES

<i>Employee Type</i>	<i>Retirement Rate Tables</i>
Certificated Management	Hired 2012 and before. 2020 CalSTRS 2.0% @60 Rates Hired 2013 and after. 2020 CalSTRS 2.0% @62 Rates
Certificated	Hired 2012 and before. 2020 CalSTRS 2.0% @60 Rates Hired 2013 and after. 2020 CalSTRS 2.0% @62 Rates

COSTS FOR RETIREE COVERAGE

Actuarial Standard of Practice 6 (ASOP 6) Section 3.7.7(c)(3) provides that unadjusted premium may be used as the basis for retiree liabilities if retiree premium rates are not subsidized by active premium rates. We evaluated active and retiree rates and determined that there is not likely to be a subsidy between active and retiree rates. Therefore, retiree liabilities are based on actual employer contributions. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

<i>Participant Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
Certificated	\$12,455	\$5,164
Certificated Management	\$12,455	\$5,164

PARTICIPATION RATES

<i>Employee Type</i>	<i><65 Non-Medicare Participation %</i>	<i>65+ Medicare Participation %</i>
Certificated	64%	64%

TURNOVER

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Certificated	2020 CalSTRS Termination Rates

SPOUSE PREVALENCE

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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PART IV: APPENDICES

APPENDIX A: DEMOGRAPHIC DATA BY AGE

ELIGIBLE ACTIVE EMPLOYEES BY AGE AND EMPLOYEE CLASS

<i>Age</i>	<i>Total</i>	<i>Certificated</i>	
		<i>Management</i>	<i>Certificated</i>
Under 25	1	0	1
25 – 29	5	0	5
30 – 34	14	0	14
35 – 39	18	0	18
40 – 44	23	3	20
45 – 49	17	1	16
50 – 54	7	1	6
55 – 59	6	1	5
60 – 64	13	1	12
65 and older	6	0	6
Total	110	7	103

ELIGIBLE ACTIVE EMPLOYEES BY AGE AND SERVICE

<i>Age</i>	<i>Total</i>	<i>Under 5</i>	<i>5 – 9</i>	<i>10 – 14</i>	<i>15 – 19</i>	<i>20 – 24</i>	<i>25 – 29</i>	<i>30 – 34</i>	<i>Over 34</i>
		<i>Years of Service</i>	<i>Years of Service</i>	<i>Years of Service</i>	<i>Years of Service</i>	<i>Years of Service</i>	<i>Years of Service</i>	<i>Years of Service</i>	<i>Years of Service</i>
Under 25	1	1							
25 – 29	5	5							
30 – 34	14	14							
35 – 39	18	13	5						
40 – 44	23	13	6	3	1				
45 – 49	17	7	3	1	3	3			
50 – 54	7	3	2	1		1			
55 – 59	6	2	1		1	2			
60 – 64	13	1	3	6		1	1	1	
65 and older	6	3				3			
Total	110	62	20	11	5	10	1	1	0

ELIGIBLE RETIREES BY AGE AND EMPLOYEE CLASS

<i>Age</i>	<i>Total</i>	<i>Certificated</i>	
		<i>Management</i>	<i>Certificated</i>
Under 50	0	0	0
50 – 54	0	0	0
55 – 59	0	0	0
60 – 64	9	0	9
65 – 69	12	1	11
70 – 74	2	0	2
75 – 79	0	0	0
80 – 84	0	0	0
85 – 89	0	0	0
90 and older	0	0	0
Total	23	1	22

APPENDIX B: ADMINISTRATIVE BEST PRACTICES

It is outside the scope of this report to make specific recommendations of actions Willits USD should take to manage the liability created by the current retiree health program. The following items are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Willits USD's practices, it is possible that Willits USD is already complying with some or all of these suggestions.

- We suggest that Willits USD maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Willits USD should determine whether the benefit is material and subject to GASB 74 and/or 75.
- Under GASB 75, it is important to isolate the cost of retiree health benefits. Willits USD should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Willits USD should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- Willits USD should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.
- Several assumptions were made in estimating costs and liabilities under Willits USD's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Part III of this report for a summary of assumptions.) For example, Willits USD should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Willits USD to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

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APPENDIX C: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

Paragraph 50: **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by Willits USD. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	23
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	110
Total Number of participants	133

*We were not provided with information about any terminated, vested employees

Paragraph 51: **Significant Assumptions and Other Inputs**

Shown in Appendix C.

Paragraph 52: **Information Related to Assumptions and Other Inputs**

The following information is intended to assist Willits USD in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following is the table the mortality assumptions are based upon. Inasmuch as this table is based on appropriate populations, and that this table is used for pension purposes, we believe this table to be the most appropriate for the valuation.

Mortality Table	2020 CalSTRS Mortality
Disclosure	The mortality assumptions are based on the 2020 CalSTRS Mortality table created by CalSTRS. CalSTRS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalSTRS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

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Retirement Tables

Retirement Table	2020 CalSTRS 2.0% @60 Rates
Disclosure	The retirement assumptions are based on the 2020 CalSTRS 2.0% @60 Rates table created by CalSTRS. CalSTRS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2020 CalSTRS 2.0% @62 Rates
Disclosure	The retirement assumptions are based on the 2020 CalSTRS 2.0% @62 Rates table created by CalSTRS. CalSTRS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Tables

Turnover Table	2020 CalSTRS Termination Rates
Disclosure	The turnover assumptions are based on the 2020 CalSTRS Termination Rates table created by CalSTRS. CalSTRS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$1,354,176	\$1,520,348	\$1,718,043

Paragraph 53: **Discount Rate**

The following information is intended to assist Willits USD to comply with Paragraph 53 requirements.

53.a: A discount rate of 2.20% was used in the valuation. The interest rate used in the prior valuation was 3.50%.

53.b: We assumed that all contributions are from the employer.

53.c: There are no plan assets.

53.d: The interest assumption reflects a municipal bond rate. We used the Bond Buyer 20 Index at June 30, 2020 and rounded the rate resulting in a rate of 2.20%.

53.e: Not applicable.

53.f: There are no plan assets.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and

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1% lower than assumed in the valuation.

	Discount Rate	Valuation	Discount Rate
	1% Lower	Discount Rate	1% Higher
Net OPEB Liability	\$1,649,522	\$1,520,348	\$1,405,402

Paragraph 55: **Changes in the Net OPEB Liability**

Please see reconciliation on pages 2 or 12.

Paragraph 56: **Additional Net OPEB Liability Information**

The following information is intended to assist Willits USD to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2020.

 The measurement date is June 30, 2020.

56.b: We are not aware of a special funding arrangement.

56.c: The interest assumption changed from 3.50% to 2.20%. Assumed rates of retirement, termination, and mortality have been updated to align with those currently being used by the statewide pension systems.

56.d: There were no changes in benefit terms since the prior measurement date.

56.e: Not applicable

56.f: To be determined by the employer

56.g: To be determined by the employer

56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown on page 12 and in Appendix D

56.i: Future recognition of deferred inflows and outflows is shown in Appendix D

Paragraph 57: **Required Supplementary Information**

57.a: Please see reconciliation on pages 2 or 12. Please see the notes for Paragraph 244 below for more information.

57.b: These items are provided on pages 2 and 12 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.

57.c: We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 21 years.

57.d: We are not aware that there are any statutorily or contractually established contribution requirements.

Paragraph 58: **Actuarially Determined Contributions**

We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 21 years.

Paragraph 244: **Transition Option**

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.

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APPENDIX D: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

EXPERIENCE GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)											
Measurement Period	Experience (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2019-20	(\$222,573)	12.8	\$0	(\$17,389)	(\$205,184)	(\$17,389)	(\$17,389)	(\$17,389)	(\$17,389)	(\$17,389)	(\$118,239)
Net Increase (Decrease) in OPEB Expense			\$0	(\$17,389)	(\$205,184)	(\$17,389)	(\$17,389)	(\$17,389)	(\$17,389)	(\$17,389)	(\$118,239)

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CHANGES OF ASSUMPTIONS

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of
Changes of Assumptions
(Measurement Periods)**

Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	Amounts to be Recognized in OPEB Expense after 2020								
				2020	2021	2022	2023	2024	2025	Thereafter		
2018-19	\$63,048	11.6	\$5,436	\$5,436	\$52,176	\$5,436	\$5,436	\$5,436	\$5,436	\$5,436	\$5,436	\$24,996
2019-20	(\$104,141)	12.8	\$0	(\$8,137)	(\$96,004)	(\$8,137)	(\$8,137)	(\$8,137)	(\$8,137)	(\$8,137)	(\$8,137)	(\$55,319)
Net Increase (Decrease) in OPEB Expense			\$5,436	(\$2,701)	(\$43,828)	(\$2,701)	(\$2,701)	(\$2,701)	(\$2,701)	(\$2,701)	(\$2,701)	(\$30,323)

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INVESTMENT GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2019-20	\$0	0	\$0	\$0	\$0						
Net Increase (Decrease) in OPEB Expense			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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APPENDIX E: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.
<u>Actuarial Present Value of Projected Benefit Payments:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.
<u>Deferred Inflows/Outflows of Resources:</u>	A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.
<u>Fiduciary Net Position:</u>	Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.
<u>Measurement Date:</u>	The date at which assets and liabilities are determined in order to estimate TOL and NOL.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Liability (NOL):</u>	The Total OPEB Liability minus the Fiduciary Net Position.
<u>OPEB Benefits:</u>	Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>OPEB Expense:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

Total Compensation Systems, Inc.

<u>Pay As You Go Cost:</u>	The projected benefit payments to retirees in a given year as estimated by the actuarial valuation. Actual benefit payments are likely to differ from these estimated amounts. For OPEB plans that do not pre-fund through an irrevocable trust, the Pay As You Go Cost serves as an estimated amount to budget for annual OPEB payments.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.
<u>Service Cost:</u>	The annual dollar value of the “earned” portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
<u>Service Requirement:</u>	The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.
<u>Total OPEB Liability (TOL):</u>	The amount of the actuarial present value of projected benefit payments attributable to participants’ past service based on the actuarial cost method used.
<u>Trend Rate:</u>	The rate at which the employer’s share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can’t be more than 30 months prior.



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MICHELLE HUTCHINS
Superintendent of Schools

SERVICE

EXCELLENCE

INNOVATION

TEAMWORK

April 5, 2021

Mark Westerburg, Superintendent
Members, Board of Trustees
Willits Unified School District
1277 Blosser Lane
Willits, California 95490

Subject: MCOE Review of the 2020-21 First and Second Interim Budget Reports

Dear Superintendent and Members of the Board:

In accordance with Education Code Section 42130 regarding our fiscal oversight responsibilities, we have completed our reviews of Willits Unified School District's first and second interim budget reports for fiscal year 2020-21. The Board of Trustees approved the Interim reports on December 16, 2020 and March 10, 2021, respectively. Based on our review and analysis, we believe the reports reasonably reflected the financial status of the district at each period and are consistent with the state's criteria and standards. Thus, **we concur with the district's positive certification** with the following comments.

A year ago, as we sat on the precipice of the COVID-19 pandemic, schools faced the unprecedented task of continuing to educate, support and supervise students as shelter-in-place orders went into effect and campuses closed for in-person instruction. School administrators, staff, students and parents were forced to pivot into the new and uncharted world of distance learning. In school business offices, we were concerned with the economic fallout, funding disruptions, and the ability to pay for the yet-to-be-known costs we would incur.

The federal and state response has been to provide emergency funding to schools through three separate federal stimulus packages – CARES, CRSSA and ARP, and two separate state bills – SB 117 and AB 86. The various funding sources are to provide students and staff with appropriate technology and Internet connections required for distance learning, cleaning supplies and PPE, costs required to resume in-person instruction, and expenditures to provide students with expanded learning opportunities that will help mitigate learning loss. While we are grateful for the much needed funding, business offices must remain mindful of allowable uses of each funding source, timeline restrictions, and reporting requirements and deadlines.

2021-22 Proposed Budget

In January, Governor Newsom released the first look at his proposed budget for 2021-22. Benefitting from stronger-than-expected revenue growth, the Governor proposes an increase in school funding and includes emergency grants to reopen schools. The focus is toward safely opening schools,

mitigating learning loss through accelerated and extended learning, increased mental health services, early childhood initiatives, and educator investment.

The Governor's budget proposes a 3.84% compounded COLA for 2021-22 (1.5% statutory COLA, and 2.34% "catch up" COLA) applied to LCFF base grants, with various other programs receiving just the 1.5% statutory rate. The proposed COLA for 2022-23 is 2.98%. 2020-21 funding deferrals, roughly \$13 billion, will continue as planned, while the budget proposes to eliminate the 2021-22 funding deferrals.

Issues left with no solution include, COVID-19 liability coverage for schools, hold harmless for schools experiencing a decline in their Unduplicated Pupil Percentage (UPP), additional STRS/PERS employer rate reductions, and more discretionary funding not tied to restrictive programs.

All in all, the proposed budget provides many positives for schools. However, the January proposal is just the starting point.

Returning to the interim budget reports, your district's fiscal crisis indicators include the following risk factors:

- **Deficit Spending and Reserves:** With the inclusion of the Governor's budgeted COLA increases in the two subsequent years, the projected 2nd Interim unrestricted deficit spending over the multi-year period is \$(1,238,355). This is a vast improvement over the 1st Interim projection of \$(2,251,789). The 2nd Interim projection spends down roughly 33% of reserves, from \$3,769,513 at the beginning of 2020-21 to \$2,531,158 at the end of 2022-23; compared to an estimated 60% spend down at 1st Interim.

In each year of the Multi-Year Projection the district is able to meet both the 3% state mandated reserve, plus an additional 3%, for a stated Reserve for Economic Uncertainty of 6%. While we commend the district for maintaining an REU at twice the state's requirement, we note that the California Department of Education and the Government Finance Officers Association recommend that a district maintain reserves at a minimum of two months of general fund expenditures, or 16.7%.

- **Declining Enrollment and ADA:** As you know, with no equitable way to take attendance in 2020-21, schools are being "held harmless" to reported 2019-20 ADA levels in an effort to provide some stability to funding this year. One of the provisions of LCFF, provides for districts to be funded at the higher of current or prior year. Meaning that with the hold harmless provision in 2020-21, schools in declining enrollment will experience a sharp decline in LCFF funding in 2022-23.

The district must monitor enrollment and ADA projections, and align staffing and services with student counts and budget projections.

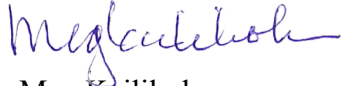
Budget Overview for Parents

Along with the approval of the first interim budget report in December, districts were required to present and approve the Budget Overview for Parents (BOP), which was to align with the district's Learning Continuity Plan (LCP) and the 2019-20 LCAP Annual Update. We remind districts that both the LCP and BOP must be prominently displayed on the homepage of the district's website, along with the LCAP Federal Addendum.

We value the opportunity to review and comment on your periodic budget reports, as it is an important process in our duty to monitor the fiscal health of all districts. We wish to express our appreciation to your business office for their dedication and commitment to maintaining WUSD's sound financial practices, without which, the ability to continue to provide the best possible education to your students and community would not be possible.

Please let us know if you have any questions or comments. I can be reached at (707) 467-5043; and Becky Jeffries is at (707) 467-5034.

Sincerely,

A handwritten signature in blue ink that reads "Meg Kailikole". The signature is fluid and cursive, with the first name "Meg" being particularly prominent.

Meg Kailikole
Director, External Fiscal Services

cc: Nikki Agenbroad, Director of Fiscal Services, WUSD
Michelle Hutchins, Superintendent of Schools, MCOE
Becky Jeffries, Assistant Superintendent, Business Services, MCOE

WILLITS UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES

Regular Meeting Via Zoom:

<https://us04web.zoom.us/j/9782489039?pwd=V0U2cUtHZUMzQk5xR3d5Vy9wT1JkZz09>

Wednesday, March 10, 2021

Closed Session ~ 4:00 p.m.

Open Session ~5:00 p.m.

MODIFIED MEETING PROCEDURES DURING COVID-19 (CORONAVIRUS) PANDEMIC:

As per Executive Order N-29-20 from Governor Newsom, the Willits Unified School District Board of Education meeting scheduled for Wednesday, March 10, 2021, at 5:00 p.m. will be in a virtual/teleconferencing environment using Zoom at this link: <https://us04web.zoom.us/j/9782489039?pwd=V0U2cUtHZUMzQk5xR3d5Vy9wT1JkZz09>

The purpose of the Governor's executive order is to control the spread of Coronavirus (COVID-19) and to reduce and minimize the risk of infection by "limiting attendance at public assemblies, conferences, or other mass events." The Governor's executive order on March 12, 2020, already waived the requirement for a majority of board members to physically participate in a public board meeting at the same location.

Public Comments- Individuals may address the Board on regular session agenda items at the time they are under consideration.

MINUTES

1. Call Meeting to Order

Board President Bowlds called the meeting to order at 4:00 p.m.

2. Agenda Approval

MSP (King/Chavez) to approve the agenda as presented

Ayes: Bowlds, Chavez, King, McNeal, Nunez

Noes: None

Absent: None

Abstain: None

3. Public Comments on Closed Session

Items No comments received

4. Recess to Closed Session at 4:05p.m.

A. Public Employee-Discipline/Dismissal/Release, Resolution 2020-21-8 (G.C. 54957)

B. Public Employee-Discipline/Dismissal/Release, Resolution 2020-21-9 (G.C. 54957)

C. Certificated Leave of Absence Request (1) (G.C. 54957)

D. Superintendent Evaluation

E. Public Employee-Discipline/Dismissal/Release

5. Reconvene to Open Session at 5:08p.m.

6. Report Out of Closed Session

A. Public Employee-Discipline/Dismissal/Release, Resolution 2020-21-8 (G.C. 54957)

MSP (McNeal/King) to adopt a Resolution to Release Temporary Employees and authorize the District Superintendent or designee to notify the employees listed on Attachment "A" that they will be released effective June 15, 2021. ROLL CALL VOTE

Ayes: Bowlds, Chavez, King, McNeal, Nunez

Noes: None

Absent: None

Abstain: None

B. Public Employee-Discipline/Dismissal/Release, Resolution 2020-21-9 (G.C. 54957)

MSP (Nunez/King) In closed session the Board took action to non-reelect two (2) teachers (conditional).

ROLL CALL VOTE

Ayes: Bowlds, Chavez, King, McNeal, Nunez

Noes: None

Absent: None
Abstain: None

C. Certificated Leave of Absence Request (1) (G.C. 54957)

The Board approved the requested Leave of Absence.

D. Superintendent Evaluation

No action taken nothing to report.

E. Public Employee-Discipline/Dismissal/Release

No action taken nothing to report.

7. Flag Salute

Board Clerk Chavez led the flag salute.

8. Informational

A. *Purchase of District Maintenance Vehicle

Item A was pulled from Agenda

B. *Significant Disproportionality/CCEIS Plan

Superintendent Westerburg and SPED Kelley Labus explained the Plan and what was needed from WUSD.

9. WTA Comments

WTA President, Tessa Ford gave an update of the MOU between the district and WTA, she reported how teachers are feeling about returning. In conclusion, WTA Rep. Brian Bowlds spoke on specifics pertaining to the MOU and reopening of schools.

10. CSEA Comments

CSEA President, Dan Green thanked the teachers for recognizing CSEA and shared that he was excited for everyone to come back to in person.

11. Board Comments

Board President Bowlds thanked WTA, all staff, and the community for their help in getting students back to in person teaching. He also shared some numbers pertaining to COVID and the explanation of the Tiers.

Board Clerk Chavez thanked those who have done a great job with the school plans.

Board Member King shared her appreciation for both unions in the last year's changes and reopening all school sites.

Board Member McNeal thanked all staff involved in getting students back on campus.

Board Member Nunez stated she was pleased that TK-5 is opening and most are onboard, she has some concerns for middle school reopening and concluded she is happy that Youth Sports are starting.

12. Superintendent Comments

- Appreciation for WTA during negotiations.
- Reported on vaccinations and employees
- Student numbers for in person learning
- COVID Testing at each school site.
- Bond Projects update
- Gave special thanks to Hattie at BGMS
- Athletics at school sites
- All School Reopening Plans have been approved

13. Action/Discussion

A. Public Comments on the Consent Agenda

No comments were received.

B. Consent Agenda

The consent agenda included the following items: Approval of Minutes from the Regular Meeting Held on February 10, 2021, Approval of Minutes from the Special Meeting held on February 24, 2021, Approval of Employee Status Changes (5), Warrant Registers from February 1, 2021 - February 28, 2021, Approval of Investment Reports December 30, 2020, Second Read/Final Approval BP 3280; Sale or Lease of District-Owned Real Property, Second Read/Final Approval BP/Exhibit 1113; District and school Web Sites.

MSP (Chavez/King) to approve the consent agenda as presented.

Ayes: Bowlds, Chavez, King, McNeal, Nunez
Noes: None
Absent: None
Abstain: None

C. Approval of Resolution No. 2020/21-11; Conflict of Interest

MSP (Chavez/King) to approve the consent agenda as presented.

Ayes: Bowlds, Chavez, King, McNeal, Nunez
Noes: None
Absent: None
Abstain: None

D. Approval of School Site Reopening Plan (1)

MSP (King/McNeal) to approve the consent agenda as presented.

Ayes: Bowlds, Chavez, King, McNeal, Nunez
Noes: None
Absent: None
Abstain: None

E. Approval of 2020/2021 Second Interim Budget Report

MSP (Chavez/Nunez) to approve the consent agenda as presented.

Ayes: Bowlds, Chavez, King, McNeal, Nunez
Noes: None
Absent: None
Abstain: None

F. Approval of 2020/2021 Audit Report

MSP (/) to approve the consent agenda as presented.

Ayes: Bowlds, Chavez, King, McNeal, Nunez
Noes: None
Absent: None
Abstain: None

Item F was pulled from Agenda.

14. Items for the Next Regular Board Agenda

- 2020/2021 Audit Report
- Programs for reading intervention
- Board developing policy that speaks to the reserve we should maintain

15. Public Comments for Items not on the Agenda

No comments received

16. Adjournment

MSP (Bowlds/McNeal) to adjourn at 7:58p.m.

Ayes: Bowlds, Chavez, King, McNeal, Nunez
Noes: None
Absent: None
Abstain: None

Mark Westerburg, Superintendent

Robert Chavez, Board Clerk

**WILLITS UNIFIED SCHOOL DISTRICT
OFFICE OF THE SUPERINTENDENT**

1277 Blosser Lane
Willits, CA 95490
(707) 459-5314

Date: 4/14/2021
To: Rachelle Summers
From: Lynda Walker
Re: Info for April 14, 2021 Board Meeting

Certificated New Hire:

Certificated Leave of Absence:

Certificated Job Share:

Certificated Resignation:

Yuko Kohut, 1.0 FTE, Teacher, Brookside Elementary School, 6/15/2021

James Schweig, 1.0 FTE, Teacher, Baechtel Grove Middle School, 6/15/2021

Certificated Retirement:

Laurel Burghardt, 1.0 FTE, Teacher, Sherwood School, 6/15/2021

Classified Resignation:

Aldair Nieto, 1.0 FTE, Night Custodian, Baechtel Grove Middle School,
03/31/2021

Classified Unsuccessful Probation:

Classified Leave of Absence:

Classified Retirement:

Classified New Hire:

Shannon Folsom, .75 FTE, Special Education Instructional Assistant, Willits
High School, 3/22/2021

Gwyneth Hernandez, .75 FTE, Special Education Instructional Assistant,
Brookside Elementary School, 3/22/2021

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
707070	03/04/2021	AMAZON CAPITAL SERVICES	01-4300	MAINTENANCE	777.03	
				OFFICE SUPPLIES	245.55	
				SPED	97.41	
				SPED/SINGLETON	216.31	
				Unpaid Tax	5.04-	1,331.26
707071	03/04/2021	AMERIGAS	01-5520	SHERWOOD TANK FILL		148.30
707072	03/04/2021	ARROW BENEFITS GROUP	69-5800	FEB 2021 ADMIN FEE		291.94
707073	03/04/2021	BOOK JUGGLER	01-4200	ROMEO AND JULIET NO FEAR SHAKESPEARE		82.54
707074	03/04/2021	HERNANDEZ, MELANIE	12-4300	PRESCHOOL SUPPLIES NTE 500.00		201.26
707075	03/04/2021	ORANGE COUNTY DEPT OF ED	01-5200	WEBINAR FOR 3		150.00
707076	03/04/2021	NCS PEARSON INC	01-4300	WISC-V FORMS	292.93	
				Unpaid Tax	1.34-	291.59
707077	03/04/2021	QUILL CORP	01-4300	FISCAL SUPPLIES	147.89	
				Unpaid Tax	.67-	147.22
707078	03/04/2021	RUNBERG, NANCY	01-4300	OFFICE SUPPLIES FOR TEACHERS		147.96
707079	03/04/2021	SONOMA CO OFFICE OF ED NORTH COAST SCHOOL OF ED	01-5800	NORTH COAST SCHOOL OF ED 2020-21 INDUCTION PROGRAM FEE		54,250.00
707080	03/04/2021	SPURR	01-5520	NATURAL GAS	21,921.77	
			01-5560	NATURAL GAS	189.96	22,111.73
707081	03/04/2021	STAPLES CREDIT PLAN	01-4300	CHAIRS	346.78	
				Unpaid Tax	1.62-	345.16
707082	03/04/2021	WAXIE SANITARY SUPPLY	01-4300	KAIBLOOEY		341.47
707440	03/11/2021	HANNA, SHARON S	01-5200	FEBRUARY 21 MILEAGE		22.85
707441	03/11/2021	ACEVEDO'S UKIAH TRUCK REPAIR	01-5600	BUS 11	260.00	
				BUS 3	616.98	
				BUS 4	325.00	
				BUS 5	325.00	1,526.98
707442	03/11/2021	ADVANCED XEROGRAPHICS	01-5610	BGMS OFFICE FEB 21		51.02
707443	03/11/2021	ALAMEIDA ARCHITECTURE	21-6200	ARCHITECTURAL SERVICES		3,500.00
707444	03/11/2021	AMAZON CAPITAL SERVICES	01-4300	CLASSROOM SUPPLIES AND THERMOMETERS	199.58	
				External DVD Drives	747.45	
				INDEPENDENT STUDY K-8	1,933.97	
				RETURN TO ON SITE LEARNING SUPPLIES	538.70	
				SCHOOL SUPPLIES	186.38	

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
707444	03/11/2021	AMAZON CAPITAL SERVICES	12-4300	PRESCHOOL ITEMS	359.16	
				Unpaid Tax	3.45-	3,961.79
707445	03/11/2021	ARROW BENEFITS GROUP	69-5800	2020/21 VISION CLAIMS & ADMINISTRATION		312.50
707446	03/11/2021	B & B INDUSTRIAL SUPPLY INC .	01-4300	D.O. MAINTENANCE		619.92
707447	03/11/2021	BUSWEST LLC	01-4300	Buses Maintenance		113.24
707448	03/11/2021	DREW, JENNIFER	01-4400	10% ON METAL BUILDINGS MO21-00048 MO21-00052		2,502.92
707449	03/11/2021	FISHMAN SUPPLY COMPANY	01-4300	WHS	498.66	
				WHS COPY PAPER	1,608.29	
				Unpaid Tax	9.72-	2,097.23
707450	03/11/2021	FOLLETT SCHOOL SOLUTIONS	01-4200	BOOK ORDER SECOND 2021 LIST PARTIAL DELIVERY		146.95
707451	03/11/2021	LOGMEIN COMMUNICATIONS INC	01-5903	DISTRICT PHONES 20-21 MARCH 21		2,469.77
707452	03/11/2021	FRIEDMANS HOME IMPROVEMENT	01-4300	BGMS SCIENCE CLASS		175.40
707453	03/11/2021	GLOBAL INDUSTRIAL	01-4300	PARTIAL PAYMENT FOR PICNIC TABLES		8,776.21
707454	03/11/2021	GOLD STAR FOODS	13-4300	2020-21 COMMODITIES AND FEES	218.45	
			13-4700	2020-21 COMMODITIES AND FEES	3,672.21	3,890.66
707455	03/11/2021	GRAINGER	01-4300	MAINTENANCE	314.74	
				Unpaid Tax	1.47-	313.27
707456	03/11/2021	INCLUSIVE EDU & COMM PTNR	01-5800	BEHAVIORAL SUPPORT DEC 2020	684.00	
				BEHAVIORAL SUPPORT JAN 21	1,168.50	
				BEHAVIORAL SUPPORT NOV 2020	855.00	2,707.50
707457	03/11/2021	INTERCOUNTY MECH& ELECT.	01-5800	WHS HVAC Panels		52,500.00
707458	03/11/2021	JAMEY AEBERSOLD JAZZ	01-4300	VOLUME 1 HOW TO PLAY JAZZ AND IMPROVISE	124.36	
				Unpaid Tax	9.61-	114.75
707459	03/11/2021	JORDAN EADS PHOTOGRAPHY	01-4300	16 STUDENT ID CARDS	36.00	
				DIRECTORY BOOK AND ID CARDS	218.00	254.00
707460	03/11/2021	CA SCHOOLS DENTAL COALITION	68-5800	APRIL 2021 CLAIMS & EXPENSES		12,255.00
707461	03/11/2021	JOHN WILEY & SONS INC	01-5800	MATH 220 CRS SINGLE TERM ACCESS 3-5-21 - 6-11-21		467.35
707462	03/11/2021	LES SCHWAB TIRE CENTER	01-4363	GROUNDS TRAILER		1,124.52
707463	03/11/2021	LITTLE LAKE AUTO PARTS	01-4300	GROUNDS	119.98	
				GROUNDS JACK STANDS	27.08	
				MAINT GENERATOR	182.87	
				TRANSP MOTOR TUNE UP	15.16	
				TRANSP SOLENOID	31.85	376.94

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
707464	03/11/2021	LONGO	01-4400	50% DEPOSIT FOR LAB TABLES AT WHS		18,380.76
707465	03/11/2021	MENDO MILL & LUMBER CO	01-4300	MOT FEB 2021	3,222.38	
			01-4400	NOLOCK ANGLE GRINDERS	541.82	3,764.20
707466	03/11/2021	KEMPTON-MILLIKEN, NANCY	01-3701	2020/21 RETIREE HEALTH BENEFITS (ENDS 20/21)		364.69
707467	03/11/2021	MYERS, MARETTE	01-3701	20/21 RETIREE HEALTH BENEFITS ENDS 20/21		655.52
707468	03/11/2021	O'NEILL, OLGA	01-3701	JAN-FEB 21 H-W		846.19
707469	03/11/2021	O'REILLY AUTOMOTIVE, INC.	01-4300	Auto Parts		15.50
707470	03/11/2021	PITNEY BOWES	01-4300	POSTAGE INK	122.51	
				Unpaid Tax	.57-	121.94
707471	03/11/2021	QUILL CORP	01-4300	ADMIN ASSISTANT SUPPLIES	36.84	
				Unpaid Tax	.17-	36.67
707472	03/11/2021	REDWOOD COAST FUELS	01-4361	MOT FUEL CARDS	1,390.18	
				TRANSPORTATION FUEL	1,359.04	2,749.22
707473	03/11/2021	SCHOOL SPECIALTY	01-4300	BAKEWELL-VISUAL ARTS		358.72
707474	03/11/2021	SOLID WASTES OF WILLITS	01-5540	FEB 2021	5,986.60	
				SHERWOOD FEB 21	170.48	6,157.08
707475	03/11/2021	TMP SERVICES	21-5600	Ramps & Steps for District Office	19,033.57	
				Unpaid Tax	87.81-	18,945.76
707476	03/11/2021	EUREKA OXYGEN CO	01-5600	MAINTENANCE CYLINDER RENTAL	86.76	
				WELDING CYLINDER RENTAL	36.92	
			01-5800	BGMS FIRE SERVICE	180.00	
				BLE FIRE SERVICE	180.00	
				BROOKSIDE FIRE SERVICE	180.00	663.68
707477	03/11/2021	WILLITS KIDS CLUB INC	01-5800	FEBRUARY 2021 KIDS CLUB		26,697.68
707478	03/11/2021	ZONAR SYSTEMS INC	01-5800	MARCH 2021 GPS		682.00
708093	03/19/2021	MENDOZA, JORGE	01-5200	OCT-DEC 2020 MILEAGE TO BE REIMB BY LAYTONVILLE		105.80
708094	03/19/2021	ACCESS INFORMATION MANAGEMENT	01-5800	2020/21 SHREDDING SERVICES		107.41
708095	03/19/2021	AMAZON CAPITAL SERVICES	01-4200	LIFE SCIENCE BOOK LAMON	21.65	
			01-4300	ART/BAKEWELL	178.80	
				Brookside HDMI Adaptors	21.61	
				CLASSROOM SUPPLIES	302.64	
				CLASSROOM SUPPLIES/ MEY	20.58	
				CLASSROOM SUPPLIES/ SHOOK	71.28	
				CLASSROOM SUPPLIES/COUGHLIN	274.40	

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
708095	03/19/2021	AMAZON CAPITAL SERVICES		FLOOR MARKINGS	90.99	
				FOUNDERS	252.50	
				HDMI/Adaptor	273.46	
				INDEPENDENT STUDY SUPPLIES	37.59	
				Laptops Stands	51.56	
				MAINTENANCE	31.62	
				MATH DEPT.	43.99	
				OFFICE SUPPLIES	1,411.77	
				RETURN TO IN PERSON SUPPLIES	96.39	
				Screen Protectors & HDMI to VGA	300.71	
				SPECIAL ED SUPPLIES	326.12	
				SPED SUPPLIES	166.73	
				SPED/MEDI-CAL	83.29	
				SPED/SHOOK	13.60	
				THERMOMETERS AND INK REFILLS	434.34	
			01-4400	Science Room 9 Equipment	2,280.76	
				Unpaid Tax	19.65-	6,766.73
708096	03/19/2021	AT&T	01-5903	RED PHONES		374.93
708097	03/19/2021	CASH CARPET SERVICE INC	21-6200	WHS Main Hall, Office & Band Floor Repalcement		47,503.60
708098	03/19/2021	WILLITS, CITY OF	01-5530	WATER		5,253.75
708099	03/19/2021	DEPARTMENT OF JUSTICE	01-5814	FEB 2021 FINGERPRINTS		32.00
708100	03/19/2021	FOLLETT SCHOOL SOLUTIONS	01-4200	BOOK ORDER SECOND 2021 LIST FINAL		33.44
708101	03/19/2021	FRONTIER COMMUNICATIONS	01-5903	MARCH 2021		112.68
708102	03/19/2021	GOLD STAR FOODS	13-4300	FEB 2021 FOOD AND SUPPLIES	194.20	
			13-4700	FEB 2021 FOOD AND SUPPLIES	6,684.21	6,878.41
708103	03/19/2021	HOME DEPOT CREDIT SERVICES	01-4300	FOUNDERS	676.05	
			01-4400	AG JACKS	595.79	1,271.84
708104	03/19/2021	INTERCOUNTY MECH& ELECT.	01-5600	BLOSSER LANE ROOM 18		960.32
708105	03/19/2021	KAJEET	01-5800	WIFI Data		4,008.51
708106	03/19/2021	NCS PEARSON INC	01-4300	SPED ASSESSMENTS	2,052.75	
				Unpaid Tax	9.38-	2,043.37
708107	03/19/2021	S.L.I.C. CO-OP VALLEJO CITY US D	13-5800	SLIC CO-OP FEES 2019-20	250.00	
				SLIC CO-OP FEES 2020-21	250.00	500.00
708108	03/19/2021	SAFEWAY	13-4300	FEB 21 FOOD AND SUPPLIES	10.26	
			13-4700	FEB 21 FOOD AND SUPPLIES	24.92	35.18
708109	03/19/2021	SCHOOL SPECIALTY	01-4300	CLASSROOM SUPPLIES-T FORD	65.75	

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ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
				Unpaid Tax	.31-	65.44
708110	03/19/2021	SHN CONSULTING ENGINEERS	21-6170	WHS PARKING LOT WORK THROUGH JAN 2021		7,173.25
708111	03/19/2021	SYSCO FOOD SERVICES	13-4300	FEB 21 FOOD AND SUPPLIES	299.64	
			13-4700	FEB 21 FOOD AND SUPPLIES	30,291.12	30,590.76
708112	03/19/2021	U.S. BANK CORPORATE PAYMENT	01-4300	Cameras and equipment/Ag/PAYPAL STREAKWAVE	4,985.93	
				Michco: Floor Machine Parts	151.00	
				SpEd Apple Apps	399.93	
				Tactus Therapy Solutions App SpEd	19.99	
			01-5800	HUMBOLDT JOB FAIR	50.00	
				SONOMA STATE JOB FAIR	51.32	
				Unpaid Tax	24.91-	5,633.26
708113	03/19/2021	WILLITS RENTAL CENTER INC	01-5600	1998 CHEVY TRUCK MISC LABOR		90.00
708114	03/19/2021	XEROX CORPORATION	01-5610	FEB 2021 BLE	268.86	
				FEB 2021 BRKS OFFICE	163.01	
				FEB 2021 BRKS STAFF ROOM	359.06	
				FEB 2021 D.O.	265.95	
				FEB 2021 SHERWOOD	115.73	
				FEB 2021 SHS	223.00	
				FEB 2021 WHS OFFICE	196.85	
				FEB 2021 WHS STAFF	579.95	
			13-5610	FEB 2021 CAFE	55.11	2,227.52
708115	03/19/2021	XEROX FINANCIAL SERVICES	01-5610	DAMAGED XEROX AT BGMS		19,700.32
708449	03/25/2021	HANNA, SHARON S	01-5200	MARCH MILEAGE		16.13
708450	03/25/2021	ACEVEDO'S UKIAH TRUCK REPAIR	01-5600	BUS 12	260.00	
				BUS 2	455.00	
				BUS 8	1,162.96	
				BUS 9	333.63	2,211.59
708451	03/25/2021	AERIES SOFTWARE	01-5800	AERIES CONFERENCE MARCH 8TH - 11TH		3,750.00
708452	03/25/2021	AIR & LUBE SYSTEMS INC	01-4300	IGNITION WIRE- PARTIAL ORDER		53.60
708453	03/25/2021	AMAZON CAPITAL SERVICES	01-4300	BGMS FAUCETS	43.70	
				FULL MOTION TV WALL MOUNT	48.40	
				MOUSE REPELLENT	114.73	
				Parts and Supplies	137.64	
				SHS TV & Earbuds	617.51	
				THERMOMETER CHARGERS	56.34	

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ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
708453	03/25/2021	AMAZON CAPITAL SERVICES		THERMOMETERS	249.20	
				Unpaid Tax	5.74-	1,261.78
708454	03/25/2021	ARROW BENEFITS GROUP	69-5800	VISION CLAIMS		366.50
708455	03/25/2021	AT&T	01-5903	MARCH 2021		33.44
708456	03/25/2021	BUSWEST LLC	01-4300	TRANSPORTATION BLOWER MOTOR		113.24
708457	03/25/2021	CATA	01-5200	6/21- 6/24/21 CATA AG TEACHERS CONFERENCE		150.00
708458	03/25/2021	WILLITS, CITY OF	01-5530	FINAL 20-21 SEWER CHARGE		15,761.49
708459	03/25/2021	FRICK, JILL	01-3701	2020/21 RETIREE BENEFITS ENDS 21/22		1,959.30
708460	03/25/2021	GLOBAL INDUSTRIAL	01-4300	8 PICNIC TABLES IN RED		7,007.96
708461	03/25/2021	HOUSE DOCTOR PAINT STORE	01-4300	MAINTENANCE		3.23
708462	03/25/2021	INSIGHT PUBLIC SECTOR INC	01-4300	Epson Document Cameras	16,452.95	
				Unpaid Tax	75.91-	16,377.04
708463	03/25/2021	JORDAN EADS PHOTOGRAPHY	01-5800	SCHOOL PHOTOS		287.00
708464	03/25/2021	MENDOCINO COUNTY YOUTH PROJECT	01-5800	FEB 2021 STUDENT SUPPORT		494.40
708465	03/25/2021	MOUNTAIN FRESH SPRING WATER CO	01-4300	2020-2021 WATER DELIVERY	15.50	
				WATER FOR OFFICE COOLER	6.75	
			01-5600	DISPENSER RENTAL	10.00	32.25
708466	03/25/2021	O'REILLY AUTOMOTIVE, INC.	01-4300	Auto Parts		5.84
708467	03/25/2021	PERSONNEL CONCEPTS	01-4300	2021 HR COMPLIANCE POSTERS		2,895.51
708468	03/25/2021	PG&E	01-5510	ELECTRICITY		18,146.59
708469	03/25/2021	PRESENCE LEARNING	01-5800	SPED SERVICES		4,900.25
708470	03/25/2021	QUILL CORP	01-4300	LABELS	197.18	
				USB ZENDRIVE	43.34	
				Unpaid Tax	1.11-	239.41
708471	03/25/2021	REDWOOD EMPIRE OFFICIALS ASSN	01-5800	ESTIMATED COSTS WHS 2021 SPRING SPORTS		4,050.00
708472	03/25/2021	RESCINA, KARI	01-4300	20-21 CLASSROOM SUPPLIES		40.22
708473	03/25/2021	SCHOOL COLLEGE LEGAL SERV CA	01-5200	SPED WORKSHOPS		75.00
708474	03/25/2021	SCHOOL SPECIALTY	01-4300	BAKEWELL/VISUSAL ARTS		1,863.68
708475	03/25/2021	SHOOK, MORGAN	01-4300	20-21 CLASSROOM SUPPLIES		123.16
708476	03/25/2021	TEAMTALK NETWORK LLC	01-5800	BUS RADIOS MAY 2021		911.88
708477	03/25/2021	TRAVIS, EILEEN	01-4300	CLASSROOM SUPPLIES NTE 300.00		277.22
708478	03/25/2021	TUTTLE, CARA	01-4300	CLASSROOM SUPPLIES		95.26
708479	03/25/2021	U.S. CELLULAR	01-5902	CLC MARCH 2021		88.40
708480	03/25/2021	XEROX FINANCIAL SERVICES	01-5610	BGMS STAFF ROOM MARCH		362.15

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ESCAPE ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
VCH-00000019	03/04/2021	DUNCAN, KRYSTAL M	01-5200	MILEAGE		60.48
VCH-00000020	03/04/2021	KEYSER, CHARLYN L	01-5200	REIMBURSEMENT FOR PARAPROFESSIONAL WEBINAR		75.00
VCH-00000021	03/04/2021	SEMINOFF, CHARITY F	01-5200	FEBRUARY MILEAGE		49.28
VCH-00000022	03/04/2021	WISDOM, CHRISTY D	01-5812	REIMBURSEMENT FOR TB TEST		18.00
VCH-00000023	03/11/2021	DANFORTH, MATTHEW	13-5200	FEBRUARY 2021 MILEAGE		23.63
VCH-00000024	03/11/2021	MIYA, HEATHER M	01-5220	SHERWOOD MILEAGE		59.36
VCH-00000025	03/19/2021	DUNCAN, KRYSTAL M	01-5813	DOT PHYSICAL AND MILEAGE		114.64
VCH-00000026	03/19/2021	KING, TWILA R	01-5813	DMV PHYSICAL REIMBURSEMENT		100.00
VCH-00000027	03/19/2021	KOHUT, YUKO	01-4300	CLASSROOM SUPPLIES REIMBURSEMENT		37.35
VCH-00000028	03/19/2021	PIERSON, AMANDA L	01-4300	CLASSROOM SUPPLIES REIMBURSEMENT		8.67
VCH-00000029	03/19/2021	SEMINOFF, CHARITY F	01-5200	MARCH 1 THRU 12-21 MILEAGE		34.16
VCH-00000030	03/25/2021	PIERSON, AMANDA L	01-4300	CLASSROOM SUPPLIES		28.65
Total Number of Checks					119	486,592.07

Fund Recap

Fund	Description	Check Count	Expensed Amount
01	GENERAL FUND	104	353,880.02
12	CHILD DEVELOPMENT	2	560.42
13	CAFETERIA SPECIAL REVEN	7	41,973.75
21	BUILDING FUND	4	77,210.42
68	SELF-INSURANCE (dental)	1	12,255.00
69	SELF-INSURANCE (vision)	3	970.94
Total Number of Checks		119	486,850.55
Less Unpaid Tax Liability			258.48
Net (Check Amount)			486,592.07

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

**WILLITS UNIFIED SCHOOL DISTRICT
SUPERINTENDENT'S OFFICE**

TO: Board of Trustees
FROM: Nikki Agenbroad, Director of Fiscal Services
DATE: April 14, 2021
RE: Approval of Consulting Contract

Objective

To obtain board approval of a consulting contract with Maureen O'Leary per board policy.

Background

The District is in Significant Disproportionality in one subgroup of Special Education. Therefore we are required to participate in a structured process of root cause analysis and implementation of new district wide strategies to prevent further over identification of students in the identified subgroup. Retaining the services of a CDE approved consultant is a mandatory component of this process. The District will enter into contract for 10 hours of consulting services with Maureen O'Leary. It is allowable to use the required 15% set aside of our Federal Special Ed allocation for this expense.

Funding/Source

\$1,000 Federal Special Ed Funding

Recommendation

Administration recommends approval.

BID PROPOSAL FORM

Governing Board
Willits Unified School District

Dear Members of the Governing Board:

The undersigned, doing business under the name of T&T Paving, Inc. dba: Valley Paving, having carefully examined the location of the proposed work, the local conditions of the place where the work is to be done, the Notice Inviting Bids, the General Conditions, the Instructions to Bidders, the Plans and Specifications, and all other Contract Documents for the proposed Willits Unified School District High School Parking Lot Improvement Project ("Project"), and having accurately completed the Bidder's Questionnaire, proposes to perform all work and activities in accordance with the Contract Documents, including all of its component parts, and to furnish all required labor, materials, equipment, transportation and services required for the construction of the Project in strict conformity with the Contract Documents, including the Plans and Specifications, as follows:

BASE BID: Willits Unified School District High School Parking Lot Improvement Project

For the sum of Five Hundred Fifteen Thousand Six Hundred Seventy Five Dollars
Dollars (\$ 515,675.00).

The undersigned has checked carefully all the above figures and understands that the District is not responsible for any errors or omissions on the part of the undersigned in making this bid.

Enclosed find certified or cashier's check no. _____ of the _____ Bank for _____ Dollars (\$ _____) or Bidder's Bond of the Philadelphia Indemnity Insurance Company surety company in an amount of not less than ten percent (10%) of the entire bid. The undersigned further agrees, on the acceptance of this proposal, to execute the Contract and provide the required bonds and insurance and that in case of default in executing these documents within the time fixed by the Contract Documents, the proceeds of the check or bond accompanying this bid shall be forfeited and shall become the property of the District.

Contractor agrees to commence the work within the time specified in the Notice to Proceed. It is understood that this bid is based upon completing the work within the number of calendar days specified in the Contract Documents.

ADDENDA:

Receipt of the following addenda is hereby acknowledged:

Addendum # 1 Dated: 4/8/2021 Addendum # _____ Dated: _____
Addendum # _____ Dated: _____ Addendum # _____ Dated: _____
Addendum # _____ Dated: _____ Addendum # _____ Dated: _____

Respectfully submitted,


Company: T & T Paving, Inc. dba: Valley Paving

Address: PO Box 559/2601 Road E

Redwood Valley, CA 95470

By: Kathy Ault

(Please Print Or Type)

Signature: 

Title: Corp. Secty

Date: 04/08/2021

Telephone: (707) 485-7505

Contractor's License No: 674411 Expiration Date 07/31/2021

- Required Attachments:
- Bid Schedule
 - Subcontractor List Form
 - Non-Collusion Declaration
 - Bid Bond (or Cashier's or Certified Check)
 - Bidders' Questionnaire
 - Workers' Compensation Certificate

BID SCHEDULE

BASE BID – SCHEDULE

Item No.	Base Bid Item Description With Unit Price Written In Words	Approx. Quantity	Unit Price	Total Item Price
1	Mobilization/Demobilization for the Lump Sum Price of _____ <u>Nine Thousand Two Hundred</u> Dollars	1 LS	\$ <u>9,200.00</u>	\$ <u>9,200.00</u>
2	Construction Staking for the Lump Sum Price of _____ <u>Two Thousand Five Hundred</u> Dollars	1 LS	\$ <u>2,500.00</u>	\$ <u>2,500.00</u>
3	Erosion/Sediment Control for the Lump Sum Price of _____ <u>One Thousand Five Hundred Fifty</u> Dollars	1 LS	\$ <u>1,550.00</u>	\$ <u>1,550.00</u>
4	Remove and Dispose of Existing 3.5" AC (Parking Lot) for the Price per Cubic Yard of _____ <u>Seven Thousand Eight Hundred</u> Dollars	78 CY	\$ <u>100.00</u>	\$ <u>7,800.00</u>
5	Remove and Dispose of Existing 3.5" AC (Entry Circle) for the Price per Cubic Yard of _____ <u>Nineteen Thousand One Hundred Twenty Five</u> Dollars	255 CY	\$ <u>75.00</u>	\$ <u>19,125.00</u>
6	Remove and Dispose Existing 10" Material to Subgrade (Parking Lot) for the Price per Cubic Yard of _____ <u>Ten Thousand Seven Hundred Fifty</u> Dollars	215 CY	\$ <u>50.00</u>	\$ <u>10,750.00</u>
7	Remove and Dispose Existing 10" Material to Subgrade (Entry Circle and Access Road) for the Price per Cubic Yard of _____ <u>Thirty-Five Thousand Two Hundred Fifty</u> Dollars	705 CY	\$ <u>50.00</u>	\$ <u>35,250.00</u>

Item No.	Base Bid Item Description With Unit Price Written In Words	Approx. Quantity	Unit Price	Total Item Price
8	Finish Grading for the Lump Sum Price of _____ Eight Thousand Three Hundred Seventy Five Dollars	1 LS	\$ <u>8,375.00</u>	\$ <u>8,375.00</u>
9	Provide and Install AC Patch – 3.5” Thick (Including 10” Class 2 AB and Surface Prep (Parking Lot) for the Price per Square Foot of Forty-Two Thousand Nine Hundred Seventy Five _____ Dollars	4,775 SF	\$ <u>9.00</u>	\$ <u>42,975.00</u>
10	Provide and Install 6” Concrete Curb and Gutter (Including 6” Thick Class 2 Aggregate Base) for the Price per Square Foot of _____ Five Thousand Seven Hundred Sixty Dollars	45 SF	\$ <u>128.00</u>	\$ <u>5,760.00</u>
11	Provide and Install 36” wide Concrete Valley Gutter including 6” Class 2 Aggregate Base for the Price per Square Foot of _____ Thirty-Four Thousand Six Hundred Fifty Dollars	990 SF	\$ <u>35.00</u>	\$ <u>34,650.00</u>
12	Provide and Install AC Overlay – 2” Thick (Including Tack Coat) for the Price per Square Foot of _____ Eighty-Nine Thousand Six Hundred Fifty-Six Dollars	22,414 SF	\$ <u>4.00</u>	\$ <u>89,656.00</u>
13	Provide and Install ADA Parking Concrete Paving – 6” Thick (Including 6” Class 2 Aggregate Base) for the Price per Square Foot of _____ Twenty-Two Thousand Nine Hundred Ninety Dollars	1,210 SF	\$ <u>19.00</u>	\$ <u>22,990.00</u>
14	Provide and Install Grate Drains and Piping for the Lump Sum Price of _____ One Thousand Dollars	1 LS	\$ <u>1,000.00</u>	\$ <u>1,000.00</u>

Item No.	Base Bid Item Description With Unit Price Written In Words	Approx. Quantity	Unit Price	Total Item Price
15	Provide and Install Concrete Pad (Including Pipe Drain) for the Price per Square Foot of <u>Three Thousand Three Hundred Eighty-Four</u> Dollars	72 SF	\$ <u>47.00</u>	\$ <u>3,384.00</u>
16	Provide and Install AC Paving – 3.5” Thick (Including 10” Class 2 Aggregate Base) (Entry Circle) for the Price per Square Foot of <u>One Hudred Ninteen Thousand Five Hundred</u> <u>Sixty- Five</u> Dollars	13,285 SF	\$ <u>9.00</u>	\$ <u>119,565.00</u>
17	Provide and Install AC Paving – 3.5” Thick (Including 10” Class 2 Aggregate Base) (Access Road) for the Price per Square Foot of <u>Ninty-One Thousand Seven Hundred Seventy</u> Dollars	9,660 SF	\$ <u>9.50</u>	\$ <u>91,770.00</u>
18	Striping for the Lump Sum Price of <u>Four Thousand Three Hundred Seventy-Five</u> Dollars	1 LS	\$ <u>4,375.00</u>	\$ <u>4,375.00</u>
19	Grind for 2” AC Overlay Blend to Match Existing for the Price per Square Foot of <u>Three Thousand</u> Dollars	1,500 SF	\$ <u>2.00</u>	\$ <u>3,000.00</u>
20	ADA Parking Signage for the Lump Sum Price of <u>Two Thousand</u> Dollars	1 LS	\$ <u>2,000.00</u>	\$ <u>2,000.00</u>

WORKERS' COMPENSATION CERTIFICATE

Labor Code §3700 in relevant part provides:

"Every employer except the State shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees."

I am aware of the provisions of §3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract and will require all Subcontractors to do the same.

T & T Paving, Inc. dba: Valley Paving

Contractor

By: Kathy Ault

In accordance with Article 5 (commencing at §1860), Chapter 1, Part 7, Division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this Contract.

NONCOLLUSION DECLARATION

To be executed by the bidder and submitted with the bid.

Kathy Ault
Corp. Secty. of T & T Paving Inc. dba: Valley Paving, declares that he or she is the party making the foregoing bid, and affirms that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true and correct; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: 04/08/2021

Kathy Ault
Signature

BIDDER'S QUESTIONNAIRE

for

Willits Unified School District High School Parking Lot Improvement Project

TO THE BIDDER:

In making its award, the Governing Board will take into consideration the Bidder's experience, financial responsibility and capability. The following questionnaire is a part of the bid. Any bid received without this completed questionnaire may be rejected as nonresponsive. The Board will use, but will not be limited to, the information provided herein for evaluating the qualifications and responsibility of the bidder and the bidder's organization to carry out satisfactorily the terms of the Contract Document. The questionnaire must be filled out accurately and completely and submitted with the bid. Any errors, omissions or misrepresentation of information may be considered as a basis for the rejection of the bid and may be grounds for the termination of any contract executed as a result of the bid.

A. Description of Bidder's Organization

1. Firm Name T&T Paving, Inc. dba: Valley Paving
2. Address PO Box 559/2601 Road E, Redwood Valley, CA 95470
3. Telephone Number (707) 485-7505
4. Type of Organization
 - a. Corporation? Yes No

If yes, list the officers and positions, and the State in which incorporated.

James Thompson, President, Kathy Ault, Corp Secty
Amy Thompson, Vice President, Andrew Thompson, Vice President
State of California

If the Bidder corporation is a subsidiary, give name and address of parent corporation.

- b. Partnership? Yes No

If yes, list partner names and addresses

General Partners:

Limited Partners:

c. Individual Proprietorship? Yes _____ No X

If yes, list name and address of proprietor:

B. Nature of Operations

1. How long have you been engaged in the contracting business under your present business name? 44 yrs
2. How many years of experience does your business have in construction work similar to that called for under this bid? 44 yrs
3. Have you now contracts, or have you ever contracted, to provide construction for any school district, community college district or county office of education in the State of California? Yes X No _____

a. If "yes," on a separate attached sheet, provide the following information for all construction projects you have had with school districts, community college districts and county offices of education during the last four (4) years:

1. Year contract awarded
2. Type of work
3. Contract completion time called for/actual completion time
4. Contract price
5. For whom performed, including person to call for a reference and telephone number
6. Location of work

7. Number of stop notices filed
 8. For each contract, list any lawsuits filed relating to that contract in which you were a defendant or plaintiff
 9. Amount of liquidated damages assessed.
- b. On a separate attached sheet, provide the following information for all construction contracts of a similar nature as called for in this bid that you have had with entities other than school districts, community college districts and county offices of education during the last four (4) years:
1. Year contract awarded
 2. Type of work
 3. Contract completion time called for/actual completion time
 4. Contract price
 5. For whom performed, including person to call for reference and phone number
 6. Location of work
 7. Number of stop notices filed
 8. For each contract list any lawsuits filed relating to that contract in which you were a defendant or plaintiff
 9. Amount of liquidated damages assessed.
- c. For each construction contract that you have failed to complete within the contract time in the last four years please state the reasons for the untimely performance.'

C. Financial and Credit Data

1. If your bid is considered for award, and if requested by the District, will you supply the following data? Yes No
 - a. Names and addresses of any banks where you regularly do business.
 - b. The names and addresses of any banks, finance companies, dealers, suppliers, or others where you have notes or loans.
 - c. Give credit references, including at least three trade or industry suppliers with whom you regularly deal.
2. Will you submit on request a balance sheet for the past three (3) years? Yes No
3. Where have you engaged in the construction business, or any other type of business, in the last five years?

Willits Unified School District
High School Parking Lot Improvement Project

Bidder's Questionnaire

B. NATURE OF OPERATIONS

3.a. ...construction contracts with school districts, community college districts...in last 4 years

1. Contract awarded 02/2020, Pomo Elementary School Portable Classroom
 2. Excavate, grade, pave, building pad
 3. Completion time within contract requirements
 4. Contract price \$58,478
 5. Konocti Unified School District, FRC, Inc. General Contractor, Brandon Penry, 707-837-5065
 6. Pomo Elementary School, Clearlake, CA
- 7-9 N/A

1. Contract awarded 06/2020, Lawrence Cook Middle School Phase 2
 2. Excavate, grade, pave
 3. Completion time within contract requirements
 4. Contract price \$601,190
 5. Santa Rosa City Schools, Cupples Excavating Subcontractor, Cole Cupples, 707-972-2918
 6. Lawrence Cook Elementary School, Santa Rosa, CA
- 7-9 N/A

1. Contract awarded 06/2019, Laytonville Elementary Classroom A & C
 2. Excavate, grade, pave
 3. Completion time within contract requirements
 4. Contract price \$63,750
 5. Laytonville Unified School District, Joan Viada Porter, Supt. of Schools, 707-984-6414
 6. Laytonville Elementary School, Laytonville, CA
- 7-9 N/A

1. Contract awarded 2016, Laytonville Elementary School Incline Classroom Bldg Replacement
 2. Overex, fill, grade, pave, stripe
 3. Completion time per General Contractor approval
 4. Contract price \$89,130
 5. Cupples & Sons Construction, Inc., Rick Cupples, 707-467-0674
 6. Laytonville Elementary School, Laytonville, CA
- 7-9 N/A

1. Contract awarded 2016, Anderson Vly JR/SR Installation of Modular Classroom
 2. Site work, trenching, paving
 3. Completion time within contract requirements
 4. Contract price \$37,350
 5. Anderson Valley Unified School District
 6. Boonville, CA
- 7-9 N/A

3.b. ...construction contracts...other than school...in last 4 years

1. Contract awarded 01/2020, Heritage Mendocino
2. Site concrete, grade, pave
3. Completion time within contract requirements
4. Contract price \$121,086
5. Heritage Mendocino, Joe Thomas 707-367-3296
6. Ukiah, CA
- 7-9 N/A

1. Contract awarded 05/2020, UVGC Storm Drain Replacement
2. Storm drain, pave
3. Completion time within contract requirements
4. Contract price \$114,671
5. City of Ukiah, Mary Horger, 707-463-6200
6. Ukiah, CA
- 7-9 N/A

1. Contract awarded 2019, Rose Development Upper Expansion
2. Site work, grade, pave, stripe
3. Completions time within contract requirements
4. Contract price \$527,234
5. Rose Development, Lynette Rose, 707-743-2006
6. Ukiah, CA
- 7-9 N/A

1. Contract awarded 2018, Ukiah Valley Medical Center ED Expansion
2. Site work, excavate, grade, pave
3. Completion time within contract requirements
4. Contract price \$1,096,219
5. Herrero Builders, Jane Lund, 415-717-7328
6. Ukiah, CA
- 7-9 N/A

1. Contract awarded 2018, Sherwood Valley of Pomo Indians of CA Parking Improvements
2. Site work, excavate, grade, pave, stripe
3. Completion time within contract requirements
4. Contract price \$238,989
5. Sherwood Valley of Pomo Indians of CA, Michael Knight, 707-354-0674
6. Willits, CA
- 7-9 N/A

1. Contract awarded 2017, Vichy Springs Phase 2
2. Excavate, grade, pave
3. Completion time within contract requirements
4. Contract price \$510,993
5. Thrust IV, Hugh Walker
6. Ukiah, CA
- 7-9 N/A

1. Contract awarded 2016-2017, Ukiah Autumn Leaves
2. Excavate, grade, concrete, asphalt reconstruction, pave
3. Completions time within contract requirements
4. Contract price \$779,616
5. Ukiah Autumn Leaves, Don Laurenroth, 707-462-5550
6. Ukiah, CA
- 7-9 N/A

<u>Name of Business</u>	<u>Location</u>	<u>Type of Business</u>	<u>Years in Business</u>
T & T Paving, Inc., dba Valley Paving	Mendocino & Lake Counties	Construction	44 yrs

If any of the business endeavors referred to above are no longer operating, or you are no longer associated with them, please give brief details:

4. The following surety companies may be contacted as references as to the financial responsibility and general reliability of the bidder:

<u>Surety Name</u>	<u>Contact Person</u>	<u>Phone Number</u>
Downey and Company	Christian Downey	(505) 881-0300

I certify under penalty of perjury that the foregoing is true and correct. Executed at Redwood Valley, California, on April 8, 2021.

Signature of Bidder 

Name (print) Kathy Ault, Corp Secty

BID BOND

We, the Contractor, T & T Paving Inc DBA Valley Paving as principal ("Principal"), and Philadelphia Indemnity Insurance Company, as surety ("Surety"), are firmly bound unto the Willits Unified School District ("District") in the penal sum of ten percent (10%) of the total amount of the bid of the Principal submitted to the District for the work described below for the payment of which sum in lawful money of the United States, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by this agreement.

Whereas, the Principal has submitted the accompanying bid ("Bid") dated April 8, 2021, for the following project ("Project"): Willits Unified School District High School Parking Lot Improvement Project.

Now, therefore, if the Principal does not withdraw its Bid within the period specified, and if the Principal is awarded the Contract and within the period specified fails to enter into a written contract with District, in accordance with the Bid as accepted, or fails to provide the proof of required insurance, the performance bond and/or the payment bond by an admitted surety within the time required, or in the event of unauthorized withdrawal of the Bid, if the Principal pays the District the difference between the amount specified in the Bid and the amount for which District may otherwise procure the required work and/or supplies, if the latter amount is in excess of the former, together with all related costs incurred by District, then the above obligation shall be void and of no effect. Otherwise, the Principal and Surety shall pay to the District the penal sum described above as liquidated damages.

Surety, for value received, hereby agrees that no change, extension of time, alteration or addition to the term of the Contract or the call for bids, or to the work to be performed thereunder, or the Specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition.

In witness whereof the above-bound parties have executed this instrument under their several seals this 7th day of April, 2021, the name and corporate seal of each corporate Party being hereunder affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

(Corporate Seal)



(Corporate Seal)

T & T Paving, Inc DBA Valley Paving
Principal/Contractor

By Kathy Ault

Title: CORP SECTY

BID BOND

We, the undersigned, T & T Parking Inc DBA Valley Parking, as principal (hereinafter "Bidder") and T & T Parking Inc DBA Valley Parking (hereinafter "Surety") do hereby certify that we are jointly and severally bound to the District for the work described below for the project (hereinafter "Project") in the total sum of ten percent (10%) of the contract amount for the Project (hereinafter "Contract Amount") in the amount of \$100,000.00. We bind ourselves, our heirs, assigns, representatives, successors and assigns, jointly and severally, binding by this agreement.

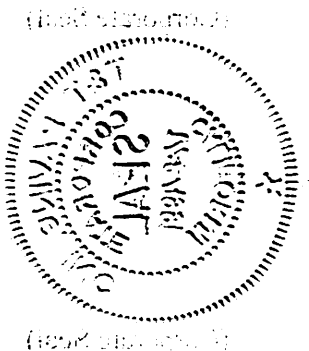
Whereas, the Principal has submitted the accompanying Bid (BID) dated April 8, 2021, for the following project (Project): Willetts Unified School District High School Parking Lot Improvement Project

Now, therefore, if the Principal does not withdraw its Bid within the period specified, and if the Bidder is awarded the Contract and within the period specified fails to enter into a written contract with the District, or fails to provide the proof of bonded insurance, or fails to furnish the payment bond by an admitted surety within the time specified in the event of cancellation or withdrawal of the Bid, if the Principal pays the District the difference between the amount specified in the Bid and the amount for which the District may otherwise procure the required work under the Contract, if the Contract amount is in excess of the amount together with all related costs incurred by the District, then the above obligation shall be void and of no effect. Otherwise, the Principal and Surety shall remain bound for the total sum described above as liquidated damages.

The Bidder hereby agrees that no change, extension of time, alteration or addition to the terms of the Contract or the call for bids or the work to be performed thereunder, or the performance thereunder, shall in any way affect its obligation under this bond, and it does hereby give notice of any such change, extension of time, alteration or addition.

In witness whereof the above-bound parties have executed this instrument under their several hands and seals, this _____ day of April, 2021, the name and corporate seal of each party being hereunder affixed and these persons duly signed by its authorized representative in presence of the authority of its governing body.

T & T Parking, Inc DBA Valley Parking
Principal Contractor
BY: _____
Title: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

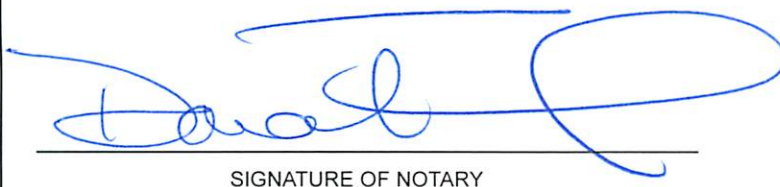
County of Mendocino

On 4/8/21 before me, DANA FRONEBERGER, Notary Public,
DATE

personally appeared Kathy Ault
NAME(S) OF SIGNER(S)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he she they executed the same in his her their authorized capacity(ies), and that by his her their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



SIGNATURE OF NOTARY

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

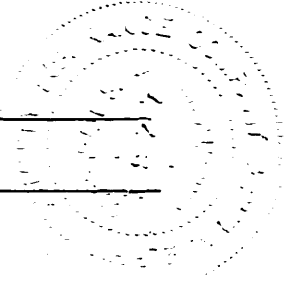
DATE OF DOCUMENT 4/8/21 TITLE OR TYPE OF DOCUMENT Bid Bond

Philadelphia Indemnity Insurance Company
Surety

Attach Attorney-In-Fact Certificate

By Heidi R. Brutko

Heidi R. Brutko, Attorney-in-Fact
Title

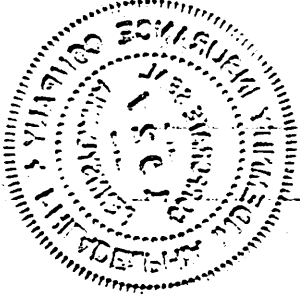


To be signed by Principal and Surety and Acknowledgment and Notary Seal to be attached.

Philadelphia Indemnity Insurance Company

Shirley

Attach Attorney-in-Fact Certificate



Hugh R. Bricker Attorney-in-Fact

Title

To be signed by Principal and Shirley and Hugh R. Bricker and Notary Seal to be attached.

PHILADELPHIA INDEMNITY INSURANCE COMPANY

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004-0950

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: That **PHILADELPHIA INDEMNITY INSURANCE COMPANY** (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint **Nathan Miller, Sandra Hartzell, Michelle Bennett, Brandy Priuz, Heidi R. Brutko, Tabatha Kepner or Chris Papke of Philadelphia Indemnity Insurance Company** its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed \$50,000,000.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY on the 14th of November, 2016.

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

FURTHER RESOLVED: That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

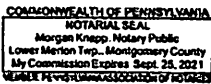
IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 27TH DAY OF OCTOBER, 2017.



(Seal)

Robert D. O'Leary Jr., President & CEO
Philadelphia Indemnity Insurance Company

On this 27th day of October, 2017, before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the **PHILADELPHIA INDEMNITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.



(Notary Seal)

Notary Public: _____

residing at: _____

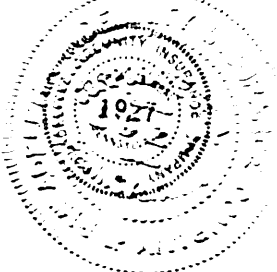
Bala Cynwyd, PA

My commission expires: _____

September 25, 2021

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and this Power of Attorney issued pursuant thereto on this 27th day of October, 2017 are true and correct and are still in full force and effect. I do further certify that Robert D. O'Leary Jr., who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 7th day of April, 20 21.



Edward Sayago, Corporate Secretary
PHILADELPHIA INDEMNITY INSURANCE COMPANY

Power of Attorney

I, the undersigned, do hereby authorize and empower the Board of Directors of the Illinois Lottery Commission to execute and deliver to the Illinois Lottery Commission, on my behalf, all such documents, instruments, and applications as may be required for the purpose of the Illinois Lottery Commission, and to do all such things as may be necessary or proper to carry out the purposes of this power of attorney.

This power of attorney is granted and is signed and sealed by the undersigned in the presence of the following witnesses, and in the presence of the Board of Directors of the Illinois Lottery Commission, on this 14th day of December, 2010.

I, the Board of Directors hereby authorized the President of my (Your) business or the (Company) (if a separate entity) in fact and authorized the (President) in fact and authorized the (Company) on behalf of the company to execute and deliver to the Illinois Lottery Commission, on my behalf, all such documents, instruments, and applications as may be required for the purpose of the Illinois Lottery Commission, and to do all such things as may be necessary or proper to carry out the purposes of this power of attorney.

10-11-10

I, the undersigned, do hereby authorize and empower the Board of Directors of the Illinois Lottery Commission to execute and deliver to the Illinois Lottery Commission, on my behalf, all such documents, instruments, and applications as may be required for the purpose of the Illinois Lottery Commission, and to do all such things as may be necessary or proper to carry out the purposes of this power of attorney.

10-11-10

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Illinois Lottery Commission, on this 14th day of December, 2010.

[Signature]

John D. [Name], President & CEO
Illinois Lottery Commission

At the City of Chicago, Illinois, on this 14th day of December, 2010, before me, the undersigned, a Notary Public in and for the State of Illinois, the said John D. [Name], President & CEO of the Illinois Lottery Commission, personally appeared and acknowledged to me that he is the said John D. [Name], President & CEO of the Illinois Lottery Commission, and that he executed the foregoing power of attorney for the purposes and in the capacity therein expressed.

[Signature]
Notary Public
10-11-10

Notary Public
10-11-10

10-11-10

This power of attorney is granted and is signed and sealed by the undersigned in the presence of the following witnesses, and in the presence of the Board of Directors of the Illinois Lottery Commission, on this 14th day of December, 2010.

[Signature]

John D. [Name], President & CEO
Illinois Lottery Commission



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of ~~California~~ Pennsylvania)
County of Dauphin)

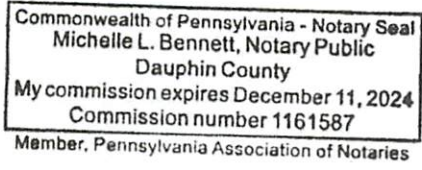
On April 7, 2021 before me, Michelle L. Bennett
Date Here Insert Name and Title of the Officer

personally appeared Heidi R. Brutko
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Michelle L. Bennett
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

CONTRACT

This Contract (“Contract”) is made by and between the Willits Unified School District (“District”), and _____ (“Contractor”).

District and Contractor hereby agree as follows:

1. Description of Work

The Contractor agrees to furnish all labor, materials, equipment, tools, supervision, appurtenances, and services, including transportation and utilities, required to perform and satisfactorily complete all work required for the following project (“Project”) in full conformance with the Contract Documents: Willits Unified School District High School Parking Lot Improvement Project.

2. Contract Documents

The Contract Documents consist of the executed Contract and all Addenda, all approved change orders, the completed Bid Form, Bid Schedule, the required Bonds and the Insurance forms, the Notice Inviting Bids, the Instructions to Bidders, the Notice of Award, the Notice to Proceed, the General Conditions and any supplemental conditions, the Technical Specifications, the Plans, the completed Bidder's Questionnaire, and Disabled Veteran Business Enterprises Requirements (if applicable).

3. Compensation

As full compensation for the Contractor's complete and satisfactory performance of the work and activities described in the Contract Documents, the District agrees to pay Contractor, and Contractor agrees to accept the sum of _____ Dollars (\$ _____), which shall be paid to the Contractor according to the Contract Documents.

4. Prevailing Wages

This Project is subject to prevailing wage requirements and Contractor and its Subcontractors are required to pay all workers employed for the performance of this Contract no less than the applicable prevailing wage rate for each such worker. If this Contract is for a public works project over \$25,000 or for a maintenance project over \$15,000, Contractor acknowledges that the project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations in accordance with California Labor Code sections 1725.5 and 1770 *et seq.*

5. Time for Completion

The starting date of the Contract shall be the day listed by the District in the Notice to Proceed and the Contractor shall fully complete all the work before the expiration of 60 calendar days from the Notice to Proceed. Time is of the essence in the performance of this Contract.

6. Liquidated Damages

Liquidated damages for the Contractor's failure to complete the Contract within the time fixed for completion are established in the amount of \$1,000 per calendar day.

IN WITNESS WHEREOF, the parties agree to the terms of this Contract on the day and year written below.

District

Contractor

Contractor License No.
and Expiration Date

By: _____
Individual Signature

Title

Date

For: _____
Corporation or Partnership

If Corporation, Seal Below.

CONTRACT

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

BID PROPOSAL FORM

Governing Board
Willits Unified School District

Dear Members of the Governing Board:

The undersigned, doing business under the name of Roofing & Solar Construction Inc.
_____, having carefully examined the location
of the proposed work, the local conditions of the place where the work is to be done, the Notice
Inviting Bids, the General Conditions, the Instructions to Bidders, the Plans and Specifications, and
all other Contract Documents for the proposed WILLITS UNIFIED SCHOOL DISTRICT 2021
MULTI-SITE RE-ROOFING PROJECT: ("Project"), and having accurately completed the
Bidder's Questionnaire, proposes to perform all work and activities in accordance with the Contract
Documents, including all of its component parts, and to furnish all required labor, materials,
equipment, transportation and services required for the construction of the Project in strict
conformity with the Contract Documents, including the Plans and Specifications, as follows:

BASE BID: WILLITS UNIFIED SCHOOL DISTRICT 2021 MULTI-SITE RE-ROOFING
PROJECT.

For the sum of

Nine-hundred forty thousand Dollars (\$ 940,000).

ADDITIVE/DEDUCTIVE ALTERNATE [*Use negative number for subtractive alternates*]:

Alternate #1 - Provide and install single ply walking pads to all mechanical units.

Add _____ Thirty-six thousand Dollars (\$ 36,000)

The undersigned has checked carefully all the above figures and understands that the District is not responsible for any errors or omissions on the part of the undersigned in making this bid.

Enclosed find certified or cashier's check no. _____ of the
_____ Bank for _____
Dollars (\$ _____) or Bidder's Bond of the North American Specialty Insurance Company surety
company in an amount of not less than ten percent (10%) of the entire bid. The undersigned further
agrees, on the acceptance of this proposal, to execute the Contract and provide the required bonds
and insurance and that in case of default in executing these documents within the time fixed by the
Contract Documents, the proceeds of the check or bond accompanying this bid shall be forfeited and
shall become the property of the District.

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

Contractor agrees to commence the work within the time specified in the Notice to Proceed. It is understood that this bid is based upon completing the work within the number of calendar days specified in the Contract Documents.

ADDENDA:

Receipt of the following addenda is hereby acknowledged:

Addendum # _____	Dated: _____	Addendum # _____	Dated: _____
Addendum # _____	Dated: _____	Addendum # _____	Dated: _____
Addendum # _____	Dated: _____	Addendum # _____	Dated: _____

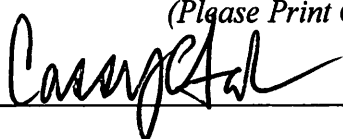
Respectfully submitted,

Company: Roofing & Solar Construction Inc.

Address: 15 Crissy Place Novato CA 94949

By: Cassy Fabiani

(Please Print Or Type)

Signature: 

Title: President

Date: 4/7/21

Telephone: 415-606-0314

Contractor's License No: 1018877 Expiration Date 9/30/22

- Required Attachments:
- Subcontractor List Form
 - Non-Collusion Declaration
 - Bid Bond (or Cashier's or Certified Check)
 - Bidders' Questionnaire

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

SUBCONTRACTOR LIST FORM

In compliance with the provisions of sections 4100 through 4114, inclusive, of the Public Contract Code and any amendments thereto, each bidder shall set forth the name and location of place of business, California contractor license number and public works contractor registration number issued pursuant to Section 1725.5 of the Labor Code for each Subcontractor who will perform a portion of the Contract work in an amount in excess of 1/2 of 1 percent of the total contract price.

PORTION OF WORK	NAME	LOCATION	LICENSE #	DIR#

WORKERS' COMPENSATION CERTIFICATE

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

Labor Code §3700 in relevant part provides:

"Every employer except the State shall secure the payment of compensation in one or more of the following ways:

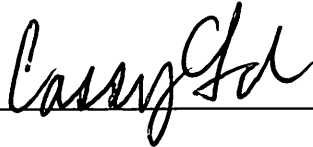
- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees."

I am aware of the provisions of §3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract and will require all Subcontractors to do the same.

Roofing & Solar Construction Inc.

Contractor

By: Cassy Fabiani



In accordance with Article 5 (commencing at §1860), Chapter 1, Part 7, Division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this Contract.

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

NONCOLLUSION DECLARATION

To be executed by the bidder and submitted with the bid.

Cassy Fabiani, declares that he or she is
President of Roofing & Solar Construction Inc., the party making the foregoing bid,
and affirms that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership,
company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that
the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid,
and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else
to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner,
directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price
of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that
of any other bidder, or to secure any advantage against the public body awarding the contract of anyone
interested in the proposed contract; that all statements contained in the bid are true and correct; and,
further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown
thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay,
any fee to any corporation, partnership, company association, organization, bid depository, or to any
member or agent thereof to effectuate a collusive or sham bid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: 4/7/21


Signature

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

BID BOND

We, the Contractor, Roofing & Solar Construction, Inc. as principal ("Principal"), and North American Specialty Insurance Company as surety ("Surety"), are firmly bound unto the Willits Unified School District District ("District") in the penal sum of ten percent (10%) of the total amount of the bid of the Principal submitted to the District for the work described below for the payment of which sum in lawful money of the United States, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by this agreement.

Whereas, the Principal has submitted the accompanying bid ("Bid") dated April 8th, 2021 for the following project ("Project"): 2021 Multi-Site Re-Roofing Project.

Now, therefore, if the Principal does not withdraw its Bid within the period specified, and if the Principal is awarded the Contract and within the period specified fails to enter into a written contract with District, in accordance with the Bid as accepted, or fails to provide the proof of required insurance, the performance bond and/or the payment bond by an admitted surety within the time required, or in the event of unauthorized withdrawal of the Bid, if the Principal pays the District the difference between the amount specified in the Bid and the amount for which District may otherwise procure the required work and/or supplies, if the latter amount is in excess of the former, together with all related costs incurred by District, then the above obligation shall be void and of no effect. Otherwise, the Principal and Surety shall pay to the District the penal sum described above as liquidated damages.

Surety, for value received, hereby agrees that no change, extension of time, alteration or addition to the term of the Contract or the call for bids, or to the work to be performed thereunder, or the Specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition.

In witness whereof the above-bound parties have executed this instrument under their several seals this 5th day of April, 2021 the name and corporate seal of each corporate Party being hereunder affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

(Corporate Seal)

Roofing & Solar Construction, Inc.

Principal/Contractor

By 

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

Title: President

(Corporate Seal)

North American Specialty Insurance Company
Surety

Attach Attorney-In-Fact Certificate

By Matthew R. Doby

Attorney-in-Fact / Matthew R. Doby
Title

To be signed by Principal and Surety and Acknowledgment and Notary Seal to be attached.

SWISS RE CORPORATE SOLUTIONS

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Overland Park, Kansas, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Overland Park, Kansas, each does hereby make, constitute and appoint:

RANDY SPOHN, MATTHEW R. DOBYNS, and ASHLEY M. SPOHN

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature]
Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company



By [Signature]
Michael A. Ito, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 14 day of FEBRUARY, 2018.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook ss:

On this 14 day of FEBRUARY, 2018, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature]
M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 5th day of April, 2021.

[Signature]
Jeffrey Goldberg, Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

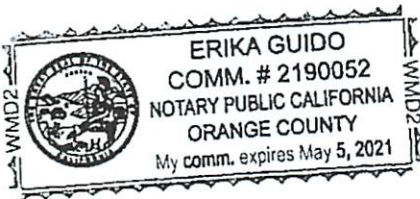
State of CALIFORNIA

County of ORANGE

On 4/5/2020 before me, ERIKA GUIDO, NOTARY PUBLIC,

personally appeared MATTHEW R. DOBYNS

- who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Handwritten Signature]

Signature of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	_____
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input checked="" type="checkbox"/> ATTORNEY-IN-FACT	_____
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	_____
<input type="checkbox"/> OTHER: _____	_____
SIGNER IS REPRESENTING:	_____
NAME OF PERSON(S) OR ENTITY(IES)	_____

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

BIDDER'S QUESTIONNAIRE

for

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

TO THE BIDDER:

In making its award, the Governing Board will take into consideration the Bidder's experience, financial responsibility and capability. The following questionnaire is a part of the bid. Any bid received without this completed questionnaire may be rejected as nonresponsive. The Board will use, but will not be limited to, the information provided herein for evaluating the qualifications and responsibility of the bidder and the bidder's organization to carry out satisfactorily the terms of the Contract Document. The questionnaire must be filled out accurately and completely and submitted with the bid. Any errors, omissions or misrepresentation of information may be considered as a basis for the rejection of the bid and may be grounds for the termination of any contract executed as a result of the bid.

A. Description of Bidder's Organization

1. Firm Name Roofing & Solar Construction Inc.
2. Address 15 Crissy Place Novato CA 94949
3. Telephone Number 415-606-0314
4. Type of Organization
 - a. Corporation? Yes X No

If yes, list the officers and positions, and the State in which incorporated.

President - Cassy Fabiani - California
Treasurer - Cassy Fabiani
Secretary - Cassy Fabiani

If the Bidder corporation is a subsidiary, give name and address of parent corporation.

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

b. Partnership? Yes ___ No X

If yes, list partner names and addresses

General Partners:

Limited Partners:

c. Individual Proprietorship? Yes ___ No X

If yes, list name and address of proprietor:

B. Nature of Operations

1. How long have you been engaged in the contracting business under your present business name? 7 Years

2. How many years of experience does your business have in construction work similar to that called for under this bid? 7 Years

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

3. Have you now contracts, or have you ever contracted, to provide construction for any school district, community college district or county office of education in the State of California? Yes x No
- a. If “yes,” on a separate attached sheet, provide the following information for all construction projects you have had with school districts, community college districts and county offices of education during the last four (4) years:
1. Year contract awarded
 2. Type of work
 3. Contract completion time called for/actual completion time
 4. Contract price
 5. For whom performed, including person to call for a reference and telephone number
 6. Location of work
 7. Number of stop notices filed
 8. For each contract, list any lawsuits filed relating to that contract in which you were a defendant or plaintiff
 9. Amount of liquidated damages assessed.
- b. On a separate attached sheet, provide the following information for all construction contracts of a similar nature as called for in this bid that you have had with entities other than school districts, community college districts and county offices of education during the last four (4) years:
1. Year contract awarded
 2. Type of work
 3. Contract completion time called for/actual completion time
 4. Contract price
 5. For whom performed, including person to call for reference and phone number
 6. Location of work
 7. Number of stop notices filed
 8. For each contract list any lawsuits filed relating to that contract in which you were a defendant or plaintiff
 9. Amount of liquidated damages assessed.
- c. For each construction contract that you have failed to complete within the contract time in the last four years please state the reasons for the untimely performance.

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

C. Financial and Credit Data

1. If your bid is considered for award, and if requested by the District, will you supply the following data? Yes x No _____
- a. Names and addresses of any banks where you regularly do business.
 - b. The names and addresses of any banks, finance companies, dealers, suppliers, or others where you have notes or loans.
 - c. Give credit references, including at least three trade or industry suppliers with whom you regularly deal.
2. Will you submit on request a balance sheet for the past three (3) years? Yes x
No _____

3. Where have you engaged in the construction business, or any other type of business, in the last five years?

<u>Name of Business</u>	<u>Location</u>	<u>Type of Business</u>	<u>Years in Business</u>
<u>Roofing & Solar Construction Inc.</u>			

If any of the business endeavors referred to above are no longer operating, or you are no longer associated with them, please give brief details:

N/A

4. The following surety companies may be contacted as references as to the financial responsibility and general reliability of the bidder:

<u>Surety Name</u>	<u>Contact Person</u>	<u>Phone Number</u>
<u>RS Bonding</u>	<u>Matt Dobyms</u>	<u>949-338-9366</u>

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

I certify under penalty of perjury that the foregoing is true and correct. Executed at
_____ Novato _____, California, on _____ April 7 _____, 2021 .

Signature of Bidder _____  _____

Name (*print*) _____ Cassy Fabiani _____

Contractor Experience

Year Contract Awarded: 2019

Type of Work: Garland Reroofing and Solar Removal

Contract Completion Time Called For/Actual Completion Time: 10/17/19 & 10/17/19

Contract Price: \$1,287,000

For Whom Performed/Telephone Number: Santa Rosa Junior College/Vince Harper/209-712-8780

Location of Work: 1501 Mendocino Ave. Santa Rosa CA 95401

Number of Stop Notices: None

Lawsuits: None

Liquidated Damages: None

Year Contract Awarded: 2020

Type of Work: Garland Reroofing

Contract Completion Time Called For/Actual Completion Time: 8/12/20 & 8/12/20

Contract Price: \$1,656,000

For Whom Performed/Telephone Number: Mt. Diablo Unified School District/Joe Salazar/925-890-6509

Location of Work: 1135 Lacey Lane Concord, CA 94520 & 2217 Chalomar Rd. #2504 Concord CA 94518

Number of Stop Notices: None

Lawsuits: None

Liquidated Damages: None

Contractor Experience

Year Contract Awarded: 2019

Type of Work: Garland Reroofing

Contract Completion Time Called For/Actual Completion Time: 2/20/20 & 2/20/20

Contract Price: \$148,000

For Whom Performed/Telephone Number: City of Sunnyvale/Joe Salazar/925-890-6509

Location of Work: 1444 Borregas Ave. Sunnyvale, CA 94089

Number of Stop Notices: None

Lawsuits: None

Liquidated Damages: None

Year Contract Awarded: 2020

Type of Work: Garland Reroofing

Contract Completion Time Called For/Actual Completion Time: 9/20/20 & 9/20/20

Contract Price: \$337,977

For Whom Performed/Telephone Number: City of Daly City/Jay Mulligan/415-971-2739

Location of Work: 920 Allston Way Berkeley, CA 94710

Number of Stop Notices: None

Lawsuits: None

Liquidated Damages: None

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

Contractor agrees to commence the work within the time specified in the Notice to Proceed. It is understood that this bid is based upon completing the work within the number of calendar days specified in the Contract Documents.

ADDENDA:

Receipt of the following addenda is hereby acknowledged:

Addendum #	<u>N/A</u>	Dated:	<u>N/A</u>	Addendum #	<u>N/A</u>	Dated:	<u>N/A</u>
Addendum #	<u>N/A</u>	Dated:	<u>N/A</u>	Addendum #	<u>N/A</u>	Dated:	<u>N/A</u>
Addendum #	<u>N/A</u>	Dated:	<u>N/A</u>	Addendum #	<u>N/A</u>	Dated:	<u>N/A</u>

Respectfully submitted,

Company: Henris Supply DBA Henris Roofing Company

Address: 741 Petaluma Blvd South Petaluma CA 94953- 0138

By: NICHOLAS MARTIN
(Please Print Or Type)

Signature: *Nicholas Martin*

Title: Commercial Estimator/ Superintendent

Date: 4/5/21

Telephone: 707-763-1535

Contractor's License No: 220964 Expiration Date 8/31/21

- Required Attachments:
- Subcontractor List Form
 - Non-Collusion Declaration
 - Bid Bond (or Cashier's or Certified Check)
 - Bidders' Questionnaire

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

SUBCONTRACTOR LIST FORM

In compliance with the provisions of sections 4100 through 4114, inclusive, of the Public Contract Code and any amendments thereto, each bidder shall set forth the name and location of place of business, California contractor license number and public works contractor registration number issued pursuant to Section 1725.5 of the Labor Code for each Subcontractor who will perform a portion of the Contract work in an amount in excess of 1/2 of 1 percent of the total contract price.

PORTION OF WORK	NAME	LOCATION	LICENSE #	DIR#
piping on roof	coastal mountain electric	willits schools	507105	1000008522

WORKERS' COMPENSATION CERTIFICATE

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

Labor Code §3700 in relevant part provides:

"Every employer except the State shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees."

I am aware of the provisions of §3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract and will require all Subcontractors to do the same.

Henris Supply DBA Henris Roofing Company
Contractor

By: NICHOLAS MARTIN

In accordance with Article 5 (commencing at §1860), Chapter 1, Part 7, Division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this Contract.

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

NONCOLLUSION DECLARATION

To be executed by the bidder and submitted with the bid.

NICHOLAS MARTIN _____, declares that he or she is
Commercial Estimator/ Superintendent of Henris Supply DBA Henris Roofing Company, the party making the foregoing bid, and affirms that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true and correct; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: 4/5/21

Nicholas Martin
Signature

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

BID BOND

We, the Contractor, Henris Supply, Inc. dba Henris Roofing Company as principal ("Principal"), and Great American Insurance Company, as surety ("Surety"), are firmly bound unto the Willits Unified School District District ("District") in the penal sum of ten percent (10%) of the total amount of the bid of the Principal submitted to the District for the work described below for the payment of which sum in lawful money of the United States, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by this agreement.

Whereas, the Principal has submitted the accompanying bid ("Bid") dated April 08, 2021, for the following project ("Project"):
2021 Multi-Site Re-roofing Project - Point Arena Schools / Point Arena High School Library Re-roofing & Residing.

Now, therefore, if the Principal does not withdraw its Bid within the period specified, and if the Principal is awarded the Contract and within the period specified fails to enter into a written contract with District, in accordance with the Bid as accepted, or fails to provide the proof of required insurance, the performance bond and/or the payment bond by an admitted surety within the time required, or in the event of unauthorized withdrawal of the Bid, if the Principal pays the District the difference between the amount specified in the Bid and the amount for which District may otherwise procure the required work and/or supplies, if the latter amount is in excess of the former, together with all related costs incurred by District, then the above obligation shall be void and of no effect. Otherwise, the Principal and Surety shall pay to the District the penal sum described above as liquidated damages.

Surety, for value received, hereby agrees that no change, extension of time, alteration or addition to the term of the Contract or the call for bids, or to the work to be performed thereunder, or the Specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition.

In witness whereof the above-bound parties have executed this instrument under their several seals this 26th day of March, 2021, the name and corporate seal of each corporate Party being hereunder affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

(Corporate Seal)

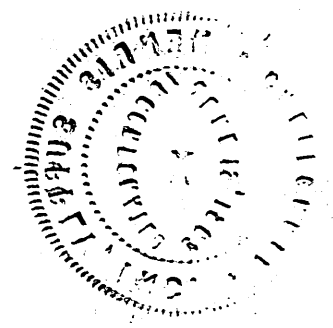
Henris Supply, Inc. dba Henris Roofing Company

Principal/Contractor

By

Steve Henris

Steve Henris



WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

Title: President

(Corporate Seal)

Great American Insurance Company
Surety

Attach Attorney-In-Fact Certificate

By Jill Seymour
Jill Seymour
Attorney-in-Fact
Title

To be signed by Principal and Surety and Acknowledgment and Notary Seal to be attached.

GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by this power of attorney is not more than FIVE

No. 0 21398

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below, each individually if more than one is named, its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

Name	Address	Limit of Power
PAUL RAMATICI	ALL OF	ALL
WALTER T. GRIFFITH	PETALUMA, CALIFORNIA	\$100,000,000
JILL SEYMOUR		
JENNY HAGEMANN		
BRIANNA RAMATICI		

This Power of Attorney revokes all previous powers issued on behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 3RD day of MARCH 2020

Attest

GREAT AMERICAN INSURANCE COMPANY



Steph C. B.

Assistant Secretary

Mark V. Vicario

Divisional Senior Vice President

STATE OF OHIO, COUNTY OF HAMILTON - ss:

MARK VICARIO (877-377-2405)

On this 3RD day of MARCH, 2020

before me personally appeared MARK VICARIO, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.



Susan A. Kohorst
Notary Public, State of Ohio
My Commission Expires 05-18-2020

Susan A. Kohorst

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

RESOLVED: That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisional Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

CERTIFICATION

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 26th day of March, 2021



Steph C. B.

Assistant Secretary

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

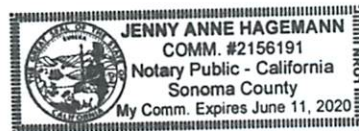
State of California
County of Sonoma)

On March 26, 2021 before me, Jenny Anne Hagemann - Notary Public
(insert name and title of the officer)

personally appeared Jill Seymour,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Jenny Anne Hagemann (Seal)

"The Notary Commission Extended Pursuant to Executive Order N-63-20"

JENNY ANNE HAGEMANN
COMM 82128121
Notary Public - California
Sonoma County
My Comm Expires June 17, 2026

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

BID BOND

We, the Contractor, _____ as principal ("Principal"), and _____, as surety ("Surety"), are firmly bound unto the _____ District ("District") in the penal sum of ten percent (10%) of the total amount of the bid of the Principal submitted to the District for the work described below for the payment of which sum in lawful money of the United States, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by this agreement.

Whereas, the Principal has submitted the accompanying bid ("Bid") dated _____, for the following project ("Project"):
_____.

Now, therefore, if the Principal does not withdraw its Bid within the period specified, and if the Principal is awarded the Contract and within the period specified fails to enter into a written contract with District, in accordance with the Bid as accepted, or fails to provide the proof of required insurance, the performance bond and/or the payment bond by an admitted surety within the time required, or in the event of unauthorized withdrawal of the Bid, if the Principal pays the District the difference between the amount specified in the Bid and the amount for which District may otherwise procure the required work and/or supplies, if the latter amount is in excess of the former, together with all related costs incurred by District, then the above obligation shall be void and of no effect. Otherwise, the Principal and Surety shall pay to the District the penal sum described above as liquidated damages.

Surety, for value received, hereby agrees that no change, extension of time, alteration or addition to the term of the Contract or the call for bids, or to the work to be performed thereunder, or the Specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition.

In witness whereof the above-bound parties have executed this instrument under their several seals this _____ day of _____, 20__, the name and corporate seal of each corporate Party being hereunder affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

(Corporate Seal)

Principal/Contractor

By _____

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

Title: _____

(Corporate Seal)

Surety

Attach Attorney-In-Fact Certificate

By _____

Title

To be signed by Principal and Surety and Acknowledgment and Notary Seal to be attached.

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

BIDDER'S QUESTIONNAIRE

for

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

TO THE BIDDER:

In making its award, the Governing Board will take into consideration the Bidder's experience, financial responsibility and capability. The following questionnaire is a part of the bid. Any bid received without this completed questionnaire may be rejected as nonresponsive. The Board will use, but will not be limited to, the information provided herein for evaluating the qualifications and responsibility of the bidder and the bidder's organization to carry out satisfactorily the terms of the Contract Document. The questionnaire must be filled out accurately and completely and submitted with the bid. Any errors, omissions or misrepresentation of information may be considered as a basis for the rejection of the bid and may be grounds for the termination of any contract executed as a result of the bid.

A. Description of Bidder's Organization

1. Firm Name Henris Supply DBA Henris Roofing Company
2. Address 741 Petaluma Blvd South Petaluma CA 94953- 0138
3. Telephone Number 707-763-1535
4. Type of Organization
 - a. Corporation? Yes X No

If yes, list the officers and positions, and the State in which incorporated.

Steve Henris, President

Jim Sampietro Secretary Of Treasury

DON BROOKS MANAGER

If the Bidder corporation is a subsidiary, give name and address of parent corporation.

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b. Partnership? Yes _____ No X

If yes, list partner names and addresses

General Partners:

N/A

Limited Partners:

N/A

c. Individual Proprietorship? Yes _____ No X

If yes, list name and address of proprietor:

N/A

B. Nature of Operations

1. How long have you been engaged in the contracting business under your present business name? 81 Years

2. How many years of experience does your business have in construction work similar to that called for under this bid? 81 YEARS

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

3. Have you now contracts, or have you ever contracted, to provide construction for any school district, community college district or county office of education in the State of California? Yes No
- a. If “yes,” on a separate attached sheet, provide the following information for all construction projects you have had with school districts, community college districts and county offices of education during the last four (4) years:
1. Year contract awarded
 2. Type of work
 3. Contract completion time called for/actual completion time
 4. Contract price
 5. For whom performed, including person to call for a reference and telephone number
 6. Location of work
 7. Number of stop notices filed
 8. For each contract, list any lawsuits filed relating to that contract in which you were a defendant or plaintiff
 9. Amount of liquidated damages assessed.
- b. On a separate attached sheet, provide the following information for all construction contracts of a similar nature as called for in this bid that you have had with entities other than school districts, community college districts and county offices of education during the last four (4) years:
1. Year contract awarded
 2. Type of work
 3. Contract completion time called for/actual completion time
 4. Contract price
 5. For whom performed, including person to call for reference and phone number
 6. Location of work
 7. Number of stop notices filed
 8. For each contract list any lawsuits filed relating to that contract in which you were a defendant or plaintiff
 9. Amount of liquidated damages assessed.
- c. For each construction contract that you have failed to complete within the contract time in the last four years please state the reasons for the untimely performance.

LIST OF RECENT PUBLIC WORKS JOBS FOR NAPA QUALIFICATION BID

**RE-ROOFING AND REPAIRS AT THE
MCDOWELL ELEMENTARY SCHOOL**

Petaluma City Schools
(PCS Project #123-4046)
Owner: Petaluma City Schools
200 Douglas Street
Petaluma CA 94952

Chris Thomas, Chief Business Official
(707) 778-4621

E-mail address: cthomas@petk12.org

Lisa Davis, Construction Manager
(707) 763-5600

E-mail address: ldavis@petk12.org

Architects/Lee Architects
Office Phone: (415) 885-5873

Ed Chan, Project Manager
(415) 885-5873 ext. 1005

(510) 303-9292 Cell#

E-mail address: ed_chan@mleeinc.com

Armando Franco, Project Inspector
(707) 478-1919

E-mail address: fgdrafting@sbcglobal.net

Henris Roofing Company
(707) 763-1535

Steve Henris, Owner

E-mail address: steve@henrisroofing.com

Don Brooks, Superintendent
dbrooks@henrisroofing.com

Contract Amount: \$512,542.00

Completion Date: 08/22/19

Type: Mule Hide Single Ply

**PARKSIDE ROOFING PROJECT AT THE
PARKSIDE ELEMENTARY SCHOOL**

Sebastopol Union School District
7611 Huntley Street
Sebastopol, CA 95472

Andrea Noble, Construction Manager

RGM and Associates
(510) 908-3309

E-mail address: andrea@rgmassociates.com

Robb Smith, Architect

(707) 710-4486

E-mail address: robroof@gmail.com

Contract Amount: \$265,646.83

Completion Date: 08/14/19

Type: Sika Sarnifil Single Ply

**RE-COVER EXISTING ROOF AT THE
CITY OF HEALDSBURG POLICE DEPARTMENT**

Owner: City of Healdsburg
401 Grove Street
Healdsburg, CA 95448
Yukon Construction
Dan Schieberl, General Contractor
(707) 291-5774
Donald Alameida, Architect
(415) 518-5702

Contract Amount: \$92,830.00
Completion Date: 07/28/17
Type: GAF Single Ply

**ROOF OVERLAY AND REPLACEMENT
AT THE PETALUMA FIRE STATION**

Owner: City of Petaluma
(City Project Number #C11201706)
11 English Street
Petaluma, CA 94952
Diana Ramirez, Project Manager
(707) 776-3658
E-mail address: dramirez@ci.petaluma.ca.us

Contract Amount: \$116,985.90
Completion Date: 06/27/18
Type: Single Ply Composition

**ROOFING PROJECT ON PORTABLES AT
ALBERT BIELLA ELEMENTARY SCHOOLS**

Owner: Santa Rosa City Schools
211 Ridgeway Avenue
Santa Rosa, CA 95401

Contract Amount: \$64,875.00
Completion Date: 04/04/18
Type: GAF Single Ply

**SONOMA STATE UNIVERSITY
ART COMPLEX**

Sonoma State University
1801 East Cotati Avenue
Rohnert Park, CA 94928
Kevin Alexander, Facilities Project Supervisor
(210) 274-3239
E-mail address: alexandk@sonoma.edu
Tom Terry, Project Engineer
Total Roof Management
P O Box 14151
Fremont, CA 94539
(707) 253-8567
E-mail address: thomas_terry@comcast.net

Contract Amount: \$809,342.25
Completion Date: 08/21/19
Type: Total Roof Management

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C. Financial and Credit Data

1. If your bid is considered for award, and if requested by the District, will you supply the following data? Yes X No _____
 - a. Names and addresses of any banks where you regularly do business.
 - b. The names and addresses of any banks, finance companies, dealers, suppliers, or others where you have notes or loans.
 - c. Give credit references, including at least three trade or industry suppliers with whom you regularly deal.

2. Will you submit on request a balance sheet for the past three (3) years? Yes X
No _____

3. Where have you engaged in the construction business, or any other type of business, in the last five years?

<u>Name of Business</u>	<u>Location</u>	<u>Type of Business</u>	<u>Years in Business</u>
Henris Supply DBA Henris Roofing Company	PETALUMA	ROOFING	81 Years

If any of the business endeavors referred to above are no longer operating, or you are no longer associated with them, please give brief details:

N/A

4. The following surety companies may be contacted as references as to the financial responsibility and general reliability of the bidder:

<u>Surety Name</u>	<u>Contact Person</u>	<u>Phone Number</u>
Don Ramatici Insurance INC		707 782 9200

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

I certify under penalty of perjury that the foregoing is true and correct. Executed at
PETALUMA _____, California, on APRIL _____, 20 21.

Signature of Bidder Nicholas Martin

Name (*print*) NICHOLAS MARTIN

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

compliance monitoring and enforcement by the California Department of Industrial Relations in accordance with SB 854.

5. Time for Completion

The starting date of the Contract shall be the day listed by the District in the Notice to Proceed and the Contractor shall fully complete all the work before the expiration of **120 calendar days** from the starting date. Time is of the essence in the performance of this Contract.

6. Liquidated Damages

Liquidated damages for the Contractor's failure to complete the Contract within the time fixed for completion are established in the amount of \$1,000 per calendar day.

IN WITNESS WHEREOF, the parties agree to the terms of this Contract on the day and year written below.

District

Henris Supply DBA Henris Roofing Company
Contractor

Resolution No. _____

220964
Contractor License No.
and Expiration Date

Date

By: Nicholas Martin
Individual Signature

Commercial Estimator/ Superintendent
Title

4/7/21
Date

For: _____
Corporation or Partnership

If Corporation, Seal Below.

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

CONTRACT

This Contract ("Contract") is made by and between the Willits Unified School ("District"), and _____ ("Contractor").

District and Contractor hereby agree as follows:

1. Description of Work

The Contractor agrees to furnish all labor, materials, equipment, tools, supervision, appurtenances, and services, including transportation and utilities, required to perform and satisfactorily complete all work required for the following project ("Project") in full conformance with the Contract Documents:

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

2. Contract Documents

The Contract Documents consist of the executed Contract and all Addenda, all approved change orders, the completed Bid Form, the required Bonds and the Insurance forms, the Notice Inviting Bids, the Instructions to Bidders, the Notice of Award, the Notice to Proceed, the General Conditions and any supplemental conditions, the Technical Specifications, the Drawings, the completed Bidder's Questionnaire, Disabled Veteran Business Enterprises Requirements (if applicable), and _____.

3. Compensation

As full compensation for the Contractor's complete and satisfactory performance of the work and activities described in the Contract Documents, the District agrees to pay Contractor, and Contractor agrees to accept the sum of _____ Dollars (\$ _____), which shall be paid to the Contractor according to the Contract Documents.

4. Prevailing Wages

This Project is subject to prevailing wage requirements and Contractor and its Subcontractors are required to pay all workers employed for the performance of this Contract no less than the applicable prevailing wage rate for each such worker. Contractor acknowledges that the project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations in accordance with SB 854.

WILLITS UNIFIED SCHOOL DISTRICT
2021 MULTI-SITE RE-ROOFING PROJECT

5. Time for Completion

The starting date of the Contract shall be the day listed by the District in the Notice to Proceed and the Contractor shall fully complete all the work before the expiration of **120 calendar days** from the starting date. Time is of the essence in the performance of this Contract.

6. Liquidated Damages

Liquidated damages for the Contractor's failure to complete the Contract within the time fixed for completion are established in the amount of \$1,000 per calendar day.

IN WITNESS WHEREOF, the parties agree to the terms of this Contract on the day and year written below.

District

Contractor

Resolution No. _____

Contractor License No.
and Expiration Date

Date

By: _____
Individual Signature

Title

Date

<p>For: _____ Corporation or Partnership</p> <p>If Corporation, Seal Below.</p>
