Warner Unified School District

P.O. Box 8, 30951 Highway 79, Warner Springs, CA 92086 Phone (760) 782-3517 - FAX (760) 782-9117

BOARD OF TRUSTEES MEETING REGULAR SESSION

AGENDA

TUESDAY

January 14, 2020 6:00 P.M.

LOCATION: WARNER

ELEMENTARY

MULTIPURPOSE ROOM

BOARD OF EDUCATION

JEANNEAN ROMBAL-PRESIDENT

MELISSA KROGH-VICE PRESIDENT

CAROLYN AUDIBERT-CLERK

PJ STONEBURNER-MEMBER

MELODY SEES-MEMBER

STUDENT MEMBER - KIMBERLY VENEGAS

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Welcome to the Monthly Board of Trustees

Meeting PUBLIC INPUT

Persons wishing to address the Board on any item except personnel are invited to do so at this time. In the interest of time and order, presentations from the public are limited to (3) minutes per topic. If you wish to speak, complete a blue card located at the sign-in desk and present it to the Secretary of the Board prior to the start of the meeting. When the Board President invites you to the podium, state your name, address, and organization before making your presentation. By law, complaints or charges against an employee are not permitted in an open meeting of the Board of Trustees.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may I) acknowledge receipt of the information; 2) refer to staff for further study; or 3) refer the matter to the next agenda.

CONSENT AGENDA

All matters listed under Consent Agenda are those on which the Board has previously deliberated or which can be classified as routine items of business. An administrative recommendation on each item is contained in the agenda supplements. There will be no separate discussion on these items prior to the time the Board of Trustees votes on the motion unless members of the Board, staff, or public request specific items to be discussed or pulled from the Consent Agenda items.

CLOSED SESSION

The Board will meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, or real estate negotiations which are timely.

AMERICANS WITH DISABILITIES ACT

"In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the office of the District Superintendent at (760) 782-3517. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability."

- A. CLOSED SESSION [Superintendent's Office at 5pm]
- B. CALL TO ORDER
- C. ROLL CALL
- D. ACCEPTANCE OF CLOSED SESSION AGENDA
- E. CLOSED SESSION
 - STUDENT MATTERS The Governing Board will recess to closed session to consider student matters pursuant to Government Code Section 54954.5 and Education Code 35146.
 Education Code requires closed session.
 - 2. PERSONNEL MATTERS The Governing Board will recess to closed session to consider personnel matters pursuant to Government Code 54957, 54957(b)(1),54957(b) and 54957.6.
 - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION (Gov. Code 54956.9)(d) (1) Ron Koenig vs. Warner Unified School District, San Diego Superior Court, Case No. 37-2015-00015380-CU-CO-TL.
- F. CONVENE TO OPEN/ REGULAR SESSION [MultiPurpose Room at 6pm]
- G. CALL TO ORDER
- H. ROLL CALL
- I. FLAG SALUTE
- J. ACCEPTANCE OF OPEN AGENDA
- K. REPORT OF ACTION TAKEN IN CLOSED SESSION
- L. WELCOME-BOARD PRESIDENT
- M. GENERAL BUSINESS
- N. PUBLIC HEARINGS
- O. APPROVAL OF MINUTES
 - 1. Minutes of Regular Board Meeting, December 10, 2019
- P. REPORTS
 - 1. STUDENT BODY REPRESENTATIVE
 - 2. ASSOCIATION OF WARNER EDUCATORS
 - 3. CALIFORNIA SCHOOL EMPLOYEE ASSOCIATION
 - 4. PARENT TEACHER COMMUNITY CLUB
 - 5. SUPERINTENDENT'S REPORT
 - i. RECOGNITION:

Student: Lucas Vanderstaay

Staff: Diana Ramirez

- ii. DISTRICT BRIEFING
- iii. CHARTERS All Tribes, San Diego Mission Academy Christine Kasitz
- iv. INDIAN ADVISORY COMMITTEE
- 6. BUSINESS MANAGER'S REPORT
- 7. BOARD REPORT
- Q. PUBLIC HEARINGS-HEARING OF PUBLIC ON NON-AGENDA ITEMS

Non-agenda items: No individual presentation shall be for more than three (3) minutes, and the total time for this purpose shall not exceed thirty (30) minutes. If you have comments, please submit your request to be heard card prior to this section being discussed. No Governing Board action can be taken on items that are not on the agenda.

R. SPECIAL PRESENTATION

S. ACTION ITEMS

- 1. Consider approval to adjust the rate of income for Susan Conrad.
- 2. Consider approval of Michael Voss as a substitute teacher, pending pre-employment screening.
- 3. Consider approval of the contract with Howard E. Nyhart Company, INC. for OPEB Actuarial Report.
- **4.** Consider approval of the contract with Document Tracking Services; one year, beginning January 15, 2020.
- 5. Consider approval to accept the 2018-2019 Audit.
- 6. Consider approval of the Agreement with Leader Services for the 2019-2020 school year.
- 7. Discussion and possible action regarding the "School Board Resolution in Support of Proposition 13".

T. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the Board to be routine and will be enacted by the Board in one motion in the form listed below. Superintendent/Principal recommends approval of all Consent Agenda Items.

- 1. Warrant Register
- 2. Commercial Warrants
- 3. Purchase Orders

U. FIRST READING OF GOVERNING BOARD POLICIES, NEW ADMINISTRATIVE REGULATIONS, AND EXHIBITS.

V. INFORMATION ITEMS AND DISCUSSION

1. District Enrollment 2019-2020

Preschool	August	September	October	November	December
	14	21	21	19	20
January	February	March	April	May	June
22					

Class	August	September	October	November	December
Elementary	117	111	109	109	117
Middle School	33	30	31	32	32
High School	56	56	59	61	63
Total		197	199	202	212

Class	January	February	March	April	May
Elementary	116				
Middle School	32				
High School	62				
Total	210				

Class	June
Elementary	
Middle School	
High School	
Total	

- 2. Inter-District Attendance Permits
 - i. New In 0
 - ii. New Out 1
 - iii. Renew In 0
 - iv. Renew out 0
- 3. Williams Complaints None
- 4. Activities Calendar
- W. BOARD COMMUNICATION
- X. ANNOUNCEMENT OF NEXT MEETING AND ADJOURNMENT

February 11, 2019

Minutes
December 10, 2019

WARNER UNIFIED SCHOOL DISTRICT

MINUTES OF REGULAR MEETING OF THE GOVERNING BOARD

December 10, 2019

- A. CLOSED SESSION [Superintendent's Office at 5pm]
- B. CALL TO ORDER: The meeting was called to order at 5:00 PM by Jeannean Rombal, President of the Governing Board.
- C. ROLL CALL: Members present: Audibert, Krogh, Rombal, Sees and Stoneburner
- D. ACCEPTANCE OF CLOSED SESSION AGENDA
- E. RECESS / ADJOURN TO CLOSED SESSION:
 - STUDENT MATTERS Governing Board considered student matter pursuant to Government Code Section 54954.5 and Education Code 35146.
 - 2. **PERSONNEL MATTERS** The Governing Board will recess to closed session to consider personnel matters pursuant to Government Code 54957a9(b)(1), 54957(b) and 54957.6.
 - 3. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION (Gov. Code 54956.9)(d) (1) Koenig vs. Warner Unified School District, San Diego Superior Court, Case No. 37-2015-00015380-CU-CO-TL
- F. CONVENE TO OPEN / REGULAR SESSION: [MultiPurpose Room]
- G. CALL TO ORDER: Open session was called to order by Jeannean Rombal, President of the Governing Board at 6:10 pm.
- H. ROLL CALL: Members present: Audibert, Krogh, Rombal, Sees and Stoneburner.

ABSENT: None

EMPLOYEES PRESENT: MacLeod, Sissons and Hill.

VISITORS: Terry Cox, Patrice Malloy, Blanca Sanchez, Shannon Stein, Hunter Taylor, Jayton Chapman, Kelcy Sutton, Joseph Rauh, Nitasha Drake, John Pavlovich, Hannah Dimitrov, Leianna Hill, Maria Hill, Nick Posehl and Tina Mancino.

- I. FLAG SALUTE
- ACCEPTANCE OF OPEN AGENDA: Motion passed by unanimous vote, (5-0).
- K. REPORT OF ACTION TAKEN IN CLOSED SESSION: None
- L. WELCOME BOARD PRESIDENT: Jeannean Rombal
- M. GENERAL BUSINESS BOARD BUSINESS: Annual Reorganization with Election of Officers
 - 1. Carolyn Audibert nominated Melissa Krogh for President. Melody Sees nominated Jeannean Rombal for President, PJ Stoneburner seconded. Board voted unanimously for Jeannean Rombal, (5-0).
 - Jeannean Rombal nominated Melissa Krogh for Vice President, Melody Sees seconded. Board voted unanimously for Melissa Krogh, (5-0).
 - 3. Melody Sees nominated Carolyn Audibert for Clerk, PJ Stoneburner seconded. Board voted unanimously for Carolyn Audibert, (5-0).
 - 4. Board reviewed upcoming Board meeting dates and voted unanimously to change the June 9, 2020 date to June 8, 2020, (5-0).
 - 5. Board voted unanimously to accept Board meeting dates for the year 2020, (5-0).
- N. PUBLIC HEARINGS: None
- O. APPROVAL OF MINUTES:
 - 1. Melissa Krogh noted an error in the minutes and moved to strike item "Q". Board voted unanimously, (5-0).
 - 2. Minutes of Regular Board Meeting, November 12, 2019. Motion passed by unanimous vote, (5-0).
- P. REPORTS
 - 1. Student Body Representative: Vacant; currently seeking a new student body representative.
 - 2. Association of Warner Educators: Kelcy Sutton
 - 3. California School Employees Association: Not present
 - 4. Parent Teacher Club: Vice President Krogh identified a parent as attempting to bring back the PTCC, but requires a quorum of 5. They are seeking 3 additional people.
 - 5. Superintendent's Report: Superintendent Macleod talked about what he calls ABC data. A = attendance, B = behavior, C
 - = classes. Superintendent MacLeod allowed Terry Cox to present an update/proposal on the Warner Resource Center. The Resource Center would like to maintain their own lease with the Ranch, separate from the school.
 - i. **RECOGNITION:** Jayton Chapman was Student of the Month and Blanca Sanchez was Employee of the Month.
 - ii. DISTRICT BRIEFING:
 - iii. CHARTERS:
 - iv. INDIAN ADVISORY COMMITTEE:
 - 6. Business Manager's Report:

- i. Andrea Sissons presented the First Interim Report. She provided handouts and spoke about our number of students that qualify for free and reduced lunch.
- 7. Board Report:
- Q. PUBLIC HEARINGS-HEARING OF PUBLIC ON NON AGENDA ITEMS: None
- R. SPECIAL PRESENTATION: Terry Cox Resource Center Update moved to Superintendent's Report. See notes above.

 Senior Trip presentation.
- S. ACTION ITEMS
 - 1. Consider approval of the Warner High School Senior's trip to Europe, June 2020. Motion passed by unanimous vote, (5-0).
 - Consider approval of the employment of Benjamin Witty for the five hour Maintenance and three hour Custodian position, pending pre-employment screening. Motion passed by unanimous vote, (5-0).
 - 3. Consider approval of Courtney Chadwick as a substitute teacher, pending pre-employment screening. Motion passed by unanimous vote, (5-0).
 - 4. Consider approval of Danny Rombal as the High School Girls basketball coach for the 2019-2020 school year. Motion passed, (4-0), Jeannean Rombal abstaining.
 - Consider approval of Ricardo Lara as the High School Girls assistant basketball coach for the 2019-2020 school year.
 Motion passed by unanimous vote, (5-0).
 - 6. Consider approval to adjust the rate of income for Tina Mancino, Instructional Aide. Motion passed by unanimous vote, (5-0).
 - Consider approval to adjust the rate of income for Lorenzo Rodriguez, Groundskeeper. Motion passed by unanimous vote, (5-0).
 - 8. Consider approval of U.S. Solar PPA. Motion passed by unanimous vote, (5-0).
 - Consider approval of the Long Range Facility Master Plan with a Major Maintenance Plan Component, utilizing the professional help from Tom Silva Consulting (TSC). Motion passed by unanimous vote, (5-0).
 - 10. Consider approval of First Interim Report. Motion passed by unanimous vote, (5-0).

T. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the Board to be routine and will be enacted by the Board in one motion in the form listed below. Superintendent/Principal recommends approval of all Consent Agenda items. Motion passed by unanimous vote (5-0).

- 1. Commercial Warrants
- Purchase Orders
- U. SECOND READING OF GOVERNING BOARD POLICIES, NEW ADMINISTRATIVE REGULATIONS, AND EXHIBITS: Motion made to change "First Reading" to Second Reading. Motion passed by unanimous vote, (5-0). Motion made to approve Second Reading of Governing Board Policies, New Administrative Regulations, and Exhibits. Motion passed by unanimous vote, (5-0).
 V. INFORMATION ITEMS AND DISCUSSION: School Board dates and times were approved during the Organizational Meeting.

1. DISTRICT ENROLLMENT 2019 – 2020 : Discussed.

Class	August	September	October	November	December
Preschool	14	21	21	19	20
Elementary	117	111	109	109	117
Middle School	33	30	31	32	32
High School	56	56	59	61	63
Total	206	197	199	202	212

Class	January	February	March	April	Мау
Preschool		<u>.</u>	ļ		:
Elementary		and the second s	i.		
Middle School	1	:	i		
High School	[ili January and Alexander and Alexander		1	Í
Total					

2. Inter-District Attend	lance Permi	is: Viewed
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i. New-out-0

ii . New-in-0

iii. Renew-in-0

iv. Renew-out-0

3. Williams Complaints: None

4. Activities Calendar: Viewed

W. BOARD COMMUNICATION: Melody Sees is interested in supporting the P.T.C.C. and congratulated Board members who have
new positions. Vice President Krogh reported on a conference she attended. President Rombal commented that she is grateful
to remain President of the Board and said that the Board needs to give direction to Superintendent MacLeod to seek a long
term solution for the Warner Resource Center, but acknowledged that there will be no hikers allowed in 2020.

X. ANNOUNCEMENT OF NEXT MEETING AND ADJOURNMENT: Next meeting, January 14, 2019 at 6:00 PM. This meeting adjourned at 8:56 pm.

Secretary of the Governing Board	Clerk

ACTION ITEM

4

TOPIC:

Consider approval to adjust the rate

of income for Susan Conrad.

DESCRIPTION:

Proof of education warrants an increase in

pay as Mrs. Conrad has a change in columns.

FISCAL IMPACT:

\$2,645.00

TOPIC:

Consider approval of Michael Voss as a

substitute teacher, pending pre-employment

screening.

DESCRIPTION:

To work as a certificated, substitute teacher.

FISCAL IMPACT:

N/A

TOPIC:

Consider approval of the contract with Howard E.

Nyhart Company, INC. for OPEB Actuarial Report.

DESCRIPTION:

Services provided by Nyhart, Valuation and GASB

75 Report for FYE 6/30/2020 (Benefits Audit).

FISCAL IMPACT:

\$8,000.00



THE HOWARD E. NYHART COMPANY, INC. ("NYHART") SERVICE AGREEMENT ("AGREEMENT")

Agreement Between Nyhart, and:

Client Name:	Warner Unified School District					
Primary Contact Name:	Andrea Sissons, Chief Business Official					
Primary Contact Address:	PO Box 8; 30951 Highway 79					
	Warner Springs, CA 92086					
Primary Contact Phone:	(760) 782-3517					
Primary Contact Email:	Andrea.sissons@warnerusd.net					

Services to be provided by Nyhart

All services to be provided by Nyhart are subject to your full cooperation and prompt submission of complete and accurate information. Nyhart will rely on any and all information that you provide pursuant to this agreement and on file at our office as to accuracy and completeness. Nyhart will have no responsibility to verify such information and no liability for errors or omissions as a result of relying on such information. Nyhart is not a law firm or a public accounting firm and does not provide legal or tax advice.

Nyhart will provide the following actuarial services:

- Updated June 30, 2018 OPEB actuarial valuation and report for compliance with GASB 75 for FYE 6/30/2018 including;
 - Kick off conference call
 - o Data collection and analysis for full actuarial valuation
 - Conference call to review valuation report
- Roll-forward Valuation and GASB 75 Report for FYE 6/30/2019.

Fees for services provided by Nyhart

The fees listed below are subject to annual adjustments.

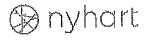
Service Updated June 30, 2018 OPEB Actuarial Valuation and GASB 75 Report for Compliance for FYE 6/30/2018*	<u>Fee</u> \$4,750
Roll-forward Valuation and GASB 75 Report for FYE 6/30/2019**	\$2,250

^{*} Will incorporate updated census, premiums and, if applicable, assets as of the Valuation Date (6/30/2018). **Net OPEB Liability will reflect liability timing adjustment and discount rate based on a Measurement Date of 6/30/2019.

Client will be invoiced at the end of each month for work in progress.

Please select the method of delivery of your invoice;

I would like my invoice sent electronically to the primary contact's email address.



are the offered by a do	egular mail to the attention of the primary contact at the address shown byide their information below. If this section is left blank, we will send the on file or address shown above.
Invoice reciplent name	
Invoice recipient address	

There will be additional fees for revisions to preliminary or final results that are due to:

Incorrect Information provided to us, typical examples include to material changes to census data, changes to eligibility requirements or employer subsidies. The additional fee will be limited to 1/3 of the current year's fee for this type of revision.

Changes to actuarial assumptions requested by the client that are expected to need more than four hours of labor to update the results. The additional fee will be based on billed labor in excess of four hours at our current hourly rates.

Additional services available if requested by Client

In addition to OPEB actuarial services, Nyhart offers the following additional services. Fee estimates will be provided upon request. Please visit www.nyhart.com or contact your Nyhart consultant for more information,

- Defined Benefit & Pension consulting and administration
- Defined Contribution, 401(k) & 403(b)
- CalPERS Pension Related (e.g. GASB 68 Support, Section 115 Supplemental Funding Trusts)
- Health Care Reform financial Impact consulting
- Calculation of self-funded and COBRA premium rates
- Incurred But Not Reported (IBNR) Reserve calculations
- Medicare Parl D Attestation
- Flex Accounts FSA, HRA, & HSA consulting and administration
- What-if Modeling for health plan design and carrier changes
- Actuarial Value and Minimum Value determination
- Section 105(h) non-discrimination testing

Relationship of the Parties

The legal relationship between Client and Nyhart shall be exclusively that of principal and agent. The parties hereto specifically agree and acknowledge that Nyhart shall not:

- Have discretionary authority over any aspect of the Plan;
- Be a fiduciary;
- Be responsible for ensuring that the Plan complies with any requirement to which the Plan is subject, or be liable to the Plan, Client, or any person if the Plan fails to comply with any such requirement;
- Have any duty or authority to enforce the payment of any contribution owed under the Plan;
- Be responsible for the adequacy of the trust established as part of the Plan, or be liable for any benefits owed under the Plan;
- Exercise discretion as to any Plan function; or
- Have any obligation to perform any service not specified in this Agreement or otherwise agreed to in writing by the parties (regardless of whether such service may be considered "customary" services to be provided by Nyhart).



Client agrees that Nyhart shall use all information and data supplied by or on behalf of the Client without having independently verified the accuracy or completeness of it except to the extent required by generally accepted professional standards and practices. If any documentation or information supplied to Nyhart at any time is incomplete, inaccurate or not up-to-date, or its provision is unreasonably delayed, Nyhart will not be responsible for any delays or liability arising therefrom, and will be entitled to charge the Client in respect of any resulting additional work actually carried out.

The Client further understands that the failure to provide, or cause to provide, complete, accurate, up-to-date, and timely documentation and information to Nyhart, whether intentional or by error, could result in an impairment of Nyhart's services.

Client Responsibilities and Representations

The Client has general responsibilities with respect to the Plan, including

- Providing all information required by Nyhart to perform its services under this Agreement on a timely basis;
- Serving as fiduciary for the Plan;
- · Communicating Plan details to employees and answering employee questions;
- · Ensuring adequate funding of the Plan; and
- Authorizing plan disbursements and ensuring accuracy of information provided.

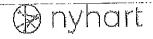
Dispute Resolution

Nyhart and Client agree that before commencing any action or proceeding with respect to any dispute between the parties arising out of or relating to this Agreement or the Services they first shall attempt to settle such dispute through consultation and negotiation in good faith and in a spirit of mutual cooperation. Any such dispute will be submitted in writing to a panel of one (1) senior executive or official of each of Nyhart and Client, who will promptly meet and confer in an effort to resolve such dispute. Each party's representative will be identified by notice to the other, and may be changed at any time thereafter by notice to the other. Any mutually agreed decisions of the executives will be final and binding on the parties. In the event the executives are unable to resolve any dispute within thirty (30) days after submission to them, either party may then refer such dispute to mediation by a mutually acceptable mediator to be chosen by Nyhart and Client within forty-five (45) days after written notice by either party demanding mediation. Neither party may unreasonably withhold consent to the selection of a mediator. All communications and discussions in furtherance of this paragraph shall be treated as confidential settlement negotiations, which are not subject to discovery. The costs of the mediator shall be shared equally, but each party shall pay its own attorneys' fees.

Any dispute which cannot be resolved between the parties through negotiation, mediation or other form of alternative dispute resolution within six months of the date of the initial demand for mediation by one of the parties may then be submitted to a court of competent jurisdiction. To facilitate an expeditious and economical judicial resolution of such dispute, Nyhart and Client agree to waive and not to demand a trial by jury, and not to include any employee, officer, director or trustee of either as a party, in any action, proceeding or counterclaim relating to such dispute. Nothing in this section will prevent either party from resorting to judicial proceedings if interim relief from a court is necessary to prevent serious and irreparable injury to that party or to others. Any claim, action or proceeding against Nyhart will be barred unless Client initiates the dispute resolution procedures outlined below within one year of first discovering the act, error or omission that is the basis for such claim.

Indemnification and Limitation of Liability

The liability of Nyhart, in tort, contract or otherwise, to Client, a Plan and the officers, directors, trustees, employees or shareholders of any of them, and to any other third party, for all claims arising in connection with or contribution to by this Agreement and the Services (including without limitation multiple claims arising out of or based upon the same act, error or mission, or series of continuous, interrelated or repeated acts, errors or omissions) shall not include loss of profit



or incidental, consequential, indirect, punitive or similar damages and shall be further limited to the amount of fees for Services received by Nyhart under this Agreement for the twelve (12) months immediately preceding the act, error or emission upon which such liability is based. Nothing in this paragraph shall apply to any liability which has been finally determined to have arisen from willful misconduct or fraud on the part of Nyhart or which cannot lawfully be limited, modified or excluded.

Client shall Indemnify Nyhart from and against any and all claim, loss, liability or damage (including attorney's fees) which Nyhart may incur by reason of its good faith service delivery to Client.

Nyhart shall Indemnify the Client from and against any and all claim, loss, liability or damage (including attorney's fees) which the Client may incur: (i) arising out of any material breach by Nyhart of any of its material obligations, representations or warranties contained in this Agreement; or (ii) arising out of Nyhart's negligence, gross negligence or willful, fraudulent, or criminal misconduct associated with its performance of services under this Agreement. The parties further recognize that clerical errors and variations may occur. When discovered, they will be corrected or adjusted by Nyhart, in accordance with its normal procedures, to the extent reasonable and possible.

Acceptance

The items and conditions of this Agreement are agreed to and accepted by Client on behalf of the Plan. This Agreement is effective only when signed by all parties.

Varner Unified Sc	hool District
Ву:	Andrea Sissons andrea Sissons
Printed Name:	Andrea Sissons
Date:	_1/7/19
lyhart	00
Ву:	1
Printed Name:	Ve day () De
Date	1/1/1/90

TOPIC:

Consider approval of the contract with Document

Tracking Services.

DESCRIPTION:

A web-based application for 2020 School

Accountability Report Card, English & Spanish

(Custom Template), 2020 School Plan for Student Achievement (CDE Template), 2020 Local Control and Accountability Plan and Annual Update (CDE Template), others to be identified as needed. A one

year contract. Services to begin January 15, 2020.

FISCAL IMPACT:

\$895.00 (Invoice #9208603)



LICENSING AGREEMENT

This Agreement effective **January 15, 2020**, is made and entered into by **Warner Unified School District** as Licensee and Document Tracking Services (DTS) as Licensor each a "Party" and collectively the "Parties".

Licensee desires that DTS provide a license to use DTS proprietary web-based application in accordance with the following provisions:

- A. License. DTS hereby grants to Licensee a non-exclusive license to use DTS application in order to create, edit, update, print and track specific documents as described in Exhibit A of this agreement.
 - (i) DTS retains all rights, title and interest in DTS application and any registered trademarks associated with the license.
 - (ii) Licensee retains all rights, title and interest in the documents as described in Exhibit A of this agreement.
- B. Internet Areas. All parties including third party licensees shall not be permitted to establish any "pointers" or links between the Online Area and any other area on or outside of the DTS login without the prior written approval.
- C. Term of License. The term of the Agreement is for **one (1) year** from the effective date (as noted in paragraph one) of the license agreement.
- D. Personnel. DTS will assign the appropriate personnel to represent DTS in all aspects of the license including but not limited to account set up and customer license inquiries.
- E. Content. DTS will be solely responsible for loading the content supplied by Licensee into DTS secure server and provide complete access to Licensee and its representatives.
- F. Security of Data. DTS at all times will have complete security of Licensee documents on dedicated servers that only authorized DTS personnel will have access to; all login by DTS authorized will be stored and saved as to time of log-in and log-out.
 - (i) Licensee may request DTS to only store Licensee documents for the period of time that allows Licensee and its authorized personnel to create, edit and update their documents.
- G. Management of Database. DTS shall allow Licensee to review, edit, create, update and otherwise manage all content of Licensee available through the Secure Login of DTS.
- H. Customer License. DTS shall respond promptly and professionally to questions, comments, complaints and other reasonable requests regarding any aspect of DTS application by Licensee. DTS business hours are Monday-Friday 8AM PST to 5PM PST except for national/state holidays.



- I. License Fee. Licensee shall pay a fee of \$595.
- J. Document Set Up Fee. The one-time set up fee for documents as described in Exhibit A and made a part of this Agreement is **\$0**.
- K. Payment Terms. Licensee shall pay the annual licensing fee upon execution of the Agreement between parties and the electronic submittal of the invoice to Licensee.
- L. Number of Documents. The maximum number of documents per school district is limited to **five (5)**.
- M. Warranty. Licensee represents and warrants that all information provided to DTS, including but not limited to narratives, editorials, information regarding schools, is owned by Licensee and Licensee has the right to use and allow use by DTS as called for hereunder and that no copyrights, trademark rights or intellectual property rights of any nature of any third party will be infringed by the intended use thereof. In the event any claim is brought against DTS based on an alleged violation of the rights warranted herein, Licensee agrees to indemnify and hold DTS harmless from all such claims, including attorney fees and costs incurred by DTS in defending such claims.

N. Definitions.

- (i) Document. A document is defined as a) a specific template provided by CDE or; b) any specific word document or forms that have different fields or school references such as elementary, middle or high schools* submitted by District or CDE; or c) individual inserts submitted by District or CDE that are integrated into existing documents or are offered as supplemental and/or addendums to other report documents.
 - * Licensee submits a SPSA template for their elementary, middle and high schools, which is counted as three (3) separate documents.
 - (ii) Customized Documents. Any document that is not a standard CDE template is considered a custom document and as such may be subject to additional setup fees; DTS shall provide an estimated cost of these additional fees prior to the execution of this agreement.
- O. Document Setup Fee. DTS will charge a one-time setup fee of \$200 per standard document up to a maximum of \$850 for customized documents.
- P. Additional Fees. Licensee shall pay additional fees if Licensee exceeds the number of documents as described in section L of this agreement. The fee for each additional document is \$39 per document times the number of schools in the district. The fee shall be payable within thirty (30) days from DTS invoice.
- Q. Additional Services. DTS can also provide Data Transfer and Document Translation services to Licensee for an additional fee. The fee for each additional service would be agreed upon between the parties and invoiced at the time the services were requested. The fee shall be payable within thirty (30) days from DTS invoice.



The Parties hereto have executed this Agreement as of the Effective Date.

Document Tracking Services, LLC

By: Aaron Tarazon, Director

Document Tracking Services

10225 Barnes Canyon Road, Suite A200

San Diego, CA 92121 858-784-0960 - Phone

858-587-4640 - Corporate Fax

Date: October 31, 2019

Licensee	
Ву:	_
Date:	
Warner Unified School District	



Exhibit A

The following are standard documents to be used in conjunction with the license.

- 1. 2020 School Accountability Report Card, English & Spanish (Custom Template)
- 2. 2020 School Plan for Student Achievement (CDE Template)
- 3. 2020 Local Control and Accountability Plan & Annual Update (CDE Template)
- 4. Others to be identified as needed.



October 31, 2019

Warner Unified School District 30951 Highway 79 Warner Springs, CA 92086

Re: Document Tracking Services

INVOICE #9208603

Pursuant to the licensing agreement between Warner Unified School District and Document Tracking Services (DTS):

Document Tracking Services

Document Tracking Services [1/15/20 to 1/15/21]:

\$595

2 schools and District Personnel = 3 sites License Agreement includes up to 5 documents

Translation Services

2020 Spanish School Accountability Report Card:

\$300

\$150 x 2 School Accountability Report Cards

Total Balance Due:

\$895

Please Make Checks Payable To: Document Tracking Services

Send to:

Aaron Tarazon, Director Document Tracking Services 10225 Barnes Canyon Road, Suite A200 San Diego, CA 92121 858-784-0960 - Phone 858-587-4640 - Corporate Fax

Thank you!

Approved Per Payment (Signature) Name/Role (Printed)

Mar Crista 2516

Request for Taxpayer Identification Number and Certification

Give Form to the requests. Do not send to the IRS.

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TOPIC:

Consider approval to accept the 2018-2019

Audit.

DESCRIPTION:

Audits financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Warner Unified School District ("the District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed

in the table of contents (see report).

FISCAL IMPACT:

N/A

WARNER UNIFIED SCHOOL DISTRICT COUNTY OF SAN DIEGO WARNER SPRINGS, CALIFORNIA

AUDIT REPORT

JUNE 30, 2019

Introductory Section

Warner Unified School District Audit Report For The Year Ended June 30, 2019

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Warner Unified School District Audit Report For The Year Ended June 30, 2019

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Financial Section



P. Robert Wilkinson, CPA Brian K. Hadley, CPA Aubrey W. Mann, CPA Kevin A. Sproul, CPA

Independent Auditor's Report

To the Board of Trustees Warner Unified School District Warner Springs, 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 Warner Unified School District ("the District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the 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 District'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 District'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 Warner Unified School District as of June 30, 2019, and the respective changes in financial position, 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 Management's Discussion and Analysis, and other required supplementary information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Warner Unified School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements.

The combining financial statements and other supplementary information are the responsibility of management and were derived from and relate 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 combining financial statements and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019 on our consideration of Warner 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 the 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 Warner Unified School District's internal control over financial reporting and compliance.

El Cajon, California December 13, 2019

Willham Andly King & CO. LEP

WARNER UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited) For the Fiscal Year Ending June 30, 2019

This discussion and analysis of the Warner Unified School District's financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the district's financial performance as a whole. Readers should review this document in conjunction with the district's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2018-2019 are as follows:

- Total net position has decreased slightly but remains healthy at \$1.98 million.
- Total ending fund balance for total governmental funds has decreased to \$2.23 million.
- The District's governmental funds ended the year with deficiency of revenues to expenditures in the amount of \$762,710.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual audit report consists of three parts: Management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include different kinds of statements, which present both a view of the district as a whole, and individual fund statements that focus on various parts of the district's operations in more detail. The financial statements also include notes that explain some of the information presented in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

USING THESE FINANCIAL STATEMENTS

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Warner Unified School District as a complex financial entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

REPORTING THE DISTRICT AS A WHOLE FINANCIAL ENTITY

Statement of Net Position and Statement of Activities

While this document contains several funds used by the district to provide programs and activities, the view of the district as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2018-2019 fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or disbursed.

These two statements report the district's net position and changes in that position. This change in net position is important because it tells the reader whether, for the district as a whole, the financial position of the district has improved or diminished.

In the Statement of Net Position and the Statement of Activities, the district is presented in just one kind of activity, Governmental Activities. All the district's programs and services are reported here including instructional, support services, and operation and maintenance of plant and facilities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT INDIVIDUAL FUNDS

Fund Financial Statements

<u>Major Funds and Nonmajor Funds</u>: The analysis of the district's major funds is included in the audit report. Fund financial reports provide detailed information about the district's major funds. The district uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the most significant funds. The major and nonmajor governmental funds, which account for most of the day-to-day programs and services provided by the district, are the General Fund, the Child Development Fund, and the Cafeteria Fund.

Governmental Funds: Most of the district's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the district's general government operations and the basic services it provides. Governmental fund information helps you determine the financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

WARNER UNIFIED AS A COMPLETE FINANCIAL ENTITY

Recall that the Statement of Net Position provides the perspective of the district as a whole. Table 1 provides a summary of the district's net position for 2018-2019. The Net Position decreased by a total of \$602,939 over the prior year after the restatement of beginning net position.

Table 1 Statement of Net Position

ASSETS	2017-2018	2018-2019	% Change
Cash	\$2,068,195	\$2,625,517	27%
Receivables	1,223,446	566,984	-54%
Stores	16,948	16,334	-4%
Capital assets:			
Land	50,870	50,870	0%
Land Improvements	164,800	164,800	0%
Buildings	4,265,345	4,301,616	1%
Equipment	1,276,946	1,346,465	5%
Work in Progress		261,937	
Less accumulated depreciation	(3,686,063)	(3,590,022)	-3%
Total assets	5,380,487	5,744,501	7%
DEFERRED OUTFLOWS OF RESOURCES	976,418	1,014,749	4%
LIABILITIES			
Accounts payable and other current liabilities	264,783	966,761	265%
Unearned Revenue	54,164	2,993	-94%
Long-term liabilities:			
Due within one year	7,076	10,120	43%
Due in more than one year	2,833,022	3,101,960	9%
Total liabilities	3,159,045	4,081,834	29%
DEFERRED INFLOW OF RESOURCES	905,314	697,023	-23%
NET POSITION			
Net Investment in Capital Assets	2,071,898	2,535,666	22%
Restricted for:			
Capital Projects	281,224	42,018	-85%
Educational Projects	58,388	24,958	-57%
Other Purposes (Expendable)	88,253	56,912	-36%
Other Purposes (Nonexpendable)	22,248	21,634	-3%
Unrestricted	(229,465)	(700,795)	205%
TOTAL NET POSITION	2,292,546	1,980,393	-14%

Revenue in the Governmental Funds is divided into general revenue, which funds the basic ongoing instructional program and related support services, and program revenue, which funds specific program activities that support the children enrolled in Warner Unified's schools. The primary sources of general revenue are the state revenue limit and local property tax revenue. The primary sources of program revenue are the state of California and the federal government, which fund many programs operated by the district. During the 2018-2019 fiscal year, total revenue decreased by nearly 13% from the previous year. This reduction is due to several state and federal grants phasing out.

Table 2 Revenue – Governmental Activities

	2017-18	2018-19	% Change
Program Revenues Charges for Services Operating Grants Total Program Revenues	\$ 143,742	\$ 125,207	-12.89%
	975,749	641,704	-34.23%
	1,119,491	766,911	-31.49%
General Revenues Taxes Unrestricted Federal & State Aid Other Unrestricted Revenue Total General Revenues Total Revenues	1,399,681	1,428,072	2.03%
	1,276,196	1,257,561	-1.46%
	536,711	323,414	-39.74%
	3,212,588	3,009,047	-6.34%
	\$ 4,332,079	\$ 3,775,958	-12.84%

The district's total expenses for the 2018-19 were 6% higher than the previous year. The District had an increase in staffing and other expenses to accommodate for the increase in enrollment, and growing retirement and wage costs.

Table 3
Expenditures – Governmental Activities

	2017-18	2018-19	% Change
Expenditures			0 100
Instruction	\$2,478,865	\$2,474,388	-0.18%
Instruction-Related Services	180,796	83,922	-53.58%
Pupil Services	516,684	664,954	28.70%
General Administration	496,674	679,998	36.91%
Plant Services	410,676	458,309	11.60%
Ancillary Services	32,639	12,579	-61.46%
Community Services	10,184	4,747	-53.39%
Interest on Long Term Debt	2,221		-100.00%
Total Expenditures	\$4,128,739	\$4,378,897	6.06%

Net position for the 2018-19 year increased by 1.87% over the previous year as a result of the District making tough budget decisions in light of reductions in enrollment.

Table 4 Change in Net Position – Governmental Activities

Change in Net Position	\$ 203,340	\$ (602,939)	-396.52%
Net Position, Beginning	2,250,481	2,292,546	1.87%
Restatement to Beginning Net Position*	(161,275)	290,786	
Net Position, Ending	\$ 2,292,546	\$ 1,980,393	-13.62%

THE GENERAL FUND OPERATING BUDGET

Information about the district's major fund, the General Fund, is shown later in this report. This fund is accounted for using the modified accrual basis of accounting. The district's budget is prepared according to California law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

During the course of the 2018-2019 fiscal year, the district revised its general fund budget on occasion to better reflect new grants and awards, and to portray the most current state and federal budget projections, as that information became available. Interim reports are used for budget revisions and are presented to the Governing Board for review and approval at regularly scheduled Board meetings.

CAPITAL ASSETS

At the end of the 2018-2019 fiscal year, the district had \$6,125,688 invested in land, buildings, work-in-progress, and capital equipment. Depreciation totaling \$3,590,022 was charged against the value of those assets for net capital assets of \$2,535,666.

LONG TERM DEBT

At the end of the 2018-2019 fiscal year, the district had no long term debt items. The District repaid the capital lease in full during the 2017-18 fiscal year.

CURRENT FINANCIAL RELATED ACTIVITIES

The Warner Unified School District operated with a deficit of \$762,710 in consolidated government funds during the 2018-2019 fiscal year. Between 2015 and 2017, the district lost 34% of its student enrollment. Since 2017, the district has seen a 30% increase in enrollment from the lowest point in 2017. The Board of Directors has adjusted its spending and staffing to reflect the large swings in enrollment and associated revenues as necessary. During the 2018-2019 fiscal year, despite the increase in enrollment, the District's total revenue decreased by 13% over the previous year due to the phase out of Prop 39, as well as reductions in other state and federal grants and Special Education funding. In addition, the district increased expenses by 13% to meet the growing enrollment, as well as increasing STRS and PERS and increasing minimum wage. Warner Unified continues to remain fiscally healthy and has built a healthy reserve. The district will seek out new revenues to supplement it's programs and will monitor expenditures to ensure future fiscal health.

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, taxpayers, 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 additional financial information, contact the Warner Unified School District by mail at PO Box 8, 30951 Highway 79, Warner Springs, CA 92086, or by telephone at (760) 782-3517.

Basic Financial Statements

WARNER UNIFIED SCHOOL DISTRICT STATEMENT OF NET POSITION JUNE 30, 2019

ASSETS \$2,625,517 Receivables 566,984 Stores 16,334 Capital Assets: 50,870 Land 164,800 Buildings 4,301,616 Equipment 1,346,465 Work in Progress 261,937 Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES 1,014,749 LIABILITIES 966,761 Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 10,120 Due in More Than One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION \$2,535,666 Restricted for: 2,018 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 700,795,55 Unrestr		_	Governmental Activities
Receivables 566,984 Stores 16,334 Capital Assets: 50,870 Land Improvements 164,800 Buildings 4,301,616 Equipment 1,346,465 Work in Progress 261,937 Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES 1,014,749 LIABILITIES Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 2,993 Due within One Year 10,120 Due in More Than One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 2,535,666 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 56,912 Unrestricted (700,795)	ASSETS	φ	0.000.547
Stores 16,334 Capital Assets: 50,870 Land Improvements 164,800 Buildings 4,301,616 Equipment 1,346,465 Work in Progress 261,937 Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES 1,014,749 LIABILITIES Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due in More Than One Year 10,120 Due in More Than One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 2 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 56,912 Unrestricted (700,795)		ф	
Capital Assets: 50,870 Land Improvements 164,800 Buildings 4,301,616 Equipment 1,346,465 Work in Progress 261,937 Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES 1,014,749 LIABILITIES 966,761 Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 10,120 Due in More Than One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION 20,023 NET POSITION 2,535,666 Restricted for: 2,535,666 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		•
Land 50,870 Land Improvements 164,800 Buildings 4,301,616 Equipment 1,346,465 Work in Progress 261,937 Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES LIABILITIES 3 Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 10,120 Due in More Than One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 56,912 Unrestricted (700,795)	##= 1 = 1		10,554
Land Improvements 164,800 Buildings 4,301,616 Equipment 1,346,465 Work in Progress 261,937 Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES LIABILITIES Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 56,912 Unrestricted (700,795)			50 g70
Buildings 4,301,616 Equipment 1,346,465 Work in Progress 261,937 Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES 1,014,749 LIABILITIES Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 10,120 Due in More Than One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)			•
Equipment 1,346,465 Work in Progress 261,937 Less Accumulated Depreciation (3,599,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES LIABILITIES Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 10,120 Due in More Than One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	•		
Work in Progress 261,937 Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES Liabilities Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 22,535,666 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)			
Less Accumulated Depreciation (3,590,022) Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES 1,014,749 LIABILITIES 406,761 Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Llabilities: 10,120 Due Within One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION 697,023 NET POSITION 2,535,666 Restricted for: 2,535,666 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)			
Total Assets 5,744,501 DEFERRED OUTFLOWS OF RESOURCES 1,014,749 LIABILITIES	· · · · · · · · · · · · · · · · · · ·		
DEFERRED OUTFLOWS OF RESOURCES		-	
LIABILITIES	Total Assets	-	3,7 1 1,00 1
Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	DEFERRED OUTFLOWS OF RESOURCES	_	1,014,749
Accounts Payable and Other Current Liabilities 966,761 Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	LIABILITIES		
Unearned Revenue 2,993 Long-Term Liabilities: 10,120 Due Within One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION 2,535,666 Restricted for: 2,535,666 Restricted for: 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)			966,761
Long-Term Liabilities: 10,120 Due Within One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)			2,993
Due Within One Year 10,120 Due in More Than One Year 3,101,960 Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION 2,535,666 Restricted for: 2,535,666 Restricted for: 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	+··		
Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION 2,535,666 Restricted for: 2,535,666 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)			,
Total Liabilities 4,081,834 DEFERRED INFLOWS OF RESOURCES 697,023 NET POSITION 2,535,666 Restricted for: 2,535,666 Capital Projects 42,018 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	Due in More Than One Year	_	3,101,960
NET POSITION Net Investment in Capital Assets Restricted for: Capital Projects Educational Programs Other Purposes (Nonexpendable) Other Purposes (Expendable) Unrestricted 2,535,666 42,018 42,018 24,958 24,958 07,634 07,634 07,634 07,955		_	4,081,834
Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,918 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	DEFERRED INFLOWS OF RESOURCES	_	697,023
Net Investment in Capital Assets 2,535,666 Restricted for: 42,018 Capital Projects 42,918 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	MET POSITION		
Restricted for: 42,018 Capital Projects 24,958 Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)	• • • • • • • • • • • • • • • • • • • •		2,535,666
Capital Projects42,018Educational Programs24,958Other Purposes (Nonexpendable)21,634Other Purposes (Expendable)56,912Unrestricted(700,795)			, -
Educational Programs 24,958 Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)			42,018
Other Purposes (Nonexpendable) 21,634 Other Purposes (Expendable) 56,912 Unrestricted (700,795)			,
Other Purposes (Expendable) 56,912 Unrestricted (700,795)			21,634
Unrestricted (700,795)			
0)1100110100	, , , , , , , , , , , , , , , , , , ,		(700,795)
		\$	

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

Net (Expense)
Revenue and
Change in
Net Assets

				Program	i Revenu	es		Net Assets	
<u>Functions</u>		Expenses		Charges for Services	(Operating Grants and ontributions		Governmentat Activities	
Governmental Activities:		- 1911		100 110	ф	470.044	rb.	/4 pn= oog\	
Instruction	\$	2,474,388	\$	100,146	\$	479,214	\$	(1,895,028)	
Instruction-Related Services:								(00 400)	
Instructional Library, Media, and Technology		29,189		-		-		(29,189)	
School Site Administration		54,733		-		-		(54,733)	
Pupil Services						0.000		(000.440)	
Home-to-School Transportation		342,855		16,809		2,936		(323,110)	
Food Services		284,155		3,815		143,051		(137,289)	
All Other Pupil Services		37,944		948		234		(36,762)	
General Administration								(000 504)	
All Other General Administration		679,998		3,253		16,211		(660,534)	
Plant Services		458,309		236		58		(458,015)	
Ancillary Services		12,579		-		-		(12,579)	
Community Services		4,747		=		<u>~</u>		(4,747)	
Total Expenses	\$	4,378,897	\$_	125,207	\$	641,704	\$	(3,611,986)	
		Revenues; s and Subvention	ons:						
	Ta	ixes Levied for G	dener	al Purposes				1,428,072	
	Fede	ral and State Ali	d Not	Restricted to Spec	ific Progr	rams		1,257,561	
	Inter	est and Investme	ent Ea	arnings				37,870	
	Misc	ellaneous						285,544	
		Total General Re	evenu	es			\$	3,009,047	
		Change	in Ne	t Position				(602,939)	
	Net Pos	ition Beginning -	- As F	Restated (See Note	O)			2,583,332	
	Net Pos	ition Ending					\$	1,980,393	

The accompanying notes are an integral part of this statement.

WARNER UNIFIED SCHOOL DISTRICT BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2019

		General Fund	Vonmajor vernmental Funds	G	Total overnmental Funds
ASSETS: Cash in County Treasury Cash on Hand and in Banks Cash in Revolving Fund Accounts Receivable Due from Other Funds Stores Inventories Total Assets	\$	2,525,845 - 5,300 490,984 216,654 - 3,238,783	\$ 94,322 50 - 76,000 104,399 16,334 291,105	\$ —	2,620,167 50 5,300 566,984 321,053 16,334 3,529,888
LIABILITIES AND FUND BALANCE: Liabilities: Accounts Payable Due to Other Funds Unearned Revenue Total Liabilities	\$	963,052 104,399 2,993 1,070,444	\$ 3,709 216,654 - 220,363	\$ 	966,761 321,053 2,993 1,290,807
Fund Balance: Nonspendable Fund Balances: Revolving Cash Stores Inventories Restricted Fund Balances Assigned Fund Balances Unassigned: Reserve for Economic Uncertainty		5,300 - 69,480 153,053 181,775 1,758,731	- 16,334 54,408 - -		5,300 16,334 123,888 153,053 181,775 1,758,731
Other Unassigned Total Fund Balance Total Liabilities and Fund Balances	. \$	2,168,339	\$ 70,742 291,105	\$	2,239,081 3,529,888

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2019

Total fund balances - governmental funds balance sheet

\$ 2,239,081

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 relating to governmental activities, at historical cost Accumulated depreciation

6,125,688 (3,590,022)

(3,590,022

Net

2,535,666

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 relating to pensions

1,008,561

Deferred inflows of resources relating to pensions

(697,023)

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

Deferred outflows of resources relating to OPEB

6,188

Deferred inflows of resources relating to OPEB

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:

Compensated Absences Payable Net Pension Liability Total OPEB Liability 10,120 2,768,599

333,361 Total

Net position of governmental activities - statement of net position

(3,112,080)

\$<u>1,980,393</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	General Fund		Nonmajor Governmental Funds		Total Governmenta Funds	
Revenues:	-					
LCFF Sources:	4				٨	4.055.000
State Apportionment or State Aid	\$	1,955,962	\$	•	\$	1,955,962
Education Protection Account Funds		408,230		-		408,230
Local Sources		59,937		-		59,937
Federal Revenue		383,216		132,326		515,542
Other State Revenue		411,555		101,715		513,270
Other Local Revenue		595,123		10,412	_	605,535
Total Revenues		3,814,023		244,453		4,058,476
Expenditures:						
Current:		2,405,883		101,373		2,507,256
Instruction		93,879		-		93,879
Instruction - Related Services		406,693		247,753		654,446
Pupil Services		12,980		-		12,980
Ancillary Services General Administration		720,413		_		720,413
Plant Services		487,939		-		487,939
Capital Outlay		344,273		Ma,		344,273
Total Expenditures		4,472,060	_	349,126	_	4,821,186
Excess (Deficiency) of Revenues		(050.003)		(404070)		(7CD 74D)
Over (Under) Expenditures		(658,037)		(104,673)	_	(762,710)
Other Financing Sources (Uses):						
Transfers In		-		104,399		104,399
Transfers Out		(104,399)				(104,399)
Total Other Financing Sources (Uses)		(104,399)		104,399		~
Net Change in Fund Balance		(762,436)		(274)		(762,710)
Fund Balance, July 1		2,930,775		71,016		3,001,791
Fund Balance, June 30	\$	2,168,339	\$	70,742	\$	2,239,081

(762,710)

(3,044)

(602,939)

WARNER UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

\$ (762,710)	let change in fund balances - total governmental funds	
	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 useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:	
185,131	Expenditures for capital outlay 367,727 Depreciation expense (182,596) Net	
1,872	Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:	
(24,188)	Postemployment benefits other than pensions (OPEB): In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB	

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 amounts earned. The difference between compensated absences paid

Change in net position of governmental activities - statement of activities

The accompanying notes are an integral part of this statement.

costs and actual employer contributions was:

and compensated absences earned was:

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2019

00,10	Agency Fund
	Student Body Fund
ASSETS: Cash on Hand and in Banks Total Assets	\$ <u>16,187</u> 16,187
LIABILITIES: Due to Student Groups Total Liabilities	\$ 16,187 16,187
NET POSITION: Total Net Position	\$

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies

Warner Unified School District (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 accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District operates under a locally elected Board form of government and provides educational services 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.

2. 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 component units. Additionally, the District is not a component unit of any other reporting entity as defined by GASB Statements 14, 39 and 61.

3. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities 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 revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. 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 nonmajor funds.

The District reports the following major governmental funds:

General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

In addition, the District reports the following fund types:

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

Child Development Fund. This fund is used to account separately for federal, state, and local revenues to operate child development programs.

Cafeteria Special Revenue Fund. This fund is used to account separately for federal, state, and local resources to operate the food service program.

Capital Projects Funds. These funds are used to account for the proceeds from bond issuances and for the acquisition of capital assets of the district.

Capital Facilities Fund. This fund is used primarily to account separately for moneys received from fees levied on development projects as a condition of approval.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Student Body Fund. This fund is used primarily to account for the activities of the student body fiduciary account.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They 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. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

4. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

5. Budgets and Budgetary Accounting

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

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

6. Revenues and Expenses

a. Revenues - Exchange and Non-Exchange

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on 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 that the resources will be collected within the current year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions are transactions in which the District receives value without directly giving equal value in return, including property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

b. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

7. Assets, Liabilities, and Equity

a. <u>Deposits and Investments</u>

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Équipment	3-15

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

d. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

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

e. 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.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

g. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes for the District.

h. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classifled as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

i. Minimum Fund Balance Policy

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce the service levels because of temporary revenue shortfalls or unpredicted expenses. The District minimum fund balance policy requires a reserve for economic uncertainties, consisting of unassigned amounts equal to 10% of general fund operating expenses and other financing uses. If the fund balance drops below 10%, it shall be recovered at a rate of 1% minimally, each year.

8. <u>Deferred Inflows and Deferred Outflows of Resources</u>

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

9. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) is merged with the General Fund for purposes of presentation in the audit report.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD)

June 30, 2017

Measurement Date (MD)

June 30, 2018

Measurement Period (MP)

July 1, 2017 to June 30, 2018

11. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

12. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that a

government can access at the measurement date.

Level 2 Inputs:

Inputs other than quoted prices included within Level 1 that are observable for an

asset or liability, either directly or indirectly.

Level 3 Inputs:

Unobservable inputs for an asset or liability.

12. Change in Accounting Policies

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2019. Those newly implemented pronouncements are as follows:

GASB 83 - Certain Asset Retirement Obligations

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. There have been no adjustments made to the financial statements or note disclosures as a result of adoption of the accounting policies pursuant to GASB 83.

GASB 88 - Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

There have been no adjustments to the financial statements or note disclosures as a result of adoption of the accounting policies pursuant to GASB 88.

B. Compliance and Accountability

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

Violation	Action Taken Not applicable
None reported	140t applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

	Deficit	
Fund Name None reported	Amount Not applicable	Remarks Not applicable

C. Fair Value Measurements

The District's investments at June 30, 2019, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

accopies assessming house,				
		Fair '	Value Measurement	Using
	-	Quoted		
		Prices in		-
		Active	Significant	
		Markets for	Other	Significant
		Identical	Observable	Unobservable
		Assets	Inputs	Inputs
	Amount	(Level 1)	(Level 2)	(Level 3)
External investment pools measured at fair value	\$ 2,620,167 \$	_	 \$ 2,620,167 \$	-
San Diego County Treasury Total investments by fair value level	\$ 2,620,167 \$ \$ 2,620,167 \$		\$ 2,620,167	

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monles with their County Treasurer (Education Code Section 41001). The fair value of the District's investments in the pool is reported in the accounting financial statements as amounts 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 the 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.

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

D. Cash and Investments

Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool (\$2,620,167 as of June 30, 2019). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$2,620,167. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Cash on Hand, in Banks, and in Revolving Fund

Cash balances on hand and in banks (\$16,237 as of June 30, 2019) and in the revolving fund (\$5,300) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is tully insured or collateralized.

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's Investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum	Maximum	Maximum
	Remaining	Percentage	Investment in
	Maturity	of Portfolio	One Issuer
Local Agency Bonds, Notes, Warrants	5 Years	None	None
Registered State Bonds, Notes, Warrants	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities Banker's Acceptance	5 Years	None	None
	180 Days	40%	30%
Commercial Paper Negotiable Certificates of Deposit	270 Days	25%	10%
	5 Years	30%	None
	1 Year	None	None
Repurchase Agreements Reverse Repurchase Agreements Medium-Term Corporate Notes	92 Days	20% of Base	None
	5 Years	30%	None
Mutual Funds Money Market Mutual Funds	N/A N/A	20% 20% 20%	10% 10% None
Mortgage Pass-Through Securities County Pooled Investment Funds Local Agency Investment Fund	5 Years N/A N/A	None None	None None
Joint Powers Authority Pools	N/A	None	None

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk.

At June 30, 2019, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's Investment Pool	Unrated	Not Applicable \$	2,620,167

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

California Government Code requires that a financial institution secure deposits made by State or Local Governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having value of 105% of the secured deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in Interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

5. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

E. Accounts Receivable

Accounts receivable at June 30, 2019, consisted of intergovernmental grants, entitlements, interest and other local sources as follows:

		General Fund	Nonmajor Governmental Funds		Total
Federal Government:	-			_	40.000
Special Education	\$	48,302 \$	-	\$	48,302
Title I		17,353			17,353
Child Nutrition Program		-	54,322		54,322
Other Federal Programs		28,960	-		28,960
State Government:			4 C C C C		15,609
Child Development Programs			15,609		7,741
Lottery		7,741	P		•
Special Education		36,798	-		36,798
Child Nutrition Program		-	3,823		3,823
Other State Programs		7,567	-		7,567
Local Sources:		05.000			25,000
After School Programs		25,000	-		301,000
Charter School Fees		301,000			•
ROP Program		18,263	-		18,263
Other Local Revenues		-	2,246		2,246
Total	\$_	490,984	76,000	\$	566,984

All accounts receivable are considered to be collectible in full and as such no allowance for doubtful accounts has been established.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

F. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

		Beginning Balances	Increases	Decreases		Ending Balances
Governmental activities:						
Capital assets not being depreciated:			ф		æ	50,870
Land	\$	50,870 \$	- \$	-	\$	• •
Work in progress	_		261,937	<u>-</u>		261,937 312,807
Total capital assets not being depreciated	_	50,870	261,937			312,007
Capital assets being depreciated:			00.074			4,301,616
Buildings		4,265,345	36,271	-		164,800
Improvements		164,800		-		
Equipment		1,276,946	69,519			1,346,465
Total capital assets being depreciated	Lare o	5,707,091	105,790	<u> </u>		5,812,881
Less accumulated depreciation for:						(0.055.000)
Buildings		(2,227,315)	(127,775)	-		(2,355,090)
Improvements		(139,800)	(5,000)	-		(144,800)
Equipment		(1,040,311)	(49,821)			(1,090,132)
Total accumulated depreciation		(3,407,426)	(182,596)	-		(3,590,022)
Total capital assets being depreciated, net		2,299,665	(76,806)			2,222,859
Governmental activities capital assets, net	\$_	2,350,535 \$	185,131_\$_		= \$=	2,535,666
Depreciation was charged to functions as follows:						
Instruction	\$	110,105				
Pupil Services		50,762				
Community Services		4,747				
General Administration		4,017				
Plant Services		12,965				
	\$	182,596				

G. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2019, consisted of the following:

Due To Fund	Due From Fund	 Amount	Purpose
General Fund General Fund Child Development Fund Cafeteria Fund	Child Development Fund Cafeteria Fund General Fund General Fund Total	\$ 119,654 97,000 64,633 39,766 321,053	Reimburse Expenses Reimburse Expenses Program Contribution Program Contribution

All amounts due are scheduled to be repaid within one year.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2019, consisted of the following:

Transfers From	Transfers To		Amount	Reason
General Fund	Child Development Fund Cafeteria Fund	\$		Program Contribution Program Contribution
General Fund	Total	\$_	104,399	

H. Accounts Payable

Accounts payable at June 30, 2019, were as follows:

	General Fund	Nonmajor Governmental Funds	Total
Accounts Payable: Vendor payables Payroll and benefits Property tax transfers	\$ 304,313 S 33,858 624,881	1,658	306,364 35,516 624,881
Total	\$ 963,052	3,709_\$	966,761

I. <u>Unearned Revenue</u>

Unearned revenue at June 30, 2019, were as follows:

	G	aeneral
		Fund
Federal Programs: Title If Supporting Effective Instruction	\$	2,993

J. Short-Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources. For the year ended June 30, 2019, the District did not enter into any short term debt agreements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

K. Fund Balance Classifications of the Governmental Funds

As of June 30, 2019 fund balance classifications in governmental funds consisted of the following:

		General Fund	Nonmajor Governmental Funds		Total Governmental Funds
Nonspendable Fund Balances Revolving Cash Stores Inventory	\$	5,300 \$	16,334	\$	5,300 16,334 21,634
Total Nonspendable	_	5,300	16,334		21,034
Restricted Fund Balances Capital Projects			42,018		42,018
Educational Programs		12,810	12,148		24, 9 58
Mental Health		56,670	-		56,670
Child Nutrition		-	242		242
Total Restricted		69,480	54,408	-	123,888
Assigned Fund Balances Educational Programs		153,053	-		153,053
Total Assigned	_	153,053	-		153,053
Unassigned Fund Balances		181,775	-		181,775
For Economic Uncertainty		1,758,731	_		1,758,731
Other Unassigned Total Unassigned	_	1,940,506			1,940,506
Total Fund Balance	\$_	2,168,339	70,742	= \$	2,239,081

L. Long-Term Obligations

Long-Term Obligation Activity

Long-term obligations include debt and other long-term flabilities. Changes in long-term obligations for the year ended June 30, 2019, are as follows:

•		Beginning Balance	Increases	Decreases		Ending Balance	Amounts Due Within One Year
Governmental activities: Net pension liability	\$	2,531,872 \$	236,727 \$ 32,211	-	\$	2,768,599 \$ 333,361	- -
Total OPEB liability Compensated absences * Total governmental activities	\$_	301,150 7,076 2,840,098 \$_	32,211 3,044 271,982 \$		\$_ \$_	10,120 3,112,080 \$	10,120 10,120

^{*} Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General Fund

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

3. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2019 amounted to \$10,120. This amount is included as part of long-term liabilities in the government-wide financial statements.

4. Net Pension Liability

The District's beginning net pension liability was \$2,531,872 and increased by \$236,727 during the year ended June 30, 2019. The ending net pension liability at June 30, 2019 was \$2,768,599. See Note R for additional information regarding the net pension liability.

5. Total OPEB Liability

The District's beginning total OPEB liability was \$301,150 and increased during the year ended June 30, 2019 by \$32,211. The ending net OPEB liability at June 30, 2019 was \$333,361. See Note S for additional information regarding the net OPEB liability.

M. Deferred Outflows of Resources

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the net pension liability measurement date and other items related to pension are recorded as deferred outflows of resources.

In accordance with GASB Statement No. 75, certain items related to OPEB are recorded as deferred outflows of resources.

A summary of the deferred outflows of resources as of June 30, 2019 is as follows:

Description	Amortization Term	 Balance July 1, 2018	Additions	Current Year Amortization	Balance June 30, 2019
Pension related	Varies	\$ 976,418 \$	537,582 \$	505,439 \$	• •
OPEB related	Varies	-	6,188	<u>~</u>	6,188
Total Deferred Outflows of Resources		\$ 976,418 \$	543,770 \$	505,439 \$	1,014,749

Future amortization of deferred outflows of resources is as follows:

Year Ending		Pension		OPEB		
June 30		Related		Related		Total
2020	- \$ _	579,673	\$	665	\$	580,338
2021		208,682		665		209,347
2022		173,034		665		173,699
2023		47,172		665		47,837
2024		-		665		665
Thereafter		-		2,863		2,863
Total	\$	1,008,561	\$_	6,188	\$_	1,014,749
					_	

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

N. <u>Deferred Inflows of Resources</u>

In accordance with GASB Statement No. 68 & 71, certain items related to pension are recorded as deferred inflows of resources.

In accordance with GASB Statement No. 75, certain items related to OPEB are recorded as deferred inflows of resources.

A summary of the deferred inflow of resources as of June 30, 2019 is as follows:

Description	Amortization Term	 Balance July 1, 2018	Additions	Current Year Amortization	Balance June 30, 2019
Pension related OPEB related	4 Years Varies	\$ 903,478 \$ 1,836	114,607 \$	321,062 \$ 1,836 322,898 \$	697,023
Total Deferred Inflows of Resources		\$ 905,314 \$_	114,607 \$	322,090 Q	037,020

Future amortization of deferred inflows of resources is as follows:

Year Ending		Pension
June 30		Related
2020	\$	270,783
2021		257,978
2022		145,346
2023		22,916
Total	\$_	697,023

O. Adjustment to Beginning Balance

During the fiscal year ended June 30, 2019, the District recognized and made adjustments to equipment accumulated depreciation due to a clerical error in the calculation of depreciation expense for equipment in the prior year.

A summary of adjustments to beginning balance are as follows:

	Government Wide Financial Statements
Beginning Net Position - Originally Stated	\$ 2,292,546
Adjustments for Correction of an Error: Accumulated Deprectation Total Adjustments	290,786 290,786
Beginning Net Position - As Restated	\$ <u>2,583,332</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

P. <u>Joint Ventures (Joint Powers Agreements)</u>

The District participates in two joint powers agreement (JPA) entities, the San Diego County Schools Risk Management (SDCSRM) and the Fringe Benefit Consortium (FBC). The relationship between the District and the JPA is such that the JPA is not a component unit of the District.

The JPAs arrange for and provide for various types of insurances for its member districts as requested. The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs.

Financial information on the District's share of the SDCSRM JPA for the year ended June 30, 2019 was not available at the time this report was issued. The information can be obtained by contacting the JPA directly.

Combined condensed unaudited financial information of the District's share of the FBC for the year ended June 30, 2019 is as follows:

IS IOIIOWS.			Health			Total
		Dental	& Welfare		Vision	FBC
Total Assets	\$	3.185 \$	N/A	- \$-	14,553 \$	17,738
Total Liabilities	¥	-	N/A		2,144	2,144
Total Net Position	\$	3,185 \$	N/A	\$	12,409 \$	15,594
Total Cash Receipts	\$	72 \$	N/A	\$	6,687 \$	6,759
Total Cash Disbursements		-	N/A		6,707	6,707
Change in Net Position	\$	72 \$	N/A	\$	(20) \$	52

N/A - The District does not partcipate in the Health & Welfare fund of the FBC.

Q. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- b. Theft of, damage to, or destruction of assets,
- c. Business interruption,
- d. Errors or omissions,
- e. Job related illnesses or injuries to employees,
- f. Natural disasters,
- g. Other risks associated with public entity risk pools

Risk management is the process of managing the District's activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention (self-insurance), risk transfer to and from an insurer, and risk transfer to a noninsurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

The District purchases insurance through joint powers authorities. The District is not obligated to cover any losses beyond the premiums paid for the insurance costs. As a result there has not been a liability recorded for incurred but not reported claims.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

R. Pension Plans

1. General Information About the Pension Plans

a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plans' provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Quic	TILO
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.1 - 2.4%	1.0 - 2.4%*
Required Employee Contribution Rates (at June 30, 2019)	10.250%	10.205%
Required Employer Contribution Rates (at June 30, 2019)	16.280%	16.280%
Required State Contribution Rates (at June 30, 2019)	14.772%	14.772%

CalSTRS

o intho

^{**}The rate imposed on CalSTRS 2% at 62 members is based on the normal cost of benefits.

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 55	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0- 2.5%
Required Employee Contribution Rates (at June 30, 2019)	7.000%	7.000%
Required Employer Contribution Rates (at June 30, 2019)	18.062%	18,062%
State Contribution Rates (at June 30, 2019)	7.971%	7.971%

^{*}Amounts are limited to 120% of Social Security Wage Base.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2019 (measurement date June 30, 2018), Section 22950 of the California Education Code requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CaiSTRS Board have been established at 16.28% of creditable compensation for the fiscal year ended June 30, 2019. Rates are defined in Section 22950.5 through the fiscal year ending June 30, 2021. Beginning in the fiscal year ending on June 30, 2022 and for each fiscal year thereafter, the CaiSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary.

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018), the employee contribution rate was 7.00% and the employer contribution rate was 18.062% of covered payroll.

On Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018) the State contributed 14.772% of salaries creditable to CalSTRS. The contributions made by the State during the fiscal year ended June 30, 2019 included amounts resulting from Senate Bill (SB) 90 settlement in which the State contributed an additional \$2.2 Billion to CalSTRS on behalf of the Districts during the 2018-19 fiscal year in order to reduce contribution rates for Districts in 2019-20 and 2020-21. The contribution resulting from SB 90 made up 42% of the total contributions made by the State on behalf of the District. Consistent with the requirements of GASB 85, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year.

Contributions made by the State on behalf of the District and the State's pension expense associated with District employees for the the past three fiscal years are as follows:

CalSTRS					
alf					
n					
se					
,488					
,206					
7,920)					

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

CalPERS				
	On Behalf	On Behalf	On Behalf	
Year Ended	Contribution	Contribution	Pension	
June 30,	Rate	Amount	Expense	
2019	7.971% \$	57,157 \$	-	

d. Contributions Recognized

For the fiscal year ended June 30, 2019 (measurement period June 30, 2018), the contributions recognized for each plan were:

Fund Financial Statements					
(Current Financial Resources Measurement Focus)					
CalSTRS CalPERS	Total				
\$ 172,193 \$ 129,521 \$	301,714				
156,239 57,157	213,396				
\$ 328,432 \$ 186,678 \$	515,110				
Government-Wide Financial Sta	tements				
(Economic Resources Measureme	ent Focus)				
CalSTRS CalPERS	Total				
\$ 133,508 \$ 90,684 \$	224,192				
156,239 57,157	213,396				
\$ 289,747 \$ 147,841 \$	437,588				
	Current Financial Resources Measur				

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

Proportionate

	P	roponionate
	S	Share of Net
	Pe	nsion Liability
CalSTRS	\$	1,601,020
CalPERS		1,167,579
Total Net Pension Liability	\$	2,768,599

The District's net pension liability for each Pian is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to measurement date June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2018 and June 30, 2019 were as follows:

	CalSTRS			CalPERS	
	District's	State's Proportionate	Total For District	District's Proportionate	
	Proportionate Share	Share*	Employees	Share	
Proportion June 30, 2018	0.0016%	0.0009%	0.0025%	0.0044%	
Proportion June 30, 2019	0.0017%	0.0010%	0.0027%	0.0044%	
Change in Proportion	0.0001%	0.0001%	0.0002%		

^{*}Represents State's proportionate share on behalf of District employees.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

a. Pension Expense

For the measurement period ended June 30, 2018 (fiscal year June 30, 2019), pension expense was recognized as follows:

		CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$	125,035 \$	111,693 \$	236,728
State On Behalf Pension Expense		(27,920)	-	(27,920)
Employer Contributions to Pension Expense		172,193	129,521	301,714
(Increase)/Decrease in Deferred Outflows of Resources				•
Employer Contributions Subsequent to Measurement Date		(35,887)	(38,352)	(74,239)
Difference Between Actual & Expected Experience		1,274	(45,191)	(43,917)
Change in Assumptions		63,802	25,362	89,164
Change in Proportionate Shares		(83,235)	16,123	(67,112)
Net Difference Between Projected & Actual Earnings		150	63,811	63,961
Increase/(Decrease) in Deferred Inflows of Resources				
Difference Between Actual & Expected Experience		1,073	L	1,073
Change in Assumptions		-	(12,663)	(12,663)
Change in Proportionate Shares		(146,102)	(25,616)	(171,718)
Net Difference Between Projected & Actual Earnings		19,482	(42,629)	(23,147)
Total Pension Expense	\$_	89,865 \$	182,059 \$	271,924

b. Deferred Outflows and Inflows of Resources

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Differences between actual and expected experience
Changes in assumptions
Change in employer's proportionate share
Net difference between projected and actual earnings
Total Deferred Inflows of Resouces

Deferred Outflows of Resources						
CalSTRS CalPERS Total						
\$	172,193 \$	129,521	\$	301,714		
	3,820	97,276		101,096		
	191,404	139,149		330,553		
	132,798	46,026		178,824		
	215	96,159		96,374		
\$_	500,430 \$	508,131	\$	1,008,561		

Deferred Inflows of Resources							
	CalSTRS	CalPERS	Total				
\$	(1,472)\$	-	\$ (1,472)				
	-	(12,663)	(12,663)				
	(359,699)	(76,442)	(436,141)				
	(159,176)	(87,571)	(246,747)				
\$	(520,347)\$	(176,676)	\$ (697,023)				

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2020. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended		Deferred Outflows	of Resources	Deferred Inflows of	of Resources	Net Effect
June 30	-	CalSTRS	CalPERS	CalSTRS	CalPERS	on Expenses
2020		289,202 \$	290,471 \$	(195,105)\$	(75,678)\$	308,890
2020	Ψ	92,143	116,539	(194,964)	(63,014)	(49,296)
2022		92,080	80.954	(116,352)	(28,994)	27,688
2023		27.005	20,167	(13,926)	(8,990)	24,256
Total	\$	500,430 \$	508,131 \$	(520,347)\$	(176,676)\$	311,538

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2019 were based on actuarial valuations which were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2018	June 30, 2018
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions: Discount Rate Inflation Wage Growth Investment Rate of Return Post Retirement Benefit Increase Mortality	7.10% 2.75% 3.50% 7.10% (1)	7.15% 2.50% (3) 7.15% (4) (5)

- (1) CalSTRS post retirement benefit increases assumed at 2% simple for DB (annually) maintaining 85% purchasing power level for DB. Increases are not applicable for DBS/CBB.
- (2) CalSTRS projects mortality by setting the projection scale equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table issued by the Society of Actuaries.
- (3) Wage growth is a component of inflation for CalPERS assumptions.
- (4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.
- (5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

WARNER UNIFIED SCHOOL DISTRICT NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the District bond rate calculation is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. The last ALM completed by CalSTRS was conducted in 2015. CalSTRS is in process of completing the next ALM and expects to complete the process by November 2019. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and 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 rounded down to the nearest quarter of one percent.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

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

CalSTRS	Assumed	Long Term
	Asset	Expected Real
Asset Class	Allocation	Rate of Return'
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Estate	13.00%	5.20%
Private Equity	13.00%	9.30%
Risk Mitigating Strategies	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Cash/Liquidity	2.00%	-1.00%

*20 year average

Liquidity

CalPERS			
	Assumed	Real Return	Real Return
	Asset	Years	Years
Asset Class*	Allocation	1-10**	11+***
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%

^{*} In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

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

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

1.00%

		CalSTRS		CalPERS	
1% Decrease Net Pension Liability	\$	6.10% 2,345,307	\$	6.15% 1,699,940	
Current Discount Rate Net Pension Liability	\$	7.10% 1,601,020	\$	7.15% 1,167,579	
1% Increase Net Pension Liability	\$	8.10% 983,934	\$	8.15% 725,910	

^{**} An expected inflation of 2.00% used for this period

^{***} An expected inflation of 2.92% used for this period

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

f. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

CalSTRS - Governmental Activities

			Incr	ease (Decrease)		
		Total	Plan	Net	State's Share	District's Share
		Pension	Fiduclary	Pension	of Net Pension	of Net Pension
•		Liability	Net Position	Liability	Liability	Liability
		(a)	(b)	(a) - (b)	(c)	(a) - (b) - (c)
Balance at June 30, 2018						
(Previously Reported)	\$	7,702,473 \$	5,349,775 \$	2,352,698 \$	876,713	1,475,985
Observed for the week						
Changes for the year:			(13,963)	13,963	5,095	8,868
CalSTRS Auditor Adjustment		602,513	418,477	184,036	49,015	135,021
Change in Prop share		195,905	-	195,905	71,491	124,414
Service Cost		589,635		589,635	215,175	374,460
Interest		565,005		000,000		
Differences between						
expected and actual		(2,578)	_	(2,578)	(941)	(1,637)
experience		(2,370)		(2,010)	ζ- · · /	V - / - /
Contributions:			133,493	(133,493)	(48,715)	(84,778)
Employer		-	95,902	(95, 9 02)	(34,997)	(60,905)
Employee		-	76,713	(76,713)	(27,995)	(48,718)
State On Behalf Payments		-	512,215	(512,215)	(186,922)	(325,293)
Net Investment Income		~	2,884	(2,884)	(1,052)	(1,832)
Other Income		-	2,004	(2,00.7	(,,,,,,	(-/ /
Benefit Payments, including						
refunds of employee		(000.740)	(398,742)	_	=	_
contributions		(398,742)	(5,927)	5.927	2,163	3,764
Administrative Expenses		-	(2,585)	2,585	943	1,642
Borrowing Costs		<u></u>	(2,385)	46	17	29
Other Expenses	_		(40)			
Net Changes		986,733	818,421	168,312	43,277	125,035
Balance at June 30, 2019	\$	8,689,206 \$	6,168,196 \$_	2,521,010	919,990	\$1,601,020

WARNER UNIFIED SCHOOL DISTRICT NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

		Total Pension	Plan Fiduciary	Net
			Fiduciary	m t
		1.1-1-00		Pension
		Liability	Net Position	Liability
		(a)	(b)	(a) - (b)
Balance at June 30, 2018	\$	3,753,845 \$	2,697,959 \$	1,055,886
-	Ψ_	-, -,,,, -	```` 	· · · · · · · · · · · · · · · · · · ·
(Previously Reported) Changes for the year:				
		(37,343)	(26,839)	(10,504)
Change in Proportionate Share		95,142	(==,===)	95,142
Service Cost		269,997	-	269,997
Interest		200,007		,_,
Differences between expected and		81,139	~	81,139
actual experience		19,708	· -	19,708
Change in Assumptions		10,100		,
Contributions:		-	90,682	(90,682)
Employer		_	41,731	(41,731)
Employee		_	223,113	(223,113)
Net Investment Income		-	-	~
Plan to Plan Resource Movement				
Benefit Payments, including refunds		(177,486)	(177,486)	_
of employee contributions		(177,100)	(4,048)	4,048
Administrative expenses		_	(7,689)	7,689
Other expenses	-		(1,000)	.,,,,,,
Net Changes	~-	251,157	139,464	111,693
Balance at June 30, 2019	\$_	4,005,002 \$	2,837,423_\$_	1,167,579

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

S. Postemployment Benefits Other Than Pension Benefits

1. General Information About the OPEB Plan

Plan Description

The District's defined benefit OPEB plan, Warner Unified School District Retiree Health Care Plan (the Plan) provides OPEB for retirees and their eligible dependents that meet eligibility requirements until age 65. Retirees and their eligible dependents in the plan are eligible for the same medical plans as active employees. The Plan is a single-employer defined benefit OPEB plan administered by the District. Authority to establish and amend the benefit terms and financing requirements lie with the District's board of directors. No assets are accumulated in a trust that meets the critera in Paragraph 4 of GASB Statement No. 75.

The District provides retiree medical benefits (including prescription drug), dental and vision benefits to eligible retirees to age 65. Eligibility for retiree health coverage requires retirement under STRS or PERS on or after age 56 with at least 20 years of District service. The District's Ilnancial obligation is to pay 100% of the cost of coverage for retiree only coverage. The retiree may elect coverage for eligible spouses and dependents but is responsible for the cost of coverage based on the active group rates. Spouse and dependent coverage (except COBRA continuation) ceases upon the death of the retiree or when the retiree reaches age 65. Some employees may have contracts requiring additional District contributions.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

> The District participates in the California Schools VEBA for its medical and denial coverage. The VEBA is considered a community-rated plan. Premium rates may vary by plans selected, coverage tier and Medicare eligibility. All premiums are determined by the pool with the District's active and retired employees pooled together. The premiums that are charged for retiree medical and prescription drug coverage under age 65 are the same as the premiums charged for active coverage. Thus, the District is also providing a "rate subsidy" to the retirees by charging them a blended rate for coverage rather than a retiree only rate.

> The District currently offers a UHC HMO and a Kaiser HMO for medical coverage and a Delta Dental Plan. The District participates in the San Diego County Office of Education Fringe Benefit Consortiums for its vision coverage.

Employees Covered by Benefit Terms

At June 30, 2019, the following retirees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	35
Total number of participants	38

Total OPEB Liability 2.

The District's total OPEB liability of \$333,361 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75% per annum
Salary Increases	3.00% per annum, in aggregate
Discount Rate	3.15% per annum
Healthcare Cost Trend Rates	7.0% decreasing to 5.00%
Retiree's Share of Costs	0.00% of projected premiums

The discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO 20 Year Bond Index.

Mortality rates are based on the most recent rates used by CalPERS and CalSTRS for pension valuations. The CalPERS mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. The CalSTRS mortality table was developed based on CalSTRS specific data. The table includes mortality improvements set at 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of CalPERS actuarial experience study for the period July 1, 1997 through June 30, 2011 and the CalSTRS experience study for the period July 1, 2010 through June 30, 2015.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Changes in Total OPEB Liability	· ·	Ial OPEB Lability
Balance at June 30, 2018	\$	301,150
Changes for the year: Service cost Interest Changes in assumptions or other inputs Benefit payments Net changes		36,299 11,388 8,689 (24,165) 32,211
Balance at June 30, 2019	\$	333,361

There were no changes in benefit terms for the fiscal year ended June 30, 2019.

There was a change in assumptions during the fiscal year ended June 30, 2019 changing the discount rate from 3.50% to 3.15%.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.15%) or 1-percentage-point-higher (4.15%) than the current discount rate:

	 Decrease [2.15%]	(3.15%)	1% Increase (4.15%)
Total OPEB Liability	\$ 359,572 \$	333,361 \$	309,194

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower (6.00% decreasing to 4.00% per year) or 1-percentage-point higher (8.00% decreasing to 6.00% per year) than the current healthcare cost trend rates:

		Healthcare Cost Trend	
	1% Decrease 6.00% decreasing to	Rate 7.00% decreasing to	1% Increase 8.00% decreasing to
Total OPEB Liability	4.00% \$ 296,938 \$	5.00% 333,361 \$	6,00%

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

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

For the year ended June 30, 2019 the District recognized OPEB expense of \$48,352. At June 30, 2019 the District reported deferred outflows of resources related to the following sources:

Deferred Outflows of Resources

Changes of assumptions

\$ 6,188

At June 30, 2019 the District dld not report any deferred inflows of resources relating to OPEB.

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

		ange in
Year ending	_	PEB
June 30,	Ex	pense
2020	\$	665
2021		665
2022		665
2023		665
2024		665
Thereafter		2,863
Total	\$	6,188

T. Commitments and Contingencies

Litigation

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to view and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

U. Subsequent Events

Implementation of New Accounting Guidance

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2020. Those newly implemented pronouncements are as follows:

GASB 84 - Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The District expects adjustments to be made to the financial statements resulting from implementation of this GASB Statement but does not expect the adjustments to be material to the financial statements.

GASB 90 - Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or a permanent fund. Those governments and funds should be measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The District does not currently hold any equity interests in legally separate organizations and as such does not anticipate any adjustments to be made to the financial statements as a result of implementing this GASB Statement.

Required Supplementary Information
Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2019

	_	Budgeted Original	d Ar	nounts Final		Actual		ariance with Final Budget Positive (Negative)
Revenues: LCFF Sources: State Apportionment or State Aid Education Protection Account Funds Local Sources	\$	1,901,199 294,730 127,021	\$	2,007,995 338,034 153,331	69	1,955,962 408,230 59,937	\$	(52,033) 70,196 (93,394)
Federal Revenue Other State Revenue Other Local Revenue Total Revenues	_	369,443 218,162 740,801 3,651,356	_	564,069 249,015 617,258 3,929,702	_	383,216 411,555 592,712 3,811,612	_	(180,853) 162,540 (24,546) (118,090)
Expenditures: Current: Certificated Salaries Classified Salaries Employee Benefits Books And Supplies Services And Other Operating Expenditures Other Outgo Capital Outlay Total Expenditures		1,120,702 686,434 868,203 284,248 1,033,975 30,000 - 4,023,562		1,210,393 772,624 942,060 352,324 959,138 - 346,037 4,582,576		1,154,136 827,670 959,201 321,207 865,573 - 344,273 4,472,060		56,257 (55,046) (17,141) 31,117 93,565 - 1,764 110,516
Excess (Deficiency) of Revenues Over (Under) Expenditures	_	(372,206)		(652,874)	_	(660,448)	-	(7,574)
Other Financing Sources (Uses): Transfers Out Total Other Financing Sources (Uses)	- -	(70,000) (70,000) (442,206)	-	(50,000) (50,000) (702,874)	_	(104,399) (104,399) (764,847)	-	(54,399) (54,399) (61,973)
Net Change in Fund Balance Fund Balance, July 1 Fund Balance, June 30	\$_	2,780,133 2,337,927	\$	2,780,133 2,077,259	\$	2,780,133 2,015,286	\$	(61,973)

WARNER UNIFIED SCHOOL DISTRICT SCHEDULE OF THE DISTRICT'S PROPORTIONATE

SHARE OF THE NET PENSION LIABILITY
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

						Fiscal Year	iar iar								
		2019	2018	2017	2016	2015	2014		2013		2012	20	2011		2010
District's proportion of the net pension liability (asset)		0.0017%	0.0016%	0.0020%	0.0026%	0.0024%	N/A		N/A		N/A		N/A		N/A
District's proportionate share of the net pension liability (asset)	47	1,601,020 \$	1,475,985 \$	1,628,352 \$	1,748,426 \$	1,390,012 \$	N/A	↔	N/A	69	N/A	€9	N/A	₩	N/A
State's proportionate share of the net pension liability (asset) associated with the District		919,989	876,478	1,132,337	875,211	934,989	N/A		N/A		N/A		N/A		N/A
Total	₩	2,521,009 \$ 2,352,463 \$	2,352,463 \$	\$ 689'09'2	2,623,637 \$	2,325,001 \$	N/A	ا ا	N/A	S	N/A	6	N/A	6	N/A
District's covered-employee payroll	€9	925,211 \$	843,839 \$	1,000,261 \$	1,200,138 \$	1,054,000 \$	A/A	↔	A/A	69	N/A	€₽	N/A	€	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payrol!		173.04%	174.91%	162.79%	145.69%	131.88%	N/A		N/A		N/A		N/A		N/A
Pian fiduciary net position as a percentage of the total pension liability	95	70.99%	69.46%	70.04%	74.02%	76.52%	N/A		A/N		N/A		N/A		N/A

^{*} This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

WARNER UNIFIED SCHOOL DISTRICT SCHEDULE OF DISTRICT CONTRIBUTIONS CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM LAST TEN FISCAL YEARS *

						Fiscal Year	ear								
		2019	2018	2017	2016	2015	2014		2013		2012		2011		2010
Contractually required contribution	₩	172,193 \$	133,508 \$	106,155 \$	107,328 \$	106,572 \$	A/N	49	N/A	⇔	N/A	69-	A/A	€	N/A
Contributions in relation to the contractually required contribution		(172,193)	(133,508)	(106,155)	(107,328)	(106,572)	N/A		N/A		N/A		NA		N/A
Contribution deficiency (excess)	€	φ ,	ф 	6	\$	\$	N/A	69	N/A	49	N/A	Ө	N/A	 	N/A
District's covered-employee payroll	₽	1,057,697 \$	925,211 \$	843,839 \$	1,000,261 \$	1,200,138 \$	N/A	69 -	N/A	es-	N/A	€9.	N/A	છ	A/A
Contributions as a percentage of covered-employee payroll		16.28%	14.43%	12.58%	10.73%	8.88%	N/A		N/A		N/A		N/A		N/A

^{*} This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

WARNER UNIFIED SCHOOL DISTRICT SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM LAST TEN FISCAL YEARS*

	2010	N/A	N/A	N/A	N/A	N/A
	22	2	∠ ⇔	∠ &}	<u>ح</u>	2
	2011	N/A	A/A	N/A	N/A	Z/A
		~	₽	<i>⊊</i>	<i>-</i>	Com.
	2012	N/A	A/A	A/A	N/A	A/N
			es	69		
	2013	N/A	ď/Z	A/N	N/A	NA
			↔	6 A		
ख	2014	N/A	NA	N/A	N/A	N/A
Fiscal Year	2015	0.0051%	584,300 \$	541,173 \$	107.97%	83.38%
	2016	0.0052%	766,253 \$	578,099 \$	132.55%	79.43%
	2017	0.0040%	798,783 \$	489,770 \$	163.09%	73.90%
	2018	0.0044%	1,055,887 \$	\$ 990'989	180.17%	71.87%
	2019	0.0044%	1,167,579 \$	583,890 \$	199.97%	70.85%
			€	47	de et	ntage
		District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability

^{*} This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

WARNER UNIFIED SCHOOL DISTRICT SCHEDULE OF DISTRICT CONTRIBUTIONS CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM LAST TEN FISCAL YEARS *

						Fiscal Year	ear								
		2019	2018	2017	2016	2015	2014		2013	CA	2012		2011		2010
Contractually required contribution	₩	129,521 \$	90,684 \$	78,893 \$	58,023 \$	68,048 \$	N/A	≀7	A/N	€9-	N/A	₩	A/N	↔	N/A
Contributions in relation to the contractually required contribution		(129,521)	(90,684)	(78,893)	(58,023)	(68,048)	N/A		A/N		A/N		N/A		N/A
Contribution deficiency (excess)	S	φ 	\$	 - - -	φ)	(N/A	 	N/A	₩	N/A	€	N/A	es	N/A
District's covered-employee payroll	€7-	717,091 \$	\$ 068'889	\$ 990'895	489,770 \$	578,099 \$	N/A	↔	N/A	69	N/A	₩	N/A	€9-	N/A
Contributions as a percentage of covered-employee payrall		18.062%	15.531%	13.888%	11.847%	11.771%	N/A		N/A		A/A		N/A		N/A

^{*} This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

WARNER UNIFIED SCHOOL DISTRICT SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS WUSD RETIREE HEALTH CARE PROGRAM LAST TEN FISCAL YEARS*

								Fiscal	Fiscal Year Ended	nded									
	1	2019	2018	2017		2016		2015		2014		2013		2012		2011		2010	
Total OPEB liability:	1																,	;	
Service cost	69	36,299 \$	35,735 \$	Y/Z	69	N/A	↔	۷/X	€	Α Α	(/)	Z/A	69 -	N/A	63-	N/A	6 9 -	N/A	
Interest		11,388	10,343	N/N		ΑX		N/A		N/A		ΝΆ		N/A		N/A		N/A	
Changes of benefit terms		,		N/A		N/A		N/A		N/A		N/A		N/A		ΝA		N/A	
Differences between expected																			
and actual experience		1	•	A/A		A/A		N/A		N/A		N/A		N/A		N/A		Z/A	
Changes of assumptions or other inputs		8,689	(2,040)	A/A		N/A		X/X		A/N		N/A		N/A		۲ ۲		N/A	
Benefit payments		(24,165)	(22,690)	N/A		A/A		A/A		A/A		A/N		N/A		N/A		N/A	,
Net change in total OPEB liability	I	32,211	21,348	N/A		N/A		N/A		N/A	1	N/A	l I	N/A	•	N/A		N/A	
Total OPEB liability - beginning		301,150	279,802	N/A		N/A		A/A		N/A		X/X		N/A		N/A		N/A	
Total OPEB liability - ending	69	333,361 \$	301,150 \$	N/A	 မရှ 	A/N	 	N/A	S	N/A	€9	N/A	€ 9.	A/A	69 	N/A	69 	NA	- 11
Covered-employee payroll	€	\$ 000,669,1	1,699,000 \$	N/A	₩	N/A	 ₩	N/A	69 I	N/A	€)	A/A	B	N/A	69	N/A	₩.	A/A	
Total OPEB liability as a percentage of covered-employee payroll		19.62%	17.73%	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	

^{*} This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

N/A - 2017-18 fiscal year was the first year of implementation and as such, years previous to implementation are not presented in this schedule.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

Budgetary Comparison Schedule - General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District's Special Reserve Fund for Other Than Capital Outlay (Fund 17) was included with the General Fund. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only.

General Fund - Fund Financial Statements Ending Fund Balance Less Fund 17 Fund Balance General Fund - Budgetary Comparison Schedule Ending Fund Balance	\$ \$	2,168,339 (153,053) 2,015,286
General Fund - Fund Financial Statements Net Change in Fund Balance	\$	(762,436) (2,411)
Change in Fund Balance attributed to Fund 17 General Fund - Budgetary Comparison Schedule Change in Fund Balance	\$	(764,847)

Excess of Expenditures Over Appropriations

As of June 30, 2019, expenditures exceeded appropriations in individual budgeted funds as follows:

Appropriations Category	 Excess Expenditures	Reason for Excess Expenditures
General Fund: Classified Salaries	\$ 55,046	The District underestimated the increase from bargaining agreement increases.
Employee Benefits	17,141	The underestimation resulted from the additional on behalf payment contributions made by the state as a result of SB90 passed on 6/28/19.

Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.

Schedule of District's Proportionate Share - California State Teachers' Retirement System

- 1) Benefit Changes: In 2015, 2016, 2017, 2018, & 2019 there were no changes to benefits
- 2) Changes in Assumptions: In 2015, 2016, 2017 & 2019 there were no changes in assumptions. In 2018 there was a change in discount rate from 7.60% to 7.10%.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, CONTINUED FOR THE YEAR ENDED JUNE 30, 2019

Schedule of District's Contributions - California State Teachers' Retirement System

The total pension liability for California State Teachers Retirement System was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016 & 2017 and rolling forward the total pension liabilities to the June 30, 2014, 2015, 2016, 2017 & 2018 (measurement dates). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation Date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/10
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.60%	7,60%	7.60%
Consumer Price Inflation	3.00%	3,00%	3.00%
Wage Growth (Average)	3.75%	3.75%	3.75%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple
Reporting Period	June 30, 2018	June 30, 2019	
Measurement Date	06/30/17	06/30/18	
Valuation Date	06/30/16	06/30/17	
Experience Study	07/01/10 - 06/30/15	07/01/10 - 06/30/15	
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	
Investment Rate of Return	7.10%	7.10%	
Consumer Price Inflation	2.75%	2.75%	
Wage Growth (Average)	3.50%	3.50%	
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	

CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015 experience study adopted by the CalSTRS board in February 2017. CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries. Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on CalSTRS website.

Schedule of District's Proportionate Share - California Public Employees Retirement System

- 1) Benefit Changes: In 2015, 2016, 2017, 2018 & 2019 there were no changes to benefits
- 2) Changes in Assumptions: In 2015 and 2017 there were no changes in assumptions. In 2016 the discount rate was changed from 7.5% to 7.65%. In 2018 the discount rate was changed from 7.65% to 7.15%. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS experience study and review of Actuarial Assumptions December 2017, there were no changes to the discount rate in this period.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, CONTINUED FOR THE YEAR ENDED JUNE 30, 2019

Schedule of District's Contributions - California Public Employees' Retirement System

The total pension liability was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016, & 2017 and rolling forward the total pension liabilities to June 30, 2014, 2015, 2016, 2017 & 2018 (measurement dates). The financial reporting actuarial valuation as of June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017, and June 30, 2018 (measurement dates) used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Reporting Period Measurement Date Valuation Date Experience Study Actuarial Cost Method Investment Rate of Return Consumer Price Inflation Wage Growth (Average) Post-retirement Benefit Increases	June 30, 2015 06/30/14 06/30/13 07/01/97 - 06/30/11 Entry Age Normal 7.50% 2.75% 3.00% 2.00% Simple	June 30, 2016 06/30/15 06/30/14 07/01/97 - 06/30/11 Entry Age Normal 7.65% 2.75% 3.00% 2.00% Simple	June 30, 2017 06/30/16 06/30/15 07/01/97 - 06/30/11 Entry Age Normal 7.65% 2.75% 3.00% 2.00% Simple
Reporting Period Measurement Date Valuation Date Experience Study Actuarial Cost Method Investment Rate of Return Consumer Price Inflation Wage Growth (Average) Post-retirement Benefit Increases	June 30, 2018 06/30/17 06/30/16 07/01/97 - 06/30/11 Entry Age Normal 7.15% 2.75% 3.00% 2.00% Simple	June 30, 2019 06/30/18 06/30/17 07/01/97 - 06/30/15 Entry Age Normal 7.50% 2.50% 3.00% 2.00% Simple	

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2017 experience study report (based on demographic data from 1997 to 2015) available on CalPERS website.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

- 1) Benefit Changes: In 2018 there were no changes to benefits.
- 2) Changes in Assumptions: in 2018 the District changed the measurement date to June 30, 2018. In 2019 the District changed the discount rate from 3.50% to 3.15%.
- 3) No assets are accumulated in a trust that meets the criteria in GASB Statement No 75 Paragraph 4.
- 4) The following are the discount rates used for each period:

Year	Discount Rate
2018	3.50%
2019	3.15%

Combining Statements as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2019

	1	Special Revenue Funds	_	Capital Projects Fund Capital Facilities Fund	Gi F	Total Nonmajor overnmental Funds (See Exhibit A-3)
ASSETS: Cash in County Treasury	\$	52,304	\$	42,018	\$	94,322
Cash on Hand and In Banks	4,	50	*		•	50
Accounts Receivable		76,000		-		76,000
Due from Other Funds		104,399		_		104,399
Stores Inventories		16,334		-		16,334
Total Assets		249,087		42,018		291,105
LIABILITIES AND FUND BALANCE: Liabilities:						
Accounts Payable	\$	3,709	\$	-	\$	3,709
Due to Other Funds		216,654		<u></u>		216,654
Total Liabilities		220,363				220,363
Fund Balance: Nonspendable Fund Balances:						
Stores Inventories		16,334		-		16,334
Restricted Fund Balances		12,390		42,018		54,408
Total Fund Balance		28,724		42,018		70,742
Total Liabilities and Fund Balances	\$	249,087	\$	42,018	\$	291,105

WARNER UNIFIED SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019				Capital		
				Projects		Total
			_	Fund		Nonmajor
		Special		Capital		overnmental
		Revenue		Facilities		unds (See
		Funds		Fund		Exhibit A-5)
Revenues:					۸.	
Federal Revenue	\$	132,326	\$	-	\$	132,326
Other State Revenue		101,715		-		101,715
Other Local Revenue		3,610	_	6,802		10,412
Total Revenues		237,651	_	6,802	_	244,453
Expenditures:						
Current:						
Instruction		101,373		-		101,373
Pupil Services		247,753		-		247,753
Total Expenditures		349,126	_	-	***************************************	349,126
Excess (Deficiency) of Revenues						
Over (Under) Expenditures		(111,475)		6,802		(104,673)
Other Financing Sources (Uses):						
Transfers In		104,399		-		104,399
Total Other Financing Sources (Uses)		104,399				104,399
Net Change in Fund Balance		(7,076)		6,802		(274)
Fund Balance, July 1		35,800		35,216		71,016
Fund Balance, June 30	\$	28,724	\$	42,018	\$	70,742
			_			

Total

WARNER UNIFIED SCHOOL DISTRICT COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2019

	De	Child velopment Fund	(Cafeteria Fund	l F	Nonmajor Special Revenue unds (See xhibil C-1)
ASSETS: Cash in County Treasury Cash on Hand and in Banks Accounts Receivable Due from Other Funds Stores Inventories Total Assets	\$	52,062 - 15,609 64,633 - 132,304	\$	242 50 60,391 39,766 16,334 116,783	\$	52,304 50 76,000 104,399 16,334 249,087
LIABILITIES AND FUND BALANCE: Liabilities: Accounts Payable Due to Other Funds Total Liabilities	\$	502 119,654 120,156	\$	3,207 97,000 100,207	\$	3,709 216,654 220,363
Fund Balance: Nonspendable Fund Balances: Stores Inventories Restricted Fund Balances Total Fund Balance		12,148 12,148		16,334 242 16,576	_	16,334 12,390 28,724
Total Liabilities and Fund Balances	\$	132,304	\$	116,783	\$	249,087

Total

WARNER UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2019

FOR THE YEAR ENDED JUNE 30, 2019	De	Child evelopment Fund		Cafeteria Fund		Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:			ds	100.006	\$	132,326
Federal Revenue	\$	- 04.050	\$	132,326	φ	101,715
Other State Revenue		31,959 167		69,756 3,443		3,610
Other Local Revenue		32,126		205,525	_	237,651
Total Revenues		32,120		200,020	_	201,001
Expenditures:						
Current:						101.070
Instruction		101,373		- 0.47.750		101,373
Pupil Services		404.070		247,753		247,753 349,126
Total Expenditures		101,373	_	247,753	-	343,120
Excess (Deficiency) of Revenues						
Over (Under) Expenditures		(69,247)		(42,228)	_	(111,475)
Other Financing Sources (Uses):		64,633		39,766		104,399
Transfers In		64,633	_	39,766	-	104,399
Total Other Financing Sources (Uses)		04,000		00,700	_	, , , , , , , , ,
Net Change in Fund Balance		(4,614)		(2,462)		(7,076)
Fund Balance, July 1		16,762		19,038		35,800
Fund Balance, June 30	\$	12,148	\$	16,576	\$	28,724
. #114					_	

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Supplementary Information Section

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2019

The Warner Unified School District was established in 1995. The District boundaries include approximately 432 square miles in Northeast San Diego County. There were no changes in the boundaries of the District during the current year. The District currently operates one elementary school, one middle school, and one high school.

	Governing Board	
Name	Office	Term and Term Expiration
Jeannean Rombal	President	Four year term Expires December 2022
Carolyn Audibert	Vice President	Four year term Expires December 2020
PJ Stoneburner	Clerk	Four year term Expìres December 2022
Melissa Krogh	Member	Four year term Expires December 2020
Melody Sees	Member	Four year term Expires December 2022
	Administration	
	David Macleod Superintendent	
	Andrea Sissons Chief Business Officer	

SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2019

	Second Period Re	eport	Annual R	eport
	Original	evised	Original 6D81F3DD	Revised
TK/K-3: Regular ADA TK/K-3 Totals	66.23 66.23	N/A N/A	67.84 67.84	N/A N/A
Grades 4-6: Regular ADA Grades 4-6 Totals	36.86 36.86	N/A N/A	37.00 37.00	N/A N/A
Grades 7 and 8: Regular ADA Grades 7 and 8 Totals	25.53 25.53	N/A N/A	25.37 25.37	N/A N/A
Grades 9-12: Regular ADA Grades 9-12 Totals	51.67 51.67	N/A N/A	50.76 50.76	N/A N/A
ADA Totals	180.29	N/A	180.97	N/A

N/A- There were no changes to the Second Period or Annual ADA as reported.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. 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 and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2019

Grade Level	Ed. Code Minutes Requirement	2018-19 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multlirack Calendar	Status
Kindergarten	36,000	64,700	180	-	Complied
Grade 1	50,400	57,200	180	-	Complied
Grade 2	50,400	57,200	180	_	Complied
Grade 3	50,400	57,200	180		Complied
Grade 4	54,000	57,200	180	₩	Complied
Grade 5	54,000	57,200	180	-	Complied
Grade 6	54,000	57,200	180	-	Complied
Grade 7	54,000	65,400	180	-	Complied
Grade 8	54,000	65,400	180	-	Complied
Grade 9	64,800	65,400	180	*	Complied
Grade 10	64,800	65,400	180		Complied
Grade 11	64,800	65,400	180	-	Complied
Grade 12	64,800	65,400	180	-	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District met or exceeded its target funding.

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS YEAR ENDED JUNE 30, 2019

	Budget 2020			2247
General Fund	(See Note 1)	2019	2018	2017
Revenues and other financial sources	\$ 4,056,111	\$3,811,612	\$4,118,939	\$ 5,187,659
Expenditures, other uses and transfers out	4,284,697	4,576,459	3,639,506	4,369,926
Change in fund balance (deficit)	(228,586)	(764,847)	479,433	817,733
Ending fund balance	\$1,786,700	\$ 2,015,286	\$2,780,133	\$2,300,700
Available reserves (See Note 2)	\$ 1,621,589	\$1,940,506	\$2,362,708	\$ 1,918,955
Available reserves as a percentage of total outgo (See Note 3)	37.8%	44.4%	66.2%	44.9%
Total long-term debt	\$	\$	\$	\$85,134_
Average daily attendance at P-2	187	180	154	145

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.

The fund balance of the general fund has decreased by \$285,414 over the past two years. The fiscal year 2019-20 budget projects a decrease of \$228,586. For a district of this size, the State recommends available reserves of at least four percent of total general fund expenditures, transfers out and other uses (total outgo).

Total long-term debt has decreased by \$85,134 over the past two years.

Average daily attendance has increased by 35 over the past two years.

Notes:

1 Budget 2020 is included for analytical purposes only and has not been subjected to audit.

2 Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

On behalf payments of \$204,270, \$70,836, and \$98,058 have been excluded from the calculation of available

reserves for the fiscal years ending June 30, 2019, 2018, and 2017.

For financial reporting purposes in the fund financial statements, the Special Reserve Fund for Other Than Capital Outlay (Fund 17) has been combined as part of the General Fund to be in compliance with GASB Statement No. 54. This report is a reflection of activity in the General Fund only.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

		General Fund	Special Reserve Fund - Other (Fund 17)	
June 30, 2019, annual financial and budget report fund balances	\$	2,015,286	\$	153,053
Adjustments and reclassifications:				
Increasing (decreasing) the fund balance:				
GASB Statement No. 54 Inclusion of Fund for Reporting	.,	153,053	_	(153,053)
June 30, 2019, audited financial statement fund balances	\$	2,168,339	\$	

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

TABLE D-5

WARNER UNIFIED SCHOOL DISTRICT SCHEDULE OF CHARTER SCHOOLS YEAR ENDED JUNE 30, 2019

The following charter schools are chartered by Warner Unified School District.

Charter Schools	Charter Number	Included In Audit?	
All Tribes Charter School	#1057	No	
All Tribes Elementary Charter School	#1262	No	
California Pacific Charter School - San Diego	#1758	No	
San Diego Mission Academy	#2020	No	

Other Independent Auditor's Reports



P. Robert Wilkinson, CPA Brian K. Hadley, CPA Aubrey W. Mann, CPA Kevin A. Sproul, CPA

Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards

Board of Trustees Warner Unified School District Warner Springs, California

Members of the Board of Trustees:

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 Warner Unified School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Warner Unified School District's basic financial statements, and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Warner Unified School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Warner Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Warner 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Warner 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

El Cajon, California December 13, 2019

Walkupan Modey King a Co. LLP



P. Robert Wilkinson, CPA Brian K. Hadley, CPA

Aubrey W. Mann, CPA Kevin A. Sproul, CPA

Independent Auditor's Report on State Compliance

Board of Trustees Warner Unified School District Warner Springs, California

Members of the Board of Trustees:

Report on State Compliance

We have audited the District's compliance with the types of compliance requirements described in the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, Section 19810 that could have a direct and material effect on each of the District's state programs identified below for the fiscal year ended June 30, 2019.

Management's Responsibility for State Compliance

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 applicable program as identified in the State's audit guide, 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the State's audit guide, 2018-19 for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, Section 19810. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

Procedures in

Audit Guide Compliance Requirements Performed? LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS: Attendance Accounting: Attendance Reporting Yes Teacher Certification and Misassignments Yes Yes Kindergarten Continuance Independent Study Nσ Continuation Education N/A Yes Instructional Time Yes Instructional Materials..... Ratio of Administrative Employees to Teachers Yes Yes Classroom Teacher Salaries N/A Early Retirement Incentive Yes GANN Limit Calculation Yes School Accountability Report Card Juvenile Court Schools N/A N/A Middle or Early College High Schools K-3 Grade Span Adjustment Yes Transportation Maintenance of Effort Yes Apprenticeship: Related and Supplemental Instruction N/A Comprehensive School Safety Plan Yes N/A District of Choice SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS: California Clean Energy Jobs Act After School Education and Safety Program: Yes After School N/A Before School Yes General Requirements 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 N/A CHARTER SCHOOLS: Attendance N/A Mode of Instruction N/A N/A Nonclassroom-Based Instruction/Independent Study...... Determination of Funding for Nonclassroom-Based Instruction N/A Annual Instructional Minutes - Classroom Based N/A Charter School Facility Grant Program N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform testing for Independent Study. The procedures were not required to be performed since the ADA reported in the program was below the testing threshhold.

Opinion on State Compliance

In our opinion, Warner Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2019.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance outside of the items tested as noted above. This report is an integral part of an audit performed in accordance with the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Whitewar shelly king & Co. LLP El Cajon, California

December 13, 2019

Findings and Recommendations Section

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

A. Summary of Auditor's Results

1.	Financial Statements				
	Type of auditor's report Issued:		<u>Unmodified</u>		
	nternal control over financial reporting:				
	One or more material weaknesse	s identified?	Yes	_ <u>X</u> _	No
	One or more significant deficienc are not considered to be material		Yes	_ <u>X</u> _	None Reported
	Noncompliance material to financial statements noted?		Yes	_X_	No
2.	Federal Awards				
	Internal control over major programs:				
	One or more material weaknesse	s identified?	Yes	_X_	N/A
	One or more significant deficienc are not considered to be material		Yes	_X_	N/A
	Type of auditor's report issued on confor major programs:	npliance	Not Applicable		
	Version of compliance supplement use	ed In audit:	Not Applicable		
	Any audit findings disclosed that are re reported in accordance with Title 2 U Federal Regulations (CFR) Part 200	.S. Code of	Yes	X	N/A
	Identification of major programs:				
	CFDA Number(s)	Name of Federal Program or Clus			
	Not Applicable	Not Applicable			
	Dollar threshold used to distinguish between type A and type B programs:		<u>\$750,000</u>		
	Auditee qualified as low-risk auditee?		Yes	_X_	N/A
3.	State Awards				
	Any audit findings disclosed that are raccordance with the state's Guide for Local Education Agencies and State C		_X_	No	
	Type of auditor's report issued on stat	Unmodified			

WARNER UNIFIED SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

D. State Award Findings and Questioned Costs

None

WARNER UNIFIED SCHOOL DISTRICT SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2019

		Management's Explanation
Finding/Recommendation	Current Status	If Not Implemented

TOPIC:

Consider approval of the Agreement with "LEADER"

Services for the 2019-2020 school year.

DESCRIPTION:

An Agreement between Warner USD/Community

Resource Center ("CLIENT"); LEADER will provide Medi-Cal LEA Billing Option Claiming Services to

CLIENT.

FISCAL IMPACT:

10.0 % for first \$500,000 in annual LBO revenue

9.5 % for second \$500,000 in annual LBO revenue

9.0 % for everything above \$1,000,000 in

Annual LBO revenue.

LEADER's fee will not exceed 10 % of Medi-Cal

reimbursement.

RECOMMENDATION: Recommend approval.

SERVICES AGREEMENT

This Agreement made and entered this January 14, 2020 between Warner USD/Community Resource Center (hereinafter referred to as the "CLIENT") having an address at 30951 Highway 79, Warner Springs, CA 92086-0008 and LDP, Inc. d/b/a Leader Services (hereinafter referred to as "LEADER") having an office at 75 Kiwanis Blvd., West Hazleton, Pennsylvania 18202.

The parties hereto agree that **LEADER** will provide Medi-Cal LEA Billing Option Claiming Services to **CLIENT**. If **CLIENT** enters into subcontract agreements with other organizations for the purpose of incorporating their claiming with that of **CLIENT**, all terms and conditions of this Agreement will be binding for **CLIENT** and **CLIENT** will hold **LEADER** harmless from claims by its subcontracting organizations. **CLIENT** will inform **LEADER** within fourteen (14) days after **CLIENT** has entered into or terminated a contract with another organization.

1. COMMENCEMENT, DURATION AND TERMINATION OF SERVICES

This Agreement will be effective for twelve (12) consecutive months commencing on July 1, 2019 and ending June 30, 2020 for preparing claims for **CLIENT**. Claims will be submitted on a weekly basis.

This Agreement will automatically renew for additional periods of twelve (12) months up to a maximum of five (5) years as authorized by Education Code Section 17596 unless one party has provided written notice of cancellation to the other party not less than thirty (30) days prior to the renewal date.

2. FEE SCHEDULE

- 10.0% for first \$500,000 in annual LBO revenue
- 9.5% for second \$500,000 in annual LBO revenue
- 9.0% for everything above \$1,000,000 in annual LBO revenue

LEADER's fee will not exceed 10% of Medi-Cal reimbursement. This fee is all-inclusive and includes assisting and preparing the CRCS report. Billing fee schedule is enclosed at the end of this agreement.

LEADER shall invoice **CLIENT** each month that Medi-Cal payments are received by **CLIENT**. **LEADER** shall provide a report indicating which claims were submitted and processed for payment to **CLIENT** and the corresponding service fee charged by **LEADER**.

3. OWNERSHIP OF PROGRAMS AND CONFIDENTIALITY OF REPORTS

All computer hardware, operating system software, application software, programs, documentation, specifications, tapes, instruction manuals and similar material utilized and/or developed by **LEADER** in connection with its systems and all patents, trade secrets, copyrights,

trademarks, and other intellectual property rights are, as between **LEADER** and **CLIENT**, the sole and exclusive property of **LEADER**.

CLIENT agrees to make no unauthorized use of these materials and systems and to preserve these materials and maintain the confidentiality of any and all of these materials in its possession.

Medi-Cal LEA Billing Option Agreement 1

4. CONFIDENTIALITY OF DATA

The parties agree that, because of the sensitive nature of data and in view of the proprietary nature of business information, it is essential that all information, data and materials, whether transmitted in hard copy or in electronic media form, be maintained in each party's confidence. Each party agrees for itself, its employees, agents and independent contractors, that all information and/or data and/or materials received from the other party will be held in confidence and each party agrees not to reproduce, disclose, or relinquish any data, information or materials to any party other than an authorized representative of the other party.

The parties agree that, because of the unique nature of the data and/or information and/or materials to be transmitted that money damages for breach of the foregoing provision will be wholly inadequate to fully compensate the aggrieved party and therefore the aggrieved party will be entitled to full temporary and/or permanent injunctive relief against any breach or threat of breach of the foregoing provisions.

LEADER, as both a Covered Entity and Business Associate of **CLIENT**, agrees to adhere to all HIPAA and FERPA requirements related to the electronic transmission of data, privacy and security.

5. INPUT DATA

Accurate, complete, and correct data necessary for **LEADER** to perform its services hereunder will be the sole responsibility of **CLIENT**. **LEADER** will not be responsible for any delays or failure to prepare a claim because of incomplete, inaccurate, or incorrect data provided by **CLIENT**.

LEADER will be responsible for the input of all information given to **LEADER** by **CLIENT** in a reasonably accurate, complete and correct form provided same is provided to **LEADER** by **CLIENT**. Any errors, mistakes or liability in connection with the failure of **LEADER** to input such data, provided such data has been accurately, completely and correctly transmitted to **LEADER**, will be the sole responsibility of **LEADER** and will be corrected by **LEADER**.

6. LIMITATION OF LIABILITY ARISING FROM DEFAULT IN SERVICES

LEADER will not be liable or deemed to be in default for any delays or failure in performance or non-performance or interruption of service under this Agreement resulting from any cause beyond the reasonable control of **LEADER**. **LEADER's** liability, under this Agreement, is limited to the amount paid by client for the services under this Agreement. **LEADER** will not be liable for any indirect, consequential, or incidental damages arising out of this Agreement.

7. OPERATING PROCEDURES

LEADER will be responsible for the processing of all those claims for services rendered by **CLIENT** and its employees, which have been turned over to **LEADER** for processing.

LEADER agrees to:

Provide training, continuing education, and forms required by **CLIENT** staff for the preparation of data required for the submission of the claims to Medi-Cal.

Provide a web application for the entry of billing service transactions by CLIENT staff (STaR).

Maintain knowledge of current billing procedures, rules, and laws for California's Medi-Cal LEA Billing Option claiming program. Maintain knowledge of the Centers of Medicare and Medicaid

Medi-Cal LEA Billing Option Agreement 2

Services (CMS), formerly HCFA, guidelines as they pertain to the provision of services under this Agreement.

Establish and maintain procedures for the timely preparation of claims to Medi-Cal. This includes setting time schedules that must be adhered to by **CLIENT's** staff.

Provide monthly management reports to **CLIENT** as support for the claims submitted to Medi-Cal. Prepare and submit weekly claims to Medi-Cal for payment.

Assign an account manager to provide technical assistance to CLIENT with gathering and maintaining data required for claiming. The account manager will provide all program support to CLIENT and will direct other LEADER resources to CLIENT as required. The account manager will coordinate all training and on-site support activities for CLIENT.

Assist and prepare the Cost and Reimbursement Comparison Schedule (CRCS) report at no charge while a current client.

CLIENT agrees to:

Provide **LEADER**, on a timely basis, all forms and documentation in a manner prescribed by **LEADER** and as required for the successful preparation and submission of claims.

Arrange for **CLIENT** staff to attend mandatory training sessions related to forms completion. Oversee the completion of forms by staff.

Provide a contact person who will serve as coordinator for all **CLIENT** activities. This person will work directly with **LEADER**'s account manager.

Notify LEADER of any errors and/or omissions in information sent to LEADER so that LEADER

may process a claim adjustment for submission to Medi-Cal.

8. GENERAL

- a) ENTIRE AGREEMENT This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.
- b) **SUCCESSORS** This Agreement will be binding upon and inure to the benefit of the successors, assigns and legal representatives of the respective parties hereto. Each party agrees that there are no third party beneficiaries to this Agreement. Neither party may assign this Agreement in whole or in part, without the prior written consent of the non-assigning party except in connection with the sale of all or substantially all of its assets or outstanding capital stock.
- c) ATTORNEYS In the event that either LEADER or CLIENT commences a legal proceeding, each party will pay their own attorney's fees.
- d) **SEVERABILITY** In the event that any term or provision of this Agreement is held to be illegal, invalid or unenforceable under the laws, regulations or ordinances of any federal, state or local government, such term or provision will be deemed severed from this Agreement and the remaining terms and provisions will remain unaffected thereby.
- e) **NOTICES** Any notice sent pursuant to this Agreement will be sent by certified mail to the parties at their respective addresses.

Medi-Cal LEA Billing Option Agreement 3

- f) **STATE LAW** This Agreement will be governed by and construed in accordance with the laws of California.
- g) SURVIVAL OF NON-DISCLOSURE OBLIGATION The obligation of non-disclosure and confidentiality recited in this Agreement will survive the termination of this Agreement and will be in full force and effect notwithstanding such expiration or termination.
- h) ANTI-FRAUD AND ABUSE Notwithstanding anything to the contrary herein this

 Agreement will be subject to all applicable federal, state and local laws, regulations and directives concerning the Medicare/Medicaid and other medical reimbursement fraud and abuse limitations. To the extent anything contained herein purportedly or actually violates or is challenged as violating any of the above laws, statutes, regulations or interpretations, then the provision in question or this entire Agreement, if necessary, will be automatically void and of no effect whatsoever.
- i) DESCRIPTIVE HEADINGS The descriptive headings in this Agreement are for convenience and reference only and in no way affect or alter the intent or effect of this Agreement.

9. EQUAL EMPLOYMENT OPPORTUNITY

It is and has been the policy of **LEADER** to provide equal employment and individual opportunity to all job applicants and employees without regard to race, color, religion, sex, age, national origin, veteran or disability status. It is **LEADER**'s policy not to violate Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, the Americans with Disabilities Act, or any other local, state or federal law, regulation or ordinance prohibiting discrimination in employment.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year below written.

WARNER USD/COMMUNITY RESOURCE CTR LEADER SERVICES

By: By:

Name: Name: Charles J. Mason, Jr.

Title: Title: Chief Financial Officer

Date: Date: January 8, 2020

Medi-Cal LEA Billing Option Agreement 4

Leader Services' LEA Billing Option Fee Schedule - July 1, 2019 Our fees have been consistent since 2015

Type of service Leader Service Fee Psychological (Initial/Triennial Assessment) \$29.05 Psychological (Annual/Amended Assessment) \$9.68 *Psychosocial Status Assessment Therapy (Initial/Annual/Triennial/Amended Assessment) \$1.06 **Psychology/Counseling Services (Individual Treatment) \$4.46 *Psychology/Counseling Services (Additional Individual Treatment) \$1.21 **Psychology/Counseling Services (Group Treatment) \$0.98 *Psychology/Counseling Services (Additional Group Treatment) \$0.20

Nursing (Initial/Triennial Assessment) \$8.15 Nursing (Annual/Amended Assessment) \$4.66 *Registered Nurse Treatment Services \$1.16 *Licensed Vocational Nurse Treatment Services \$0.59 *School Health Aide Treatment Services \$0.50 Physical Therapy (Initial/Triennial Assessment) \$14.04 Physical Therapy (Annual/Amended Assessment) \$9.75 *Physical Therapy (Initial Service - 3 units allowed) \$3.90 *Physical Therapy (Additional Services) \$1.22 Occupational Therapy (Initial/Triennial Assessment) \$13.03 Occupational Therapy (Annual/Amended Assessment) \$9.05 *Occupational Therapy (Initial Service - 3 units allowed) \$4.30 *Occupational Therapy (Additional Time) \$1.13 Speech Therapy (Initial/Triennial Assessment) \$12.19 Speech Therapy (Annual/Amended Assessment) \$6.65 **Speech Therapy (Individual treatment) \$3.69 *Speech Therapy (Additional Individual Treatment) \$1.11 **Speech Therapy (Group Treatment) \$1.36 *Speech Therapy (Additional Group Treatment) \$0.37 Audiology (Initial/Triennial Assessment) \$9.86 Audiology (Annual/Amended Assessment) \$7.40 **Audiology (Initial Treatment) \$4.52 *Audiology (Additional Treatment) \$1.23 Audiology (Fitting/Orientation/Checking Hearing Aid) \$2.88 Medical Transportation (One Way Trip) \$1.02 Medical Transportation Mileage (Per Mile) \$0.07 *Targeted Case Management (Low Cost Provider Rate) \$0.68 *Targeted Case Management (Medium Cost Provider Rate) \$0.79 *Targeted Case Management (High Cost Provider Rate) \$0.90

*Billed in 15 minute time increments

Medi-Cal LEA Billing Option Agreement 5

^{**}Billed in 15-45 continuous minutes

MEDI-CAL ADMINISTRATIVE CLAIMING AGREEMENT

This Agreement made and entered this January 14, 2020 between Warner USD/Community Resource Center hereinafter referred to as the "CLIENT") having an address at 30951 Hwy 79, Warner Springs, California 92086 and LDP, Inc., d/b/a Leader Services (hereinafter referred to as "LEADER") having an office at 75 Kiwanis Blvd., West Hazleton, Pennsylvania 18202.

The parties hereto agree that **LEADER** will provide Medi-Cal Administrative Activities (MAA) Claim Services to **CLIENT** as set forth herein.

1. COMMENCEMENT, DURATION AND TERMINATION OF SERVICES

This Agreement will be effective for twelve (12) consecutive months commencing July 1, 2019 for preparing Medi-Cal Administrative Activities claims for **CLIENT** on a quarterly basis. The quarters are the three-month periods of January through March, April through June, July through September, and October through December.

This Agreement will automatically renew for additional periods of twelve (12) months up to a maximum of five (5) years as authorized by Education Code Section 17596 unless one party has provided written notice of cancellation to the other party not less than thirty (30) days prior to the renewal date. An amendment may be added each renewal year to adjust the consultant fee schedule.

If CLIENT terminates this Agreement, LEADER will continue its processing of all quarterly claim periods prior to the quarter following the termination date. Due to the length of time it takes to process and complete the MAA invoicing and payment cycle, LEADER will continue to process any and all outstanding quarters for which it has provided services.

2. CONSULTANT FEE SCHEDULE

This professional consultant service agreement commences July 1, 2019 and will be in force until the final MAA claim. **LEADER** will guide and assist the district through the new Random Moment Time Survey model.

Phone consultant fees are \$125.00 per hour billable in 1/2 hour increments. On-site consulting fees are available at a rate of \$125.00 per hour with a minimum of two hours, plus \$125 an hour travel time and actual cost of any meals or lodging for required overnight stays. Under federal Medicaid existing law, the **CLIENT** is eligible to recover vendor fees at a rate of fifty percent (50%).

3. OWNERSHIP OF PROGRAMS AND CONFIDENTIALITY OF REPORTS

All computer hardware, operating system software, application software, programs, documentation, specifications, tapes, instruction manuals and similar material utilized and/or developed by **LEADER** in connection with its systems and all patents, trade

secrets, copyrights, trademarks, and other intellectual property rights are, as between **LEADER** and **CLIENT**, the sole and exclusive property of **LEADER**. **CLIENT** agrees to make no unauthorized use of these materials and systems and to preserve these materials and maintain the confidentiality of any and all of these materials in its possession.

Medi-Cal Administrative Activities Agreement (MAA) 1

4. CONFIDENTIALITY OF DATA

The parties agree that, because of the sensitive nature of data and in view of the proprietary nature of business information, it is essential that all information, data and materials, whether transmitted in hard copy or in electronic media form, be maintained in each party's confidence. Each party agrees for itself, its employees, agents and independent contractors, that all information and/or data and/or materials received from the other party will be held in confidence and each party agrees not to reproduce, disclose, or relinquish any data, information or materials to any party other than an authorized representative of the other party.

The parties agree that, because of the unique nature of the data and/or information and/or materials to be transmitted that money damages for breach of the foregoing provision will be wholly inadequate to fully compensate the aggrieved party and therefore the aggrieved party will be entitled to full temporary and/or permanent injunctive relief against any breach or threat of breach of the foregoing provisions.

LEADER, as both a Covered Entity and Business Associate of **CLIENT**, agrees to adhere to all HIPAA and FERPA requirements related to the electronic transmission and storage of data, privacy and security.

5. INPUT DATA

Accurate, complete, and correct data necessary for **LEADER** to perform its services hereunder will be the sole responsibility of **CLIENT**. **LEADER** will not be responsible for any delays or failure to prepare a claim because of incomplete, inaccurate, or incorrect data provided by **CLIENT**.

LEADER will be responsible for the input of all information given to **LEADER** by **CLIENT** in a reasonably accurate, complete and correct form provided same is provided to **LEADER** by **CLIENT**. Any errors, mistakes or liability in connection with the failure of **LEADER** to input such data, provided such data has been accurately, completely and correctly transmitted to **LEADER**, will be the sole responsibility of **LEADER** and will be corrected by **LEADER**.

6. LIMITATION OF LIABILITY ARISING FROM DEFAULT IN SERVICES

LEADER will not be liable or deemed to be in default for any delays or failure in performance or non-performance or interruption of service under this Agreement resulting from any cause beyond the reasonable control of **LEADER**. **LEADER**'s liability, under this Agreement, is limited to the amount paid by **CLIENT** for the services under this Agreement. **LEADER** will not be liable for any indirect, consequential, or incidental damages arising out of this Agreement.

7. OPERATING PROCEDURES

LEADER will be responsible for the processing of all those claims for services rendered by **CLIENT** and its employees, which have been turned over to **LEADER** for processing.

- A. **LEADER** agrees to provide the following services, as necessary for the effective administration of the Random Moment Time Study:
 - 1. An assessment of the **CLIENT's** program; 2. Identify the Medi-Cal Administrative Activities providers and activities; 3. Calculation of the **CLIENT's** Medi-Cal percentage; 4. The storage of data required to support claims;

Medi-Cal Administrative Activities Agreement (MAA) 2

5. Provide RMTS crossover training; 6. Fiscal training for **CLIENT** staff; 7. On-site training and support of **CLIENT's** staff; 8. Availability of customer service via a toll free support line; 9. The processing of invoices for reimbursement; 10. The submission of invoices to the Local Educational Consortium (LEC) or

Local Governmental Agency (LGA) for reimbursement by electronic or other means; 11. Assist **CLIENT** in review of RMTS results; 12. Assist **CLIENT** in preparation and maintenance of audit file.

B. CLIENT agrees to:

Provide **LEADER**, on a timely basis, all forms, documentation, and fiscal data in a manner prescribed by **LEADER** and as required for the successful preparation and submission of claims.

Arrange for **CLIENT** staff to attend mandatory training sessions related to RMTS and oversee the completion of time study forms by staff.

Provide a contact person who will serve as coordinator for all **CLIENT** activities. This person will work directly with **LEADER's** account manager.

Notify **LEADER** of any errors and/or omissions in information sent to **LEADER** so that **LEADER** may process a claim adjustment for submission to Medi-Cal.

8. GENERAL

a) ENTIRE AGREEMENT - This Agreement constitutes the entire Agreement

between the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

- b) SUCCESSORS This Agreement will be binding upon and inure to the benefit of the successors, assigns and legal representatives of the respective parties hereto. Each party agrees that there are no third party beneficiaries to this Agreement. Neither party may assign this Agreement in whole or in part, without the prior written consent of the non-assigning party except in connection with the sale of all or substantially all of its assets or outstanding capital stock.
- c) **ATTORNEYS** In the event that either **LEADER** or **CLIENT** commences a legal proceeding, each party will pay their own attorney's fees.
- d) **SEVERABILITY** In the event that any term or provision of this Agreement is held to be illegal, invalid or unenforceable under the laws, regulations or ordinances of any federal, state or local government, such term or provision will be deemed severed from this Agreement and the remaining terms and provisions will remain unaffected thereby.
- e) NOTICES Any notice sent pursuant to this Agreement will be sent by certified mail to the parties at their respective addresses.
- f) STATE LAW This Agreement will be governed by and construed in accordance with the laws of California.

Medi-Cal Administrative Activities Agreement (MAA) 3

- g) **SURVIVAL OF NON-DISCLOSURE OBLIGATION** The obligation of non- disclosure and confidentiality recited in this Agreement will survive the termination of this Agreement and will be in full force and effect notwithstanding such expiration or termination.
- h) ANTI-FRAUD AND ABUSE Notwithstanding anything to the contrary herein this Agreement will be subject to all applicable federal, state and local laws, regulations and directives concerning the Medicare/Medicaid and other medical reimbursement fraud and abuse limitations. To the extent anything contained herein purportedly or actually violates or is challenged as violating any of the above laws, statutes, regulations or interpretations, then the provision in question or this entire Agreement, if necessary, will be automatically void and of no effect whatsoever.
- i) **DESCRIPTIVE HEADINGS** The descriptive headings in this Agreement are for convenience and reference only and in no way affect or alter the intent or effect of this Agreement.

9. EQUAL EMPLOYMENT OPPORTUNITY

It is and has been the policy of LEADER to provide equal employment and individual

opportunity to all job applicants and employees without regard to race, color, religion, sex, age, national origin, veteran or disability status. It is **LEADER's** policy not to violate Title V11 of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, the Americans with Disabilities Act, or any other local, state or federal law, regulation or ordinance prohibiting discrimination in employment.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year below written.

WARNER USD/COMMUNITY RESOURCE LEADER SERVICES

By: By:

Name: Name: Charles J. Mason, Jr.

Title: Title: Chief Financial Officer

Date: Date: January 8, 2020

Medi-Cal Administrative Activities Agreement (MAA) 4

TOPIC:

Discussion and possible action regarding the

"School Board Resolution in Support of

Proposition 13".

DESCRIPTION:

Public Preschool, K-12, and College Health and

Safety Bond Act of 2020.

FISCAL IMPACT:

N/A

RECOMMENDATION:



Rhonda Hill <rhonda.hill@warnerusd.net>

Approve the School Bond Measure Resolution at Your Next Board Meeting

6 messages

CSBA <csba@csba.org>
To: rhonda.hill@warnerusd.net

Thu, Jan 9, 2020 at 11:05 AM

Support Prop 13: Public Preschool, K-12, and College Health and Safety Bond Act of 2020

Trouble viewing this email? Click here »





Approve the School Bond Measure Resolution at Your Next Board Meeting

The "School Board Resolution in Support of Proposition 13: Public Preschool, K-12, and College Health and Safety Bond Act of 2020" signals a district's or county office of education's backing of the measure that will appear on the March 2020 ballot.

If passed, the bond will provide \$15 billion for facilities at the state's preschools, K-12 schools, community colleges, and four-year colleges and universities.

The funds will provide resources for the renovation and upgrade of existing classrooms, for campuses that improve student and staff safety, for classrooms and laboratories that enhance teaching and learning, for the construction and expansion of schools to accommodate growth, and for career technical education facilities to enhance job and career training.

Download the sample resolution **②**

Click here to download a Word version or to view other available resolutions, including ecigarette and vaping. Please email a copy of the signed resolution to CSBA at govrel@csba.org.



School Board Resolution in Support of Proposition 13: Public Preschool, K-12, and College Health and Safety Bond Act of 2020 Assembly Bill 48 (O'Donnell, Glazer)

WHEREAS, all students deserve safe, welcoming, and stimulating learning environments that support personal well-being and academic success; and

WHEREAS, school bond funds help schools provide safe facilities that offer the learning opportunities required for a high-quality 21st-century education; and

WHEREAS, normal wear and tear and new technologies have rendered a substantial number of California's classrooms insufficient to meet the 21st-century educational needs of students and provide environmental efficiencies; and

WHEREAS, Proposition 13, the **Public Preschool, K-12, and College Health and Safety Bond Act of 2020**, provides resources for the renovation and upgrade of existing classrooms, for campuses that increase student and staff safety, for classrooms and laboratories that enhance teaching and learning, for the construction and expansion of schools to accommodate growth, and for career technical education facilities to improve job and career training; and

WHEREAS, the Public Preschool, K-12, and College Health and Safety Bond Act of 2020 will provide state matching funds that are prioritized for schools with pressing health and safety concerns; and

WHEREAS, the Public Preschool, K-12, and College Health and Safety Bond Act of 2020 will provide career technical education facilities for job training to meet the workforce needs of California's employers and help ensure successful futures for our state's students; and

WHEREAS, the Public Preschool, K-12, and College Health and Safety Bond Act of 2020 will help ensure clean drinking water for our students through testing and remediation of lead levels in water at school sites; and

WHEREAS, the Public Preschool, K-12, and College Health and Safety Bond Act of 2020 will provide disaster assistance in times of critical need; and

WHEREAS, the Public Preschool, K-12, and College Health and Safety Bond Act of 2020 will provide additional funding for energy efficiency, earthquake safety, removal of hazardous materials, and more; and

WHEREAS, the Public Preschool, K-12, and College Health and Safety Bon fair and equitable distribution of funds to schools where they are most neassistance to small school districts throughout the state; and		1
WHEREAS , the State of California has committed funds from all previous currently facing an increasing backlog of unfunded needs; and	s bond measures and is	
WHEREAS, the	hasi	n
WHEREAS, the Public Preschool, K-12, and College Health and Safety Bon the March 3, 2020 ballot and become operative only if approved by voters;		n
WHEREAS , the Public Preschool, K-12, and College Health and Safety Bon \$15 billion for facilities at the state's preschools, K-12 schools, community of colleges and universities; and	d Act of 2020 will provide colleges, and four-year	
WHEREAS, 13,000 jobs are created for each \$1 billion in school facility infra	astructure investment¹; an	d
WHEREAS, Proposition 98 and the Local Control Funding Formula, which ational revenues for schools, do not provide dedicated facilities funding; a		r-
WHEREAS, quality 21st-century school facilities designed to meet student achievement and further the state's scholastic and economic goals; and	t need enhance academic	
WHEREAS, investments in modern school facilities are investments in our economy, and our shared future; and	ur youth, our communities	1
WHEREAS, the California School Boards Association and a large public—pthe Public Preschool, K-12, and College Health and Safety Bond Act of 2020	orivate coalition supports 0;	
NOW, THEREFORE BE IT RESOLVED that the		
supports Proposition 13, the Public Preschool, K-12, and College Health an on the March 3, 2020 statewide ballot.	d Safety Bond Act of 2020,	
Adopted by the Governing Board of the in 2020.	onday o	of
Signature (Governing Board Secretary)	Date	
Please forward a copy of the signed resolution to t School Boards Association by emailing it to govre		The second secon
1. "Accelerating Job Creation in California Through Infrastructure Investment," Bay Area Council Economic	iç Institute, 2012	

Warrant Register

Warrants issued by the District are required by law to be approved or ratified by the Board of Education.

The following warrants were issued for the month of:

December-19

Commercial Warrants:

\$ 4,061,445.93	TOTAL
÷	acilities
3380.48	Fund 1300 Nutrition
	Fund 1200 Preschool
4058065.45	Fund 0100 General Fund
Warrant Total	

Payroll Warrants:

Commission of the Control of Commission of the Control of Control	
\$ 254,952.21	TOTA
\$ 9,722.57	Fund 1300 Nutrition
\$ 6,332.82	Fund 1200 Preschool
	Fund 0100 General Fund
Warrant Total	

Recommendation:

Administration recommends that the Board approve and ratify the expenditure warrants as presented.

Date:	Clerk Signature:

Warrants issued by the District are required by law to be approved or ratified by the Board of Education.

The following warrants were issued for the month of:

November-19

Commercial Warrants:

SEAVAnnounnunnan Vieter Million gegen . As anna VAN ander den den des ANATON (Selle September 1988) . And the season of the seas	
\$ 83,439.81	
\$	Fund 2518 Capital Facilities
6670.71	Fund 1300 Nutrition
183	Fund 1200 Preschool
76586.1	Fund 0100 General Fund
Warrant Total	Fund Number/Name

Payroll Warrants:

the total control of the second control of t	
\$ 266,408.87	TOTAL
\$ 10,089.57	Fund 1300 Nutrition
\$ 6,799.82	Fund 1200 Preschool
\$ 249,519.48	Fund 0100 General Fund
Warrant Total	

Recommendation:

Administration recommends that the Board approve and ratify the expenditure warrants as presented.

Date:	Clerk Signature:

Commercial Warrants

Commercial War	rant Detail December 2019		6025-4-11
Date Reference	Name 1	Fund	Inv Amount
12/2/2019 14622178	ALL STATE PROPANE	0100	1300.01
12/2/2019 14622179	SOUTHERN COUNTIES LUBRICANTS LLC	0100	1458.68
12/2/2019 14622180	KELCY SUTTON	0100	65.65
12/2/2019 14622181	DION INTERNATIONAL TRUCKS	0100	3335.13
12/2/2019 14622182	AT&T	0100	522.32
12/6/2019 14624775	RHONDA HILL	0100	76.56
12/6/2019 14624776	JASMINE PAYNE	0100	285.82
12/6/2019 14624777	MELISSA RIZZO	0100	1020.24
12/6/2019 14624778	SOUTHWEST SCHOOL SUPPLY	0100	96.54
12/6/2019 14624779	DION INTERNATIONAL TRUCKS	0100	8992.54
12/6/2019 14624780	HOME DEPOT CREDIT SERVICES	0100	630.96
12/6/2019 14624780	HOME DEPOT CREDIT SERVICES	0100	675.29
12/6/2019 14624781	SAN DIEGO GAS & ELECTRIC	0100	4889.90
12/6/2019 14624782	ARNTZ DISTRIBUTING COMPANY	1300	580.26
12/6/2019 14624782	ARNTZ DISTRIBUTING COMPANY	1300	424.45
12/6/2019 14624783	NCBOA	0100	3228.00
12/6/2019 14624784	CALIFORNIA ASSOCIATION FFA	0100	640.00
12/9/2019 14625231	SAN DIEGO COUNTY SPEECH PATHOLOGY SRVCS,	0100	2175.00
12/12/2019 14627331	ANDREA SISSONS	0100	460.40
12/12/2019 14627332	SHANNON STEIN	0100	123.80
12/12/2019 14627332	SHANNON STEIN	0100	116.00
12/12/2019 14627333	ALL STATE PROPANE	0100	1065.21
12/12/2019 14627334	ROMAN'S TRUCK BODY & PAINT	0100	1260.69
12/12/2019 14627335	CONDOR VISUAL MEDIA	0100	500.00
12/12/2019 14627336	KELCY SUTTON	0100	41.51
12/12/2019 14627336	KELCY SUTTON	0100	37.35
12/12/2019 14627337	EWING IRRIGATION PRODUCTS INC	0100	899.75
12/12/2019 14627338	BLANCA SANCHEZ	0100	48.00
12/12/2019 14627339	CLINICAL LABORATORY	0100	475.00
12/12/2019 14627340	BUS PARTS WAREHOUSE	0100	114.32
12/12/2019 14627341	OREILLY AUTOMOTIVE STORES	0100	199.83
12/12/2019 14627341	OREILLY AUTOMOTIVE STORES	0100	232.99
12/12/2019 14627342	CREATIVE BUS SALES	0100	544.74
12/12/2019 14627343	WATER SYSTEM MANAGEMENT	0100	523.75
12/12/2019 14627344	VERIZON WIRELESS	0100	523.93
12/12/2019 14627344	VERIZON WIRELESS	0100	213.84
12/12/2019 14627345	RAMONA DISPOSAL	0100	508.22
12/12/2019 14627346	BANK OF AMERICA BUSINESS CARD	0100	64.11
12/12/2019 14627346	BANK OF AMERICA BUSINESS CARD	0100	229.54
12/12/2019 14627347	ARNTZ DISTRIBUTING COMPANY	1300	784.98
12/12/2019 14627348	US FOODSERVICE	1300	3756.66
12/12/2019 14627349	SYSCO SAN DIEGO	1300	273.25
12/12/2019 14627350	COUNTY OF SAN DIEGO, APCD	0100	582.00
12/12/2019 14627351	STANDARD INSURANCE COMPANY	0100	335.64
12/13/2019 14628163	SAN DIEGO COUNTY OFFICE OF EDUCATION	0100	1500.00
12/13/2019 14628164	DEPARTMENT OF JUSTICE	0100	147.00
12/13/2019 14628165	WARNER UNIFIED SCHOOL DISTRICT	0100	5000.00
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Ağlasının

12/13/2019 14628165	WARNER UNIFIED SCHOOL DISTRICT	0100	150.00
12/13/2019 14628165	WARNER UNIFIED SCHOOL DISTRICT	0100	99.50
12/16/2019 14628729	ERIC HALL & ASSOCIATES	0100	2000.00
12/16/2019 14628730	DAVID SEES	0100	51.54
12/16/2019 14628731	EWING IRRIGATION PRODUCTS INC	0100	1178.24
12/16/2019 14628732	B AND B LOCK & SAFE	0100	263.71
12/16/2019 14628733	PARKHOUSE TIRE, INC.	0100	2502.32
12/16/2019 14628734	RICOH USA, INC.	0100	654.18
12/18/2019 14630940	ALL STATE PROPANE	0100	2305.43
12/18/2019 14630941	HATCH & CESARIO	0100	280.00
12/18/2019 14630942	Borrego Springs Bottled Water	0100	174.63
12/18/2019 14630943	SYNCB/AMAZON	0100	863.50
12/18/2019 14630943	SYNCB/AMAZON	0100	14.29
12/18/2019 14630944	WILLIAM JONES	0100	250.00
12/18/2019 14630945	JENNIFER RUDLOFF	0100	20.05
12/18/2019 14630946	SAN DIEGO COUNTY SUPERINTENDENT OF SCHOO	1200	125.00
12/18/2019 14630947	CONVEYOR AND STORAGE SOLUTIONS, INC.	0100	2375.88
12/18/2019 14630947	CONVEYOR AND STORAGE SOLUTIONS, INC.	0100	1363.05
12/18/2019 14630948	SANDRA CORTEZ	1200	58.00
12/18/2019 14630949	JAN KRASOWSKI	0100	139.46
12/18/2019 14630950	MELISSA RIZZO	0100	793.52
12/18/2019 14630951	SUSAN CONRAD	0100	415.17
12/18/2019 14630952	PADRE JANITORIAL SUPPLIES	0100	2009.77
12/18/2019 14630953	AT&T	0100	462.93
12/18/2019 14630954	ARNTZ DISTRIBUTING COMPANY	1300	195.02
12/18/2019 14630955	OSCAR L. SALVAIL DBA	1300	550.96
12/18/2019 14630956	CIF SAN DIEGO SECTION	0100	48.14
12/18/2019 14630957	COUNTY OF SAN DIEGO	0100	1464.00
12/18/2019 14630957	COUNTY OF SAN DIEGO	0100	404.00
12/18/2019 14630957	COUNTY OF SAN DIEGO	0100	2822.00
12/18/2019 14630958	LOZANO SMITH	0100	1865.25
12/18/2019 14630959	ACSA	0100	650.00
12/18/2019 14630960	CALIFORNIA ASSOCIATION FFA	0100	360.00
12/19/2019 14631516	BANK OF AMERICA BUSINESS CARD	0100	489.42
12/19/2019 14631516	BANK OF AMERICA BUSINESS CARD	0100	175.74
12/19/2019 14631516	BANK OF AMERICA BUSINESS CARD	0100	17.55
12/19/2019 14631516	BANK OF AMERICA BUSINESS CARD	0100	519.97
12/19/2019 14631516	BANK OF AMERICA BUSINESS CARD	0100	282.24
12/19/2019 14631516	BANK OF AMERICA BUSINESS CARD	0100	3792.08
12/19/2019 14631516	BANK OF AMERICA BUSINESS CARD	1300	105.13
12/19/2019 14631517	RICOH USA, INC.	0100	188.28

Purchase Orders

WUSD PO LIST PERIOD COVERED 12/1/2019 - 12/31/2019

DATE	VENDOR NAME	PO#	AMOUNT
12/3/2019	SDCOE	19-66091	\$2,586.00
12/3/2019	ED TECH TEAM	19-66092	\$598.00
12/3/2019	CARSNET	19-66093	\$275.00
12/5/2019	ACSA	19-66094	\$650.00
12/10/2019	WEST COAST VACUUM	19-66096	\$123.65
12/16/2019	EWING	19-66097	\$2,093.56
12/16/2019	CONVEYOR&STORAGE SOULTIONS	19-66098	\$3,783.93
12/30/2019	LLOYDS PEST CONTROL	19-66099	395

Activities Calendar

Jan 2020 (Pacific Time - Tijuana)

200000		12		VIVER BREAK
19 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	20	13	\$20.000 Annual A	30
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SPA ONE RECEIPTION AND ADDRESS OF THE RECEIPTION ADDRESS OF THE RECEIPTION AND ADDRESS OF THE RECEIPTION ADDRESS O	4pm - High &chooi	9am - Nelive Fride 3:15pm - After New	Spm - Talent Show	
CALLES AND CONTROL OF THE CONTROL OF	Mission of the Control of the Contro	(Bam + Home Hasket	2pm - Boys Sasket	