



Financial Statements
June 30, 2021

Ojai Unified School District

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Independent Auditor's Report

To the Governing Board
Ojai Unified School District
Ojai, 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 Ojai Unified School District (the District) as of and for the year ended June 30, 2021, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ojai Unified School District, as of June 30, 2021, 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 16 to the financial statements, Ojai Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, budgetary comparison information on page 60, schedule of changes in the District's total OPEB liability and related ratios on page 61, schedule of the District's proportionate share of the net OPEB liability – MPP program on page 62, schedule of the District's proportionate share of the net pension liability on pages 63 and 64, and the schedule of District's contributions on pages 65 and 66, 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 Ojai Unified School District's financial statements. The combining non-major governmental fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining non-major governmental fund financial statements, the Schedule of Expenditures of Federal Awards, and the other supplementary information listed in the table of contents 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 non-major governmental fund financial statements, the Schedule of Expenditures of Federal Awards, and the other supplementary information listed in the table of contents 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 a report dated April 6, 2022 on our consideration of Ojai Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Ojai Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ojai Unified School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
April 6, 2022



Ojai Unified School District

414 East Ojai Avenue, P.O. Box 878, Ojai, CA 93024
(805) 640-4300 • Fax (805) 640-4419 • www.ojaiusd.org

This section of Ojai Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021, with comparative information for the year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets (including capital assets) and deferred outflows of resources of the District, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regard to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for governmental activities.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Ojai Unified School District.

Administration

Tiffany Morse, Ph.D., Superintendent
Sherrill Knox, Ed.D., Assistant Superintendent Educational Services
Katrina Madden, Assistant Superintendent of Business and Administrative Services

Board of Education

Jane Weil, President
Michael Shanahan, Vice President
Dr. Rebecca Clark, Clerk
Shelly Griffen, Member
Kevin Ruf, Member

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we report the District activities as follows:

Governmental Activities - The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - The District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

FINANCIAL HIGHLIGHTS

- The District's overall financial status decreased from last year as the net position (deficit) increased to \$(26,653,659)
- Total governmental revenues were \$35,533,363, \$3,940,934 less than expenses.
- The total cost of basic programs was \$39,747,297. Because a portion of these costs were paid for with charges, fees, and intergovernmental aid, the net cost that required taxpayer funding and other general revenue sources were \$30,065,866.
- Average daily attendance (ADA) in grades K-12 is 2246.89.

THE DISTRICT AS A WHOLE

Net Position

The District's net position (deficit) was \$(26,653,659) for the fiscal year ended June 30, 2021. Of this amount, \$(33,580,764) was unrestricted net position (deficit). Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the governing board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2021	2020 as restated
Assets		
Current and other assets	\$ 32,771,266	\$ 24,647,598
Capital assets	36,593,338	30,015,611
Total assets	69,364,604	54,663,209
Deferred outflows of resources	8,875,511	7,558,210
Liabilities		
Current liabilities	6,942,206	3,863,305
Long-term liabilities other than OPEB and pension	55,053,145	41,053,962
Net other postemployment benefits (OPEB) liability	10,114,742	9,315,576
Aggregate net pension liability	29,688,611	26,512,704
Total liabilities	101,798,704	80,745,547
Deferred inflows of resources	3,095,070	4,316,736
Net Position		
Net investment in capital assets	1,440,876	5,410,752
Restricted	5,486,229	3,169,231
Unrestricted (deficit)	(33,580,764)	(31,292,708)
Total net position (deficit)	\$ (26,653,659)	\$ (22,712,725)

The \$(33,580,764) in unrestricted net position (deficit) of governmental activities represents the accumulated results of all past years' operations. The total change in net position of \$(3,940,934) can be mostly attributed the completion of ongoing projects from Measure J monies. Unrestricted net position (deficit) – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by \$(2,288,056), or 7.3% (\$(33,580,764) compared to \$(31,292,708)).

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 14. Table 2 takes the information from the Statement and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2021	2020 *
Revenues		
Program revenues		
Charges for services and sales	\$ 124,422	\$ 361,894
Operating grants and contributions	9,284,009	6,268,034
General revenues		
Federal and State aid not restricted	6,872,255	8,171,845
Property taxes	18,119,017	16,669,216
Other general revenues	1,133,660	1,815,521
Total revenues	<u>35,533,363</u>	<u>33,286,510</u>
Expenses		
Instruction	24,271,681	24,306,693
Pupil services	3,766,572	3,380,826
Administration	4,257,762	2,906,020
Plant services	4,135,525	3,040,220
All other services	3,042,757	2,460,315
Total expenses	<u>39,474,297</u>	<u>36,094,074</u>
Change in net position	<u>\$ (3,940,934)</u>	<u>\$ (2,807,564)</u>

* The revenues and expenses for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities* on page 14, the cost of all of our governmental activities this year was \$39,474,297. However, the amount that our taxpayers ultimately financed for these activities through local taxes and other general revenue sources was only \$30,065,866, because the cost was paid by those who benefited from the programs (\$124,422) or by other governments and organizations who subsidized certain programs with grants and contributions (\$9,284,009). We paid for the remaining "public benefit" portion of our governmental activities with \$26,124,932, through property taxes, Federal and State funds, and with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction, pupil services, administration, plant services, and all other activities. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2021	2020 *	2021	2020 *
Instruction	\$ 24,271,681	\$ 24,306,693	\$ (17,668,796)	\$ (19,662,964)
Pupil services	3,766,572	3,380,826	(2,523,363)	(2,220,551)
Administration	4,257,762	2,906,020	(3,264,522)	(2,866,220)
Plant services	4,135,525	3,040,220	(3,989,139)	(2,920,401)
All other services	3,042,757	2,460,315	(2,620,046)	(1,794,010)
Total	<u>\$ 39,474,297</u>	<u>\$ 36,094,074</u>	<u>\$ (30,065,866)</u>	<u>\$ (29,464,146)</u>

* The total and net cost of services for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

All other activities were the main contributor to increased expenses from the previous year, as the district has been actively making progress in the modernization of our school sites with Measure J monies.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$26,506,319, which is an increase of \$4,986,991, or 23.2%, from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			June 30, 2021
	July 1, 2020 as restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	
General Fund	\$ 1,613,456	\$ 31,462,535	\$ 30,558,347	\$ 2,517,644
Building Fund	16,142,343	12,281,760	9,747,923	18,676,180
Bond Interest and Redemption Fund	1,844,860	12,556,061	12,758,821	1,642,100
Student Activity Fund	128,139	34,116	73,743	88,512
Adult Education Fund	658,284	442,343	742,207	358,420
Cafeteria Fund	10,641	667,019	664,420	13,240
Capital Facilities Fund	1,121,605	235,000	32,183	1,324,422
Total	<u>\$ 21,519,328</u>	<u>\$ 57,678,834</u>	<u>\$ 54,577,644</u>	<u>\$ 24,620,518</u>

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 21, 2021. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 60).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had \$36,593,338 in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$6,577,727, or 21.9%, from last year (Table 5).

Table 5

	Governmental Activities	
	2021	2020
Land and construction in progress	\$ 6,520,442	\$ 7,579,164
Buildings and improvements	29,236,919	21,595,450
Equipment	835,977	840,997
Total	<u>\$ 36,593,338</u>	<u>\$ 30,015,611</u>

The main contributor of this year's increase of \$6,577,727 is related to the passage of a new General Obligation Bond (Measure K) and the subsequent sale of Series A bonds from the 2020 election. This accelerated the work-in-progress and completed projects related to the modernization of our sites using Building Fund monies, net of depreciation.

We present more detailed information about our capital assets in Note 4 to the financial statements.

Long-Term Liabilities Other than OPEB and Pension

At the end of this year, the District had \$55,053,145 in long-term liabilities other than OPEB and pension outstanding versus \$41,053,962, last year, an increase of 34.1%. These long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
General obligation bonds	\$ 51,555,000	\$ 39,475,000
Unamortized premium/(discount) on issuance	3,167,677	1,383,009
Capital lease	-	18,279
Compensated absences	330,468	177,674
	<u>330,468</u>	<u>177,674</u>
Total	<u>\$ 55,053,145</u>	<u>\$ 41,053,962</u>

The District's general obligation bond rating continues to be "A2" The State limits the amount of general obligation debt that districts can issue to five percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$51,555,000 is significantly below this statutorily-imposed limit.

We present more detailed information regarding our long-term liabilities in Note 9 of the financial statements.

OPEB and Pension Liabilities

At year end, the District had a net OPEB liability of \$10,114,742 versus \$9,315,576 last year, an increase of \$799,166, or 8.6%.

In addition, at year end, the District had an outstanding aggregate net pension liability of \$29,688,611 versus \$26,512,704 last year, an increase of \$3,175,907, or 12.0%.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The employer contribution rates for CalSTRS and CalPERS continue to increase with no new revenue streams to offset the increased cost for the employer. Adequacy of funding will be one of the most important issues for the District into the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact Katrina Madden, Assistant Superintendent of Business Services at Ojai Unified School District, PO Box 878, Ojai, California 93024.

Ojai Unified School District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Deposits and investments	\$ 28,023,258
Receivables	4,704,207
Stores inventories	43,801
Capital assets not depreciated	6,520,442
Capital assets, net of accumulated depreciation	<u>30,072,896</u>
Total assets	<u>69,364,604</u>
Deferred Outflows of Resources	
Deferred charge on refunding	894,035
Deferred outflows of resources related to OPEB	1,360,310
Deferred outflows of resources related to pensions	<u>6,621,166</u>
Total deferred outflows of resources	<u>8,875,511</u>
Liabilities	
Accounts payable	3,636,225
Accrued interest payable	677,259
Unearned revenue	648,722
Current loan	1,980,000
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	925,000
Long-term liabilities other than OPEB and pensions due in more than one year	54,128,145
Total other postemployment benefits (OPEB) liability	10,114,742
Aggregate net pension liabilities	<u>29,688,611</u>
Total liabilities	<u>101,798,704</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	1,756,498
Deferred inflows of resources related to pensions	<u>1,338,572</u>
Total deferred inflows of resources	<u>3,095,070</u>
Net Position	
Net investment in capital assets	1,440,876
Restricted for	
Debt service	2,850,642
Capital projects	1,324,422
Educational programs	911,282
Other activities	399,883
Unrestricted (deficit)	<u>(33,580,764)</u>
Total net position (deficit)	<u><u>\$ (26,653,659)</u></u>

Ojai Unified School District

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services and Sales	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
Governmental Activities				
Instruction	\$ 20,070,269	\$ 87,162	\$ 6,147,433	\$ (13,835,674)
Instruction-related activities				
Supervision of instruction	661,841	-	178,090	(483,751)
Instructional library, media, and technology	175,009	49	1,821	(173,139)
School site administration	3,364,562	40	188,290	(3,176,232)
Pupil services				
Home-to-school transportation	656,788	-	-	(656,788)
Food services	763,533	3,126	623,413	(136,994)
All other pupil services	2,346,251	150	616,520	(1,729,581)
Administration				
Data processing	668,532	-	230,862	(437,670)
All other administration	3,589,230	200	762,178	(2,826,852)
Plant services	4,135,525	11,595	134,791	(3,989,139)
Ancillary services	74,430	-	34,155	(40,275)
Community services	107,170	-	7,355	(99,815)
Interest on long-term liabilities	1,643,765	-	-	(1,643,765)
Other outgo	1,217,392	22,100	359,101	(836,191)
Total governmental activities	<u>\$ 39,474,297</u>	<u>\$ 124,422</u>	<u>\$ 9,284,009</u>	<u>(30,065,866)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				15,637,901
Property taxes, levied for debt service				2,373,236
Taxes levied for other specific purposes				107,880
Federal and State aid not restricted to specific purposes				6,872,255
Interest and investment earnings				128,236
Interagency revenues				118,956
Miscellaneous				886,468
Subtotal, general revenues and subventions				<u>26,124,932</u>
Change in Net Position				(3,940,934)
Net Position (deficit) - Beginning, as restated				<u>(22,712,725)</u>
Net Position (deficit) - Ending				<u>\$ (26,653,659)</u>

Ojai Unified School District
Balance Sheet – Governmental Funds
June 30, 2021

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	\$ 3,473,763	\$ 19,113,323	\$ 3,527,901	\$ 1,908,271	\$ 28,023,258
Receivables	4,479,722	-	-	224,485	4,704,207
Due from other funds	328,504	-	-	-	328,504
Stores inventories	39,916	-	-	3,885	43,801
Total assets	\$ 8,321,905	\$ 19,113,323	\$ 3,527,901	\$ 2,136,641	\$ 33,099,770
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 3,175,539	\$ 437,143	\$ -	\$ 23,543	\$ 3,636,225
Due to other funds	-	-	-	328,504	328,504
Current loan	1,980,000	-	-	-	1,980,000
Unearned revenue	648,722	-	-	-	648,722
Total liabilities	5,804,261	437,143	-	352,047	6,593,451
Fund Balances					
Nonspendable	46,766	-	-	4,335	51,101
Restricted	911,282	18,676,180	3,527,901	1,724,305	24,839,668
Assigned	5,095	-	-	55,954	61,049
Unassigned	1,554,501	-	-	-	1,554,501
Total fund balances	2,517,644	18,676,180	3,527,901	1,784,594	26,506,319
Total liabilities and fund balances	\$ 8,321,905	\$ 19,113,323	\$ 3,527,901	\$ 2,136,641	\$ 33,099,770

Ojai Unified School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balance - Governmental Funds		\$ 26,506,319
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 81,703,032	
Accumulated depreciation is	<u>(45,109,694)</u>	
Net capital assets		36,593,338
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(677,259)
Deferred outflows of resources represent a consumption of net position in a future period and are not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Debt refundings (deferred charge on refunding)	894,035	
Net other postemployment benefits (OPEB) liability	1,360,310	
Aggregate net pension liability	<u>6,621,166</u>	
Total deferred outflows of resources		8,875,511
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Net other postemployment benefits (OPEB) liability	(1,756,498)	
Aggregate net pension liability	<u>(1,338,572)</u>	
Total deferred inflows of resources		(3,095,070)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(29,688,611)
The District's net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(10,114,742)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds	(51,555,000)	
Unamortized premium on issuance	(3,232,694)	
Unamortized discount on issuance	65,017	
Compensated absences (vacations)	<u>(330,468)</u>	
Total long-term liabilities		<u>(55,053,145)</u>
Total net position (deficit) - governmental activities		<u>\$ (26,653,659)</u>

Ojai Unified School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2021

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	\$ 22,073,723	\$ -	\$ -	\$ -	\$ 22,073,723
Federal sources	3,666,735	-	-	611,399	4,278,134
Other State sources	3,133,676	-	13,495	490,124	3,637,295
Other local sources	2,588,401	41,760	2,382,566	276,955	5,289,682
Total revenues	31,462,535	41,760	2,396,061	1,378,478	35,278,834
Expenditures					
Current					
Instruction	16,602,530	-	-	198,191	16,800,721
Instruction-related activities					
Supervision of instruction	599,526	-	-	17,748	617,274
Instructional library, media, and technology	162,735	-	-	-	162,735
School site administration	2,975,053	-	-	16,948	2,992,001
Pupil services					
Home-to-school transportation	584,906	-	-	-	584,906
Food services	59,601	-	-	664,420	724,021
All other pupil services	2,113,623	-	-	-	2,113,623
Administration					
Data processing	637,682	-	-	-	637,682
All other administration	3,222,852	-	-	25,581	3,248,433
Plant services	2,741,200	1,202,344	-	17,359	3,960,903
Ancillary services	599	-	-	73,743	74,342
Community services	96,004	-	-	-	96,004
Other outgo	718,829	-	-	498,563	1,217,392
Facility acquisition and construction	24,265	8,545,579	-	-	8,569,844
Debt service					
Principal	18,279	-	915,000	-	933,279
Interest and other	663	-	1,626,833	-	1,627,496
Total expenditures	30,558,347	9,747,923	2,541,833	1,512,553	44,360,656
Excess (Deficiency) of Revenues Over Expenditures	904,188	(9,706,163)	(145,772)	(134,075)	(9,081,822)
Other Financing Sources (Uses)					
Other sources - proceeds from issuance of general obligation bonds	-	12,240,000	10,160,000	-	22,400,000
Other sources - premium received on issuance of general obligation bonds	-	-	1,885,801	-	1,885,801
Payments to escrow agent for refunded bonds	-	-	(10,216,988)	-	(10,216,988)
Net Financing Sources (Uses)	-	12,240,000	1,828,813	-	14,068,813
Net Change in Fund Balances	904,188	2,533,837	1,683,041	(134,075)	4,986,991
Fund Balance - Beginning, as restated	1,613,456	16,142,343	1,844,860	1,918,669	21,519,328
Fund Balance - Ending	\$ 2,517,644	\$ 18,676,180	\$ 3,527,901	\$ 1,784,594	\$ 26,506,319

Ojai Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds \$ 4,986,991

Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

This is the amount by which capital outlays exceed depreciation expense in the period.

Capital outlays	\$	8,702,320
Depreciation expense		<u>(2,124,593)</u>

Net expense adjustment		6,577,727
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In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used. (152,794)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and aggregate net pension liability during the year. (2,023,001)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. (178,054)

Proceeds received from general obligation bonds or certificates of participation is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. (22,400,000)

Ojai Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2021

Governmental funds report the effect of premiums, discounts, and the deferred charge on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Premium on issuance recognized	\$ (1,885,801)
Deferred charge on refunding recognized	811,988
Premium amortization	107,044
Discount amortization	(5,911)
Deferred charge on refunding amortization	(47,039)

Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds	10,320,000
Capital lease	18,279

Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.

(70,363)

Change in net position of governmental activities

\$ (3,940,934)

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Ojai Unified School District (the District) was established on July 1, 1966, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades TK - 12 as mandated by the State and/or Federal agencies. The District operates four elementary schools, one middle high school, one comprehensive high school, one continuation high school, an independent study program for Grades TK to 12, one preschool, and an adult education program.

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, boards, and agencies that are not legally separate from the District. For Ojai Unified School District, this includes general operations, food service, and student-related activities of the District.

Other Related Entities

The District has approved a charter for Valley Oak Charter pursuant to *Education Code* Section 47605. Valley Oak Charter is operated by a separate governing board and is not considered a component unit of the District. Valley Oak Charter receives Federal and State funds for specific purposes that are subject to review and audit by grantor agencies.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into one broad fund category: governmental.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

One fund currently defined as a special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 14, Deferred Maintenance Fund, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of \$5,095.

Building Fund The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a district (*Education Code* Sections 15125-15262).

Non-Major Governmental Funds

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

Capital Project Funds The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets.

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, of the District and for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

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

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major governmental funds are aggregated and presented in a single column.

- All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded 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 fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. 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, in which the District receives value without directly giving equal value in return, include 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.

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Current Loans

Current loans consist of amounts outstanding at year end for Tax Revenue and Anticipation Notes. The notes were issued as short-term liabilities to provide cash flow needs. This liability is offset with cash deposits in the County Treasurer, which have been set aside to repay the notes.

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. Principal and interest on long-term liabilities, 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 entity-wide statements.

Investments

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

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental when consumed rather than when purchased.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the Statement of Net Position

Compensated Absences

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

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums, and Discounts

In the government-wide financial statements, long-term liabilities are reported as liabilities in the Statement of Net Position. Debt premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to contributions subsequent to

measurement date, change in proportion and differences between contributions made and the District's proportionate share of contributions, differences between projected and actual earnings on pension plan investments, differences between expected and actual experience in the measurement of total pension liability, and changes of assumptions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items, and for OPEB related items. The deferred amounts related to pension and OPEB relate to change in proportion and differences between contributions made and the District's proportional share of contributions, differences between expected and actual experience in the measurement of total pension and OPEB liability, and changes of assumptions.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, and the CalSTRS Medicare Premium Payment (MPP) Program, additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Fund Balances - Governmental Funds

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes 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, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$5,486,229, of net position restricted by enabling legislation.

Interfund Activity

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

Estimates

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

Property Tax

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

Change in Accounting Principles

Implementation of GASB Statement No. 84

As of July 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of the District's student body activities from fiduciary to governmental. The effect of the implementation of this standard on beginning fund balance and net position is disclosed in Note 16.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 28,023,258
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Deposits and investments as of June 30, 2021, consist of the following:

Cash on hand and in banks	\$ 99,782
Cash in revolving	7,300
Investments	<u>27,916,176</u>

Total deposits and investments	<u>\$ 28,023,258</u>
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Policies and Practices

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

Investment in County Treasury - 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 monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at 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 that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in 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	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by holding its investments in the Ventura County Treasury Investment Pool.

The District maintains an investment of \$27,916,176, with the Ventura County Treasury Investment Pool with an average weighted maturity of 322 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Ventura County Treasury Investment Pool is rated AAA by Standard and Poor's rating service.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (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 a value of 105% of the secured deposits. As of June 30, 2021, the District's bank deposits were not exposed to custodial credit risk because they were fully insured.

Note 3 - Receivables

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total
Federal Government			
Categorical aid	\$ 1,453,382	\$ 176,328	\$ 1,629,710
State Government			
LCFF apportionment	1,973,365	-	1,973,365
Categorical aid	626,079	21,935	648,014
Lottery	54,307	-	54,307
Local Government			
Other local sources	372,589	26,222	398,811
	<u>\$ 4,479,722</u>	<u>\$ 224,485</u>	<u>\$ 4,704,207</u>

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,199,813	\$ -	\$ -	\$ 1,199,813
Construction in progress	6,379,351	8,569,844	(9,628,566)	5,320,629
Total capital assets not being depreciated	7,579,164	8,569,844	(9,628,566)	6,520,442
Capital assets being depreciated				
Land improvements	12,781,155	-	-	12,781,155
Buildings and improvements	49,983,714	9,628,566	-	59,612,280
Furniture and equipment	2,656,679	132,476	-	2,789,155
Total capital assets being depreciated	65,421,548	9,761,042	-	75,182,590
Total capital assets	73,000,712	18,330,886	(9,628,566)	81,703,032
Accumulated depreciation				
Land improvements	(10,489,373)	(279,126)	-	(10,768,499)
Buildings and improvements	(30,680,046)	(1,707,971)	-	(32,388,017)
Furniture and equipment	(1,815,682)	(137,496)	-	(1,953,178)
Total accumulated depreciation	(42,985,101)	(2,124,593)	-	(45,109,694)
Governmental activities capital assets, net	<u>\$ 30,015,611</u>	<u>\$ 16,206,293</u>	<u>\$ (9,628,566)</u>	<u>\$ 36,593,338</u>

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	\$ 1,657,215
School site administration	127,478
Home-to-school transportation	42,493
All other pupil services	42,493
Data processing	21,204
All other general administration	106,232
Plant services	127,478
Total depreciation expenses governmental activities	<u>\$ 2,124,593</u>

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2021, between major and non-major governmental funds are as follows:

Due To	Due From Non-Major Governmental Funds
General Fund	\$ 328,504
A balance of \$300,000 due to the General Fund from the Cafeteria Non-Major Governmental Fund resulted from a temporary loan from the General Fund.	\$ 300,000
A balance of \$28,504 due to the General Fund from the Adult Education Non-Major Governmental Fund is for grant administration fees.	28,504
Total	\$ 328,504

Note 6 - Accounts Payable

Accounts payable at June 30, 2021, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Vendor payables	\$ 530,085	\$ 436,950	\$ 22,687	\$ 989,722
LCFF apportionment	1,672,440	-	-	1,672,440
Salaries and benefits	608,743	193	856	609,792
Due to CDE	188,302	-	-	188,302
Due to other LEAs	142,769	-	-	142,769
TRAN interest	33,200	-	-	33,200
Total	\$ 3,175,539	\$ 437,143	\$ 23,543	\$ 3,636,225

Note 7 - Unearned Revenue

Unearned revenue at June 30, 2021, consisted of the following:

	General Fund
Federal financial assistance	\$ 43,487
State categorical aid	<u>605,235</u>
Total	<u><u>\$ 648,722</u></u>

Note 8 - Tax and Revenue Anticipation Notes (Current Loan)

On September 23, 2020, the District issued \$4,420,000 of Tax and Revenue Anticipation Notes bearing interest at 2.00%. Interest and principal were due and payable on June 1, 2021. The notes were issued to provide operating cash prior to the District's receipt of anticipated tax payments and other revenues.

On March 16, 2021, the District issued \$1,980,000 of Tax and Revenue Anticipation Notes bearing interest at 2.00%. The notes mature on January 31, 2022, and were issued to provide operating cash prior to the District's receipt of anticipated tax payments and other revenues.

Changes in the outstanding liabilities for the Tax and Revenue Anticipation Notes are as follows:

Issue Date	Rate	Maturity Date	Outstanding July 1, 2020	Additions	Payments	Outstanding June 30, 2021
9/23/2020	2.00%	6/1/2021	\$ -	\$ 4,420,000	\$ (4,420,000)	\$ -
3/16/2021	2.00%	1/31/2022	<u>-</u>	<u>1,980,000</u>	<u>-</u>	<u>1,980,000</u>
			<u><u>\$ -</u></u>	<u><u>\$ 6,400,000</u></u>	<u><u>\$ (4,420,000)</u></u>	<u><u>\$ 1,980,000</u></u>

Note 9 - Long-Term Liabilities other than OPEB and Pension

Summary

The changes in the District's long-term liabilities other than OPEB and pension during the year consisted of the following:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 39,475,000	\$ 22,400,000	\$ (10,320,000)	\$ 51,555,000	\$ 925,000
Unamortized premium on issuance	1,453,937	1,885,801	(107,044)	3,232,694	-
Unamortized discount on issuance	(70,928)	-	5,911	(65,017)	-
Capital lease	18,279	-	(18,279)	-	-
Compensated absences	177,674	152,794	-	330,468	-
Total	<u>\$ 41,053,962</u>	<u>\$ 24,438,595</u>	<u>\$ (10,439,412)</u>	<u>\$ 55,053,145</u>	<u>\$ 925,000</u>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. The General Fund makes payments for the capital lease. The compensated absences will be paid by the General Fund, Adult Education Fund, Cafeteria Fund, and the Building Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2020	Issued	Redeemed	Bonds Outstanding June 30, 2021
10/4/2011	8/1/2023	3.00-5.00%	\$ 5,445,000	\$ 2,260,000	\$ -	\$ (1,710,000)	\$ 550,000
7/31/2012	8/1/2032	2.00-3.70%	5,955,000	5,575,000	-	(5,445,000)	130,000
4/16/2015	8/1/2044	3.00-5.00%	10,000,000	8,010,000	-	(2,500,000)	5,510,000
12/20/2017	8/1/2047	3.00-5.00%	17,000,000	16,210,000	-	-	16,210,000
10/2/2019	8/1/2039	1.85-4.00%	8,000,000	7,420,000	-	-	7,420,000
2/11/2021	8/1/2050	0.19-4.00%	12,000,000	-	12,000,000	(665,000)	11,335,000
3/16/2021	8/1/2040	0.133-2.798%	10,400,000	-	10,400,000	-	10,400,000
				<u>\$ 39,475,000</u>	<u>\$ 22,400,000</u>	<u>\$ (10,320,000)</u>	<u>\$ 51,555,000</u>

2011 General Obligation Refunding Bonds

On October 4, 2011, the District issued the 2011 General Obligation Refunding Bonds (the 2011 Refunding Bonds) in the amount of \$5,445,000 to refund portions of the District's outstanding General Obligation Bonds, Series A, B, C, and D. The 2011 Refunding Bonds were issued as current interest bonds. The bonds have a final maturity to occur on August 1, 2023, with interest rates ranging from 3.00 to 5.00%. At June 30, 2021, 2011 Refunding Bonds in the amount of \$550,000 were outstanding.

At June 30, 2021, the unamortized premium was \$114,255, and the deferred charge on refunding was \$31,807.

2012 General Obligation Refunding Bonds

On July 31, 2012, the District issued the 2012 General Obligation Refunding Bonds (the 2012 Refunding Bonds) in the amount of \$5,955,000 to refund the remaining portion of the District's outstanding General Obligation Bonds, Series A, B, C, and D. The bonds have a final maturity to occur on August 1, 2032, with interest rates ranging from 2.00 to 3.70%. At June 30, 2021, 2012 Refunding Bonds in the amount of \$130,000 were outstanding.

At June 30, 2021, the unamortized discount was \$65,017, and the deferred charge on refunding was \$77,306.

2014 General Obligation Bonds, Series A

On April 16, 2015, the District issued the 2014 General Obligation Bonds, Series A in the amount of \$10,000,000. The Series A bonds represent the first in a series of bonds not to exceed \$35,000,000, approved by at least 55% of the voters in November 2014. The Series A bonds were issued as current interest bonds with a principal debt service balance of \$10,000,000.

The bonds have a final maturity to occur on August 1, 2044, with interest rates ranging from 3.00 to 5.00%. Proceeds from the sale of the bonds were used to renovate and upgrade classrooms and facilities, perform upgrades for building systems such as plumbing, heating, and ventilation, and improve student access to modern technology. At June 30, 2021, the principal outstanding was \$5,510,000, and the unamortized premium received on issuance was \$386,193.

2014 General Obligation Bonds, Series B

On December 20, 2017, the District issued the 2014 General Obligation Bonds, Series B in the amount of \$17,000,000. The Series B bonds represent the second in a series of bonds not to exceed \$35,000,000, approved by at least 55% of the voters in November 2014. The Series B bonds were issued as current interest bonds with a principal debt service balance of \$17,000,000.

The bonds have a final maturity to occur on August 1, 2047, with interest rates ranging from 3.00 to 5.00%. Proceeds from the sale of the bonds will be used to renovate and upgrade classrooms and facilities, perform upgrades for building systems such as plumbing, heating, and ventilation, and improve student access to modern technology. At June 30, 2021, the principal outstanding was \$16,210,000, and the unamortized premium received on issuance was \$87,952.

2014 General Obligation Bonds, Series C

On October 2, 2019, the District issued the 2014 General Obligation Bonds, Series C in the amount of \$8,000,000. The Series C bonds represent the third in a series of bonds not to exceed \$35,000,000, approved by at least 55% of the voters in November 2014. The Series C bonds were issued as current interest bonds with a principal debt service balance of \$8,000,000.

The bonds have a final maturity to occur on August 1, 2039, with interest rates ranging from 1.85 to 4.00%. Proceeds from the sale of the bonds will be used to renovate and upgrade classrooms and facilities, perform upgrades for building systems such as plumbing, heating, and ventilation, and improve student access to modern technology. At June 30, 2021, the principal outstanding was \$7,420,000, and the unamortized premium received on issuance was \$765,940.

2020 General Obligation Bonds, Series A

On February 11, 2021, the District issued the 2020 General Obligation Bonds, Series A, in the amount of \$12,000,000. The Series A bonds represent the first in a series of bonds not to exceed \$45,000,000, approved by at least 55% of the voters in November 2020. The Series A bonds were issued as current interest bonds with a principal debt service balance of \$12,000,000. The bonds were issued at an aggregate price of \$13,645,801 (representing the principal amount of \$12,000,000, plus an original issue premium of \$1,885,801 and cost of issuance of \$(240,000)).

The bonds have a final maturity to occur on August 1, 2050, with interest rates ranging from 0.19 to 4.00%. Proceeds from the sale of the bonds will be used to modernize and renovate classrooms, restrooms and facilities; upgrade outdated electrical, plumbing and sewer systems; make health, safety and security improvements; and pay the costs of issuance for the bonds. At June 30, 2021, the principal outstanding was \$11,335,000, and the unamortized premium received on issuance was \$1,878,354.

2021 General Obligation Refunding Bonds

On March 16, 2021, the District issued the 2021 General Obligation Refunding Bonds (the 2021 Refunding Bonds) in the amount of \$10,400,000, to refund portions of the District's outstanding 2011 General Obligation Refunding Bonds, the 2012 General Obligation Refunding Bonds, the 2014 General Obligation Bonds, Series A, and the 2020 General Obligation Bonds, Series A. The bonds have a final maturity to occur on August 1, 2040, with interest rates ranging from 0.133 to 2.798%. At June 30, 2021, 2012 Refunding Bonds in the amount of \$10,400,000 were outstanding.

At June 30, 2021, the unamortized deferred charge on refunding was \$784,922.

The refunding resulted in a cumulative cash flow savings of \$767,512 over the life of the new debt and an economic gain of \$631,243 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.05%.

Debt Service Requirements to Maturity

The bonds mature through 2051 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2022	\$ 925,000	\$ 1,639,694	\$ 2,564,694
2023	1,830,000	1,637,218	3,467,218
2024	1,985,000	1,596,904	3,581,904
2025	1,385,000	1,558,385	2,943,385
2026	1,340,000	1,529,447	2,869,447
2027-2031	7,285,000	7,081,253	14,366,253
2032-2036	7,565,000	5,970,489	13,535,489
2037-2041	9,835,000	4,517,354	14,352,354
2042-2046	11,325,000	2,697,937	14,022,937
2047-2051	8,080,000	613,513	8,693,513
Total	<u>\$ 51,555,000</u>	<u>\$ 28,842,192</u>	<u>\$ 80,397,192</u>

Capital Lease

The District has entered into an agreement to lease a bus. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements has been fully satisfied.

	Bus
Balance, July 1, 2020	\$ 18,279
Payments	<u>(18,279)</u>
Balance, July 1, 2021	<u>\$ -</u>

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to \$330,468.

Note 10 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2021, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 9,974,983	\$ 1,360,310	\$ 1,756,498	\$ 809,707
Medicare Premium Payment (MPP) Program	139,759	-	-	21,016
Total	<u>\$ 10,114,742</u>	<u>\$ 1,360,310</u>	<u>\$ 1,756,498</u>	<u>\$ 830,723</u>

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Management of the Plan is vested in the District management.

Plan Membership

At June 30, 2019, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	31
Active employees	<u>243</u>
Total	<u><u>274</u></u>

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Ojai Federation of Teachers (OFT), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, OFT, CSEA, and the unrepresented groups. For fiscal year 2020-2021, the District paid \$577,151 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability was determined by an actuarial valuation as of June 30, 2019. The District's total OPEB liability of \$9,974,983 was measured as of June 30, 2020. Standard actuarial update procedures were used to project liability from valuation date to the measurement date.

Actuarial Assumptions

The total OPEB liability as of June 30, 2020, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total liability to June 30, 2020. The following assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.45%
Healthcare cost trend rates	5.90%

The discount rate was based on the Fidelity GO AA 20 Years Municipal Index.

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2019, valuation were based on a review of plan experience during the period July 1, 2017, to June 30, 2019.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2020	\$ 9,196,833
Service cost	675,771
Interest	299,345
Changes of assumptions	425,556
Benefit payments	(622,522)
Net change in total OPEB liability	778,150
Balance, June 30, 2021	\$ 9,974,983

Changes of assumptions and other inputs reflect a change in the discount rate of 3.13% in 2020 to 2.45% in 2021.

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 one percent lower or higher than the current rate:

Discount Rate	Total OPEB Liability
1% decrease (1.45%)	\$ 10,624,774
Current discount rate (2.45%)	9,974,983
1% increase (3.45%)	9,354,168

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 one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (4.90%)	\$ 8,965,813
Current healthcare cost trend rate (5.90%)	9,974,983
1% increase (6.90%)	11,146,089

OPEB Expense, Deferred Inflows of Resources, and Deferred Outflows of Resources

For the year ended June 30, 2021, the District recognized OPEB expense of \$809,707. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 577,151	\$ -
Differences between expected and actual experience	-	1,572,808
Changes of assumptions	783,159	183,690
Total	<u>\$ 1,360,310</u>	<u>\$ 1,756,498</u>

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent fiscal year

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (165,409)
2023	(165,409)
2024	(165,409)
2025	(165,409)
2026	(157,759)
Thereafter	(153,944)
Total	<u>\$ (973,339)</u>

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2021, the District reported a liability of \$139,759 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.0330%, and 0.0319%, resulting in a net increase in the proportionate share of 0.0011%.

For the year ended June 30, 2021, the District recognized OPEB expense of \$21,016.

Actuarial Methods and Assumptions

The June 30, 2020 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020, using the assumptions listed in the following table:

Measurement Date	June 30, 2020	June 30, 2019
Valuation Date	June 30, 2019	June 30, 2018
Experience Study	June 30, 2014 through June 30, 2018	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.21%	3.50%
Medicare Part A Premium Cost Trend Rate	4.50%	3.70%
Medicare Part B Premium Cost Trend Rate	5.40%	4.10%

For the valuation as of June 30, 2019, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294 or an average of 0.18% of the potentially eligible population (159,339).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2020, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020, is 2.21%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.21%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29% from 3.5% as of June 30, 2019.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (1.21%)	\$ 154,542
Current discount rate (2.21%)	139,759
1% increase (3.21%)	127,179

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

<u>Medicare Costs Trend Rate</u>	<u>Net OPEB Liability</u>
1% decrease (3.50% Part A and 4.40% Part B)	\$ 126,724
Current Medicare costs trend rate (4.50% Part A and 5.40% Part B)	139,759
1% increase (5.50% Part A and 6.40% Part B)	154,764

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	\$ 6,850	\$ -	\$ -	\$ 450	\$ 7,300
Stores inventories	39,916	-	-	3,885	43,801
Total nonspendable	46,766	-	-	4,335	51,101
Restricted					
Legally restricted programs	911,282	-	-	312,597	1,223,879
Student activities	-	-	-	87,286	87,286
Capital projects	-	18,676,180	-	1,324,422	20,000,602
Debt service	-	-	3,527,901	-	3,527,901
Total restricted	911,282	18,676,180	3,527,901	1,724,305	24,839,668
Assigned					
Deferred maintenance	5,095	-	-	-	5,095
Adult education	-	-	-	55,954	55,954
Total assigned	5,095	-	-	55,954	61,049
Unassigned	1,554,501	-	-	-	1,554,501
Total	\$ 2,517,644	\$ 18,676,180	\$ 3,527,901	\$ 1,784,594	\$ 26,506,319

Note 12 - Risk Management

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters.

Property and Liability and Worker's Compensation

The District participates in the Ventura County Schools Self-Funding Authority public entity risk pool for the property and liability, and workers' compensation coverage. Refer to Note 15 for additional information regarding the public entity risk pools

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Insurance Program	Type of Coverage	Limits
Ventura County Schools Self-Funding Authority	Workers' Compensation Excess Workers' Compensation Property and Liability	Statutory \$15 million \$250 million

Employee Medical Benefits

The District has contracted with the Self-Insured Schools of California III (SISC III) to provide employee health benefits. SISC III is a shared risk pool. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating members.

Note 13 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2021, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 18,341,543	\$ 4,542,365	\$ 1,338,572	\$ 2,380,354
CalPERS	11,347,068	2,078,801	-	2,324,256
Total	<u>\$ 29,688,611</u>	<u>\$ 6,621,166</u>	<u>\$ 1,338,572</u>	<u>\$ 4,704,610</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
<http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2021, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.15%	16.15%
Required state contribution rate	10.328%	10.328%

Contributions

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were \$1,601,233.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share

Proportionate share of net pension liability	\$ 18,341,543
State's proportionate share of the net pension liability	<u>9,455,068</u>
Total	<u><u>\$ 27,796,611</u></u>

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2020, and June 30, 2019, respectively, was 0.0189% and 0.0180%, resulting in a net increase in the proportionate share of 0.0009%.

For the year ended June 30, 2021, the District recognized pension expense of \$2,380,354. In addition, the District recognized pension expense and revenue of \$1,324,562 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,601,233	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	684,519	821,310
Differences between projected and actual earnings on pension plan investments	435,689	-
Differences between expected and actual experience in the measurement of the total pension liability	32,364	517,262
Changes of assumptions	<u>1,788,560</u>	<u>-</u>
Total	<u><u>\$ 4,542,365</u></u>	<u><u>\$ 1,338,572</u></u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (265,855)
2023	148,447
2024	296,169
2025	256,928
	<hr/>
Total	\$ 435,689

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 386,191
2023	338,846
2024	422,628
2025	(83,006)
2026	210
Thereafter	102,002
	<hr/>
Total	\$ 1,166,871

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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 its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 27,711,517
Current discount rate (7.10%)	18,341,543
1% increase (8.10%)	10,605,310

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:
<https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.700%	20.700%

Contributions

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. Total plan contributions are calculated through the 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were \$1,080,376.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$11,347,068. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020, and June 30, 2019, respectively, was 0.0370% and 0.0351%, resulting in a net increase in the proportionate share of 0.0019%.

For the year ended June 30, 2021, the District recognized pension expense of \$2,324,256. At June 30, 2021, the District reported deferred outflows of resources of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Pension contributions subsequent to measurement date	\$ 1,080,376
Change in proportion and differences between contributions made and District's proportionate share of contributions	157,825
Differences between projected and actual earnings on pension plan investments	236,210
Differences between expected and actual experience in the measurement of the total pension liability	562,780
Changes of assumptions	41,610
	<u>2,078,801</u>
Total	<u>\$ 2,078,801</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (88,395)
2023	78,845
2024	137,045
2025	108,715
	<u>236,210</u>
Total	<u>\$ 236,210</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 447,033
2023	215,032
2024	92,285
2025	7,865
Total	<u>\$ 762,215</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP-2016.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 16,313,480
Current discount rate (7.15%)	11,347,068
1% increase (8.15%)	72,255,196

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its alternative plan.

District and employee contributions are determined by statute.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$1,070,033 (10.328% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves but have not been included in the budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule*.

Note 14 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2021.

Construction Commitments

As of June 30, 2021, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Meiners Oak Elementary, Ventura County Library Co-op	\$ 107,415	To be determined
Modernization at various sites		
Meiners Oak Elementary	46,732	September 2021
Mira Monte Elementary	435,519	November 2021
San Antonio Elementary	56,582	To be determined
Topa Topa Elementary	550,211	February 2022
Matilija Middle School	505,621	To be determined
Nordhoff High School	998,397	To be determined
	<u> </u>	
Total	<u><u>\$ 2,700,477</u></u>	

Note 15 - Participation in Public Entity Risk Pools and Joint Power Authorities

The District is a member of the Ventura County Schools Self-Funding Authority (VCSSFA), and the Self-Insured Schools of California III (SISC III) public entity risk pools. The District pays an annual premium to VCSSFA and SISC III, for its workers' compensation and property liability coverage, and for employee health, dental, and vision benefits, respectively. The relationship between the District and the pools are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2021, the District made payments of \$767,794, and \$5,559,564, to VCSSFA and SISC III, respectively, for services received.

Note 16 - Restatement of Prior Year Net Position and Fund Balance

As of July 1, 2020, the Ojai Unified School District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, the District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund. The following table describes the effects of the implementation on beginning fund balance/net position.

	Non-Major Governmental Funds	Total Governmental Funds
Beginning Fund Balance previously reported June 30, 2020	\$ 1,790,530	\$ 21,391,189
Reclassification of student activity from agency funds to a special revenue fund	<u>128,139</u>	<u>128,139</u>
Fund Balance - Beginning as restated July 1, 2020	<u><u>\$ 1,918,669</u></u>	<u><u>\$ 21,519,328</u></u>
Government-Wide Financial Statements		
Beginning Government-Wide Net Position (deficit) previously reported at June 30, 2020		\$ (22,840,864)
Reclassification of student activity from agency funds to a special revenue fund		<u>128,139</u>
Net Position (deficit) - Beginning as restated July 1, 2020		<u><u>\$ (22,712,725)</u></u>



Required Supplementary Information
June 30, 2021

Ojai Unified School District

Ojai Unified School District
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Local Control Funding Formula	\$ 20,410,013	\$ 22,124,341	\$ 22,073,723	\$ (50,618)
Federal sources	1,239,049	3,963,662	3,666,735	(296,927)
Other State sources	570,638	1,803,396	3,133,676	1,330,280
Other local sources	2,060,006	2,105,276	2,588,401	483,125
Total revenues ¹	24,279,706	29,996,675	31,462,535	1,465,860
Expenditures				
Current				
Certificated salaries	9,341,119	10,578,103	11,080,286	(502,183)
Classified salaries	4,050,693	4,869,771	5,193,059	(323,288)
Employee benefits	6,334,803	7,995,338	8,068,319	(72,981)
Books and supplies	1,280,793	2,170,586	2,111,147	59,439
Services and operating expenditures	2,630,852	3,148,693	3,194,245	(45,552)
Other outgo	67,295	89,106	803,243	(714,137)
Capital outlay	703,323	745,695	89,106	656,589
Debt service				
Debt service - principal	17,638	17,638	18,279	(641)
Debt service - interest and other	1,304	1,304	663	641
Total expenditures ¹	24,427,820	29,616,234	30,558,347	(942,113)
Excess (Deficiency) of Revenues Over Expenditures	(148,114)	380,441	904,188	523,747
Other Financing Uses				
Transfers out	(80,000)	(275,000)	-	275,000
Net Change in Fund Balances	(228,114)	105,441	904,188	798,747
Fund Balance - Beginning	1,613,456	1,613,456	1,613,456	-
Fund Balance - Ending	\$ 1,385,342	\$ 1,718,897	\$ 2,517,644	\$ 798,747

¹ Due to the consolidation of Fund 14, Deferred Maintenance Fund, additional revenues, and expenditures pertaining to this fund are included in the Actual (GAAP Basis) revenues and expenditures. However, these amounts are not included in the original and final General Fund budgets.

Ojai Unified School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 675,771	\$ 597,696	\$ 629,531	\$ 611,196
Interest	299,345	386,596	317,747	312,775
Difference between expected and actual experience	-	(2,049,416)	-	-
Changes of assumptions	425,556	530,446	(298,494)	-
Benefit payments	(622,522)	(694,316)	(743,522)	(786,369)
Net change in total OPEB liability	778,150	(1,228,994)	(94,738)	137,602
Total OPEB Liability - Beginning	9,196,833	10,425,827	10,520,565	10,382,963
Total OPEB Liability - Ending	<u>\$ 9,974,983</u>	<u>\$ 9,196,833</u>	<u>\$ 10,425,827</u>	<u>\$ 10,520,565</u>
Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

¹ The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

Ojai Unified School District

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program

Year Ended June 30, 2021

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.0330%	0.0319%	0.0332%	0.0348%
Proportionate share of the net OPEB liability	\$ 139,759	\$ 118,743	\$ 127,196	\$ 146,448
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

¹ As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

Ojai Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2021

	2021	2020	2019	2018
CalSTRS				
Proportion of the net pension liability	0.0189%	0.0180%	0.0185%	0.0192%
Proportionate share of the net pension liability	\$ 18,341,543	\$ 16,279,255	\$ 17,015,536	\$ 17,781,569
State's proportionate share of the net pension liability	9,455,068	8,881,420	9,742,190	10,519,426
Total	<u>\$ 27,796,611</u>	<u>\$ 25,160,675</u>	<u>\$ 26,757,726</u>	<u>\$ 28,300,995</u>
Covered payroll	<u>\$ 10,470,591</u>	<u>\$ 9,928,593</u>	<u>\$ 10,101,019</u>	<u>\$ 10,289,293</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	175.17%	163.96%	168.45%	172.82%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CalPERS				
Proportion of the net pension liability	0.0370%	0.0351%	0.0349%	0.0345%
Proportionate share of the net pension liability	\$ 11,347,068	\$ 10,233,449	\$ 9,313,230	\$ 8,242,546
Covered payroll	<u>\$ 5,354,003</u>	<u>\$ 4,871,133</u>	<u>\$ 4,607,559</u>	<u>\$ 4,402,131</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	211.94%	210.08%	202.13%	187.24%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note : In the future, as data becomes available, ten years of information will be presented.

Ojai Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>
CalSTRS			
Proportion of the net pension liability	<u>0.0196%</u>	<u>0.0201%</u>	<u>0.0186%</u>
Proportionate share of the net pension liability	\$ 15,889,902	\$ 13,553,010	\$ 11,103,030
State's proportionate share of the net pension liability	<u>9,045,838</u>	<u>7,168,048</u>	<u>5,872,279</u>
Total	<u>\$ 24,935,740</u>	<u>\$ 20,721,058</u>	<u>\$ 16,975,309</u>
Covered payroll	<u>\$ 9,948,341</u>	<u>\$ 8,735,935</u>	<u>9,403,042</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>159.72%</u>	<u>155.14%</u>	<u>118.08%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS			
Proportion of the net pension liability	<u>0.0358%</u>	<u>0.0359%</u>	<u>0.0385%</u>
Proportionate share of the net pension liability	<u>\$ 7,072,435</u>	<u>\$ 5,285,835</u>	<u>\$ 4,370,687</u>
Covered payroll	<u>\$ 4,299,975</u>	<u>\$ 3,925,427</u>	<u>4,047,140</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>164.48%</u>	<u>134.66%</u>	<u>107.99%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74%</u>	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014

Note : In the future, as data becomes available, ten years of information will be presented.

Ojai Unified School District
Schedule of District's Contributions
Year Ended June 30, 2021

	2021	2020	2019	2018
CalSTRS				
Contractually required contribution	\$ 1,601,233	\$ 1,790,471	\$ 1,616,375	\$ 1,457,577
Less contributions in relation to the contractually required contribution	<u>1,601,233</u>	<u>1,790,471</u>	<u>1,616,375</u>	<u>1,457,577</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 9,914,755</u>	<u>\$ 10,470,591</u>	<u>\$ 9,928,593</u>	<u>\$ 10,101,019</u>
Contributions as a percentage of covered payroll	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>
CalPERS				
Contractually required contribution	\$ 1,080,376	\$ 1,055,863	\$ 879,824	\$ 715,600
Less contributions in relation to the contractually required contribution	<u>1,080,376</u>	<u>1,055,863</u>	<u>879,824</u>	<u>715,600</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 5,219,208</u>	<u>\$ 5,354,003</u>	<u>\$ 4,871,133</u>	<u>\$ 4,607,559</u>
Contributions as a percentage of covered payroll	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>

Note : In the future, as data becomes available, ten years of information will be presented.

Ojai Unified School District
Schedule of District's Contributions
Year Ended June 30, 2021

	2017	2016	2015
CalSTRS			
Contractually required contribution	\$ 1,294,393	\$ 1,067,457	\$ 775,751
Less contributions in relation to the contractually required contribution	<u>1,294,393</u>	<u>1,067,457</u>	<u>775,751</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 10,289,293</u>	<u>\$ 9,948,341</u>	<u>\$ 8,735,935</u>
Contributions as a percentage of covered payroll	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS			
Contractually required contribution	\$ 611,368	\$ 509,418	\$ 462,062
Less contributions in relation to the contractually required contribution	<u>611,368</u>	<u>509,418</u>	<u>462,062</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,402,131</u>	<u>\$ 4,299,975</u>	<u>\$ 3,925,427</u>
Contributions as a percentage of covered payroll	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

Note : In the future, as data becomes available, ten years of information will be presented.

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

At June 30, 2021, the District's General Fund exceeded the budgeted amount in total as follows:

Funds	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund	<u>\$ 29,891,234</u>	<u>\$ 30,558,347</u>	<u>\$ 667,113</u>

* Total General Fund actual expenditures include on behalf payments of \$1,070,033.

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

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Change in Benefit Terms* – There were no changes in benefit terms.
- *Change of Assumptions* – The discount rate assumption was changed from 3.13% to 2.45% since the previous valuation.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.50% to 2.21% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District's Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.



Supplementary Information
June 30, 2021

Ojai Unified School District

Ojai Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Special Education (IDEA) Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	\$ 369,708
Special Education Preschool Grants	84.173	13430	<u>9,319</u>
Total Special Education (IDEA) Cluster			<u>379,027</u>
Title I Grants to Local Educational Agencies	84.010	14329	410,367
Title I, Part A, School Improvement (CSI)	84.010A	15438	<u>68,107</u>
Subtotal			<u>478,474</u>
COVID-19: Governor's Emergency Education Relief Fund:			
Learning Loss Mitigation	84.425C	15517	162,844
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	335,976
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	<u>863,326</u>
Subtotal			<u>1,362,146</u>
Title II, Part A, Supporting Effective Instruction	84.367	14341	67,326
Title III, Part A, English Learner Student Program	84.365	14346	3,094
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	25,124
Immediate Aid to Restart School Operations (Restart)	84.938	15389	<u>84,884</u>
Total U.S. Department of Education			<u>2,400,075</u>
U.S. Department of Agriculture			
Passed Through CDE			
Child Nutrition Cluster			
Child Nutrition: School Programs (NSL Sec 4)	10.555	13523	86,832
Child Nutrition: School Programs (NSL Sec 11)	10.555	13524	283,848
Child Nutrition: School Programs (School Breakfast Needy)	10.553	13526	200,159
Commodities	10.555	13396	<u>40,560</u>
Total Child Nutrition Cluster			<u>611,399</u>
Total U.S. Department of Agriculture			<u>611,399</u>
U.S. Department of the Treasury			
Passed Through CDE			
COVID-19: Coronavirus Relief Fund (CRF):			
Learning Loss Mitigation	21.019	25516	<u>1,266,660</u>
Total U.S. Department of the Treasury			<u>1,266,660</u>
Total Federal Financial Assistance			<u>\$ 4,278,134</u>

Organization

The Ojai Unified School District was established July 1, 1966, as a consolidation of Nordhoff Union School District and Nordhoff Union High School District. Also included in the consolidation were the school districts of San Antonio and Summit. The District operates four elementary schools, one middle school, one comprehensive high school, one continuation high school, an independent study program for Grades TK to 12, one preschool and an adult education program. There were no boundary changes during the year.

Governing Board

MEMBER	OFFICE	TERM EXPIRES
Jane Weil	President	December 2022
Kevin Ruf	Vice-President	December 2022
Michael Shanahan	Clerk	December 2022
Rebecca Chandler	Member	December 2024
Shelly Griffen	Member	December 2024

Administration

NAME	TITLE
Dr. Tiffany Morse	Superintendent
Dr. Sherrill Knox	Assistant Superintendent of Educational Services
Katrina Madden	Assistant Superintendent of Business Services

Ojai Unified School District

Schedule of Instructional Time

Year Ended June 30, 2021

Grade Level	Number of Actual Days		Number of Days Credited Form J-13A	Total Days Offered	Status
	Traditional Calendar	Multitrack Calendar			
Kindergarten	180	-	-	180	Complied
Grades 1 - 3					
Grade 1	180	-	-	180	Complied
Grade 2	180	-	-	180	Complied
Grade 3	180	-	-	180	Complied
Grades 4 - 8					
Grade 4	180	-	-	180	Complied
Grade 5	180	-	-	180	Complied
Grade 6	180	-	-	180	Complied
Grade 7	180	-	-	180	Complied
Grade 8	180	-	-	180	Complied
Grades 9 - 12					
Grade 9	180	-	-	180	Complied
Grade 10	180	-	-	180	Complied
Grade 11	180	-	-	180	Complied
Grade 12	180	-	-	180	Complied

Ojai Unified School District

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

Year Ended June 30, 2021

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	General Fund	Building Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Fund Balance			
Balance, June 30, 2021, Unaudited Actuals	\$ 2,325,512	\$ 18,006,942	\$ 1,816,593
Increase in			
Receivables	101,262	-	-
Decrease in			
Cash in county treasury - Fair Market Value	-	(31,757)	-
Receivables	-	-	(25,298)
Inventory	-	-	(6,701)
Accounts payable	90,870	700,995	-
	<u>90,870</u>	<u>700,995</u>	<u>-</u>
Balance, June 30, 2021, Audited Financial Statements	<u>\$ 2,517,644</u>	<u>\$ 18,676,180</u>	<u>\$ 1,784,594</u>

Ojai Unified School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2021

	(Budget) 2022 ¹	2021	2020	2019
General Fund ³				
Revenues	\$ 31,809,823	\$ 31,462,512	\$ 28,171,097	\$ 30,598,968
Expenditures	30,076,274	30,558,347	28,959,842	30,048,535
Other uses	50,000	-	75,000	95,000
Total expenditures and other uses	30,126,274	30,558,347	29,034,842	30,143,535
Increase/(Decrease) in Fund Balance	1,683,549	904,165	(863,745)	455,433
Ending Fund Balance	\$ 4,196,098	\$ 2,512,549	\$ 1,608,384	\$ 2,472,129
Available Reserves ²	\$ 1,646,395	\$ 1,554,501	\$ 1,511,537	\$ 1,962,552
Available Reserves as a Percentage of Total Outgo	5.46%	5.09%	5.21%	6.51%
Long-Term Liabilities including OPEB and Pension	N/A	\$ 94,856,498	\$ 76,882,242	\$ 70,762,947
K-12 Average Daily Attendance at P-2	2,227	2,247	2,247	2,273

The General Fund balance has increased by \$40,420 over the past two years. The fiscal year 2021-2022 budget projects an increase of \$1,683,549 (67.0%). For a district this size, the State recommends available reserves of at least 3% of total General Fund expenditures, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2021-2022 fiscal year. Total long-term liabilities have increased by \$24,093,551 over the past two years.

Average daily attendance has decreased by 26 over the past two years. An additional decline of 20 ADA is anticipated during fiscal year 2021-2022.

¹ Budget 2022 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

³ General Fund amounts do not include activity related to the consolidation of the Deferred Maintenance Fund as required by GASB Statement No. 54.

Ojai Unified School District
Schedule of Charter Schools
Year Ended June 30, 2021

<u>Name of Charter School</u>	<u>Charter Number</u>	<u>Included in Audit Report</u>
Valley Oak Charter School	0501	No

Ojai Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2021

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	Total Non-Major Governmental Funds
Assets					
Deposits and investments	\$ 72,012	\$ 390,973	\$ 115,406	\$ 1,329,880	\$ 1,908,271
Receivables	25,360	-	199,125	-	224,485
Stores inventories	1,226	-	2,659	-	3,885
Total assets	\$ 98,598	\$ 390,973	\$ 317,190	\$ 1,329,880	\$ 2,136,641
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 10,086	\$ 4,049	\$ 3,950	\$ 5,458	\$ 23,543
Due to other funds	-	28,504	300,000	-	328,504
Total liabilities	10,086	32,553	303,950	5,458	352,047
Fund Balances					
Nonspendable	1,226	-	3,109	-	4,335
Restricted	87,286	302,466	10,131	1,324,422	1,724,305
Assigned	-	55,954	-	-	55,954
Total fund balances	88,512	358,420	13,240	1,324,422	1,784,594
Total liabilities and fund balances	\$ 98,598	\$ 390,973	\$ 317,190	\$ 1,329,880	\$ 2,136,641

Ojai Unified School District

Combining Statement of Revenues, Expenditure, and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2021

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	Total Non-Major Governmental Funds
Revenues					
Federal sources	\$ -	\$ -	\$ 611,399	\$ -	\$ 611,399
Other State sources	-	438,811	51,313	-	490,124
Other local sources	34,116	3,532	4,307	235,000	276,955
Total revenues	34,116	442,343	667,019	235,000	1,378,478
Expenditures					
Current					
Instruction	-	198,191	-	-	198,191
Instruction-related activities					
Supervision of instruction	-	17,748	-	-	17,748
School site administration	-	16,948	-	-	16,948
Pupil services					
Food services	-	-	664,420	-	664,420
Administration					
All other administration	-	10,757	-	14,824	25,581
Plant services	-	-	-	17,359	17,359
Ancillary services	73,743	-	-	-	73,743
Other outgo	-	498,563	-	-	498,563
Total expenditures	73,743	742,207	664,420	32,183	1,512,553
Net Change in Fund Balances	(39,627)	(299,864)	2,599	202,817	(134,075)
Fund Balance - Beginning, as restated	128,139	658,284	10,641	1,121,605	1,918,669
Fund Balance - Ending	\$ 88,512	\$ 358,420	\$ 13,240	\$ 1,324,422	\$ 1,784,594

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Ojai Unified School District (the District) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Ojai Unified School District, it is not intended to and does not present the financial position, changes in net assets or net position or fund balance, of Ojai Unified School District.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had recognized expenditures of food commodities totaling \$40,560. None remained in inventory at year end.

Local Education Agency Organization Structure

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

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



Independent Auditor's Reports
June 30, 2021

Ojai Unified School District



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

To the Governing Board
Ojai Unified School District
Ojai, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ojai Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Ojai Unified School District's basic financial statements and have issued our report thereon dated April 6, 2022.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 16 to the financial statements, Ojai Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ojai Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ojai Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ojai 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying *Schedule of Financial Statement Findings* as items 2021-001 and 2021-002, that we consider to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Ojai Unified School District in a separate letter dated April 6, 2022.

Ojai Unified School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Ojai Unified School District's response to the findings identified in our audit and described in the accompanying *Schedule of Financial Statement Findings*. Ojai Unified School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
April 6, 2022



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Governing Board
Ojai Unified School District
Ojai, California

Report on Compliance for Each Major Federal Program

We have audited Ojai Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ojai Unified School District's major federal programs for the year ended June 30, 2021. Ojai Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Ojai Unified School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
April 6, 2022



Independent Auditor's Report on State Compliance

To the Governing Board
Ojai Unified School District
Ojai, California

Report on State Compliance

We have audited Ojai Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the state laws and regulations listed in the table below for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has 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 on state compliance. However, our audit does not provide a legal determination of the District's compliance.

Compliance Requirements Tested

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

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	Yes
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
CHARTER SCHOOLS	
Independent Study - Course Based	No, see below
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Charter School Facility Grant Program	No, see below

We did not perform procedures for Kindergarten Continuance because there were no Kindergarteners retained in 2019-2020 that were in Kindergarten in 2020-2021.

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform California Clean Energy Jobs Act procedures because the related procedures were performed in a previous year.

The Charter School is independent of the District; therefore, we did not perform any procedures related to charter schools.

Unmodified Opinion

In our opinion, Ojai Unified School District complied, in all material respects, with the laws and regulations of the state programs referred to above for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
April 6, 2022



Schedule of Findings and Questioned Costs
June 30, 2021

Ojai Unified School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
COVID-19: Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019
COVID-19: Governor's Emergency Education Relief Fund: Learning Loss Mitigation	84.425C
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

State Compliance

Type of auditor's report issued on compliance for programs	Unmodified
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The following findings represent material weaknesses related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. The findings have been coded as follows:

	Five Digit Code	AB 3627 Finding Type
	30000	Internal Control
2021-001	Code 30000	

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of financial account balances to ensure that they agree to corresponding supporting records.

Condition

During the course of our engagement, we identified material misstatements of balances within the District's 2020-2021 unaudited actuals financial report. Through review of supporting records, we noted misstatements in the General Fund, the Building Fund and in the Non-Major Governmental Funds.

Specifically, in the General Fund the receivables balance was understated by \$101,262. A failure to clear the beginning balances in accounts payable and the failure to accrue a material amount at June 30, 2021, netted to an overstatement of the balance in the amount of \$90,870. In the Building Fund, the accounts payable balance was overstated by \$700,995, and the fair market value of the deposit in the county treasury was overstated by \$31,757. In the Non-Major Governmental Funds, the Adult Education Fund receivable was overstated by \$25,298 and the Cafeteria Fund inventory balance was not adjusted to reflect the inventory on hand at year end, causing an overstatement of that account in the amount of \$6,701.

Questioned Costs

There were no questioned costs associated with the condition noted.

Context

The conditions were identified through review of available District records related to the financial account balances as reported in the Unaudited Actuals reporting package.

Effect

Due to the condition identified, the District's General Fund has been understated by \$192,132, the Building Fund has been understated by \$339,238, and the Non-Major Governmental Funds have been overstated by \$31,999.

Cause

The cause of the conditions identified appear to be due to inadequate review processes related to the District's financial information.

Repeat Finding

No

Recommendation

Management should review financial account balances to ensure that balances have been correctly reported. Balances should be traced to supporting records to verify the accuracy and completeness of reported information.

Corrective Action Plan and Views of Responsible Officials

As part of the year-end process, the District has a process where the Assistant Superintendent of Business and Administrative Services and the Director of Fiscal Services review all adjustments to the fund balance, cash, accounts receivable (AR), and accounts payable (AP) prior to entering adjustments into Escape. After closing the books, there will be follow-up regarding any or all of the entries and take action as necessary and appropriate.

2021-002 Code 30000

Criteria or Specific Requirements

Generally accepted accounting procedures (GAAP) require the reconciliation of bank accounts, capital assets, and other subsidiary ledgers prior to the annual closing of the books.

The audit process includes agreeing financial statements balances to the reconciliations and to source documents.

Condition

During the course of the audit of the year-end financial statements, we noted that management had not completed several items prior to the closing of the 2020-2021 fiscal year as would be expected. The District's bank accounts had not been reconciled for the year end June 30, 2021, as of the scheduled audit date in November 2021. The capital assets records had not been compiled as of the scheduled audit date in November 2021. These records were finalized in March 2022.

In addition, the backup for samples selected during the scheduled audit week in November 2021 was not provided in a timely manner. These included items selected for testing accounts payable, journal entries, and revenue.

Delays in receiving items requested as part of the audit process caused a delay in the issuance of the audited financial statements.

Questioned costs

There were no questioned costs associated with the condition.

Context

The conditions were noted during our audit of the financial statements.

Effect

Due to the conditions identified, there was a delay in the completion of the audit process.

Cause

The conditions identified above appear to be caused by the lack of formal procedures related to these processes, in addition to recent changes to District's Business Office personnel.

Repeat Finding

Yes - See prior-year finding 2020-001

Recommendation

All bank accounts should be reconciled monthly, shortly after the bank statement is available from the bank. This ensures that errors and fraudulent activity may be identified promptly and corrected. Bank account reconciliations should be signed and dated by the preparer and reviewer.

Capital assets represent a material balance in the government-wide financial statements. Tracking the activity in the governmental funds and recording the activity in the capital assets records can be time consuming. We recommend that these tasks take place periodically throughout the year. Prior to the preparation of the unaudited actuals reporting package, a final reconciliation of the expenditures in the relevant accounts and all additions to the capital asset accounts should be performed to confirm that all capital assets have been included in the records. At that point the annual depreciation can be calculated, and the Form ASSET can be completed.

To facilitate the completion of the audit in a timely manner, all requested backup documentation should be prepared in advance of the scheduled audit date, and all subsequent requests for documentation should be provided timely upon request.

Corrective Action Plan and Views of Responsible Officials

The District will follow the recommendation as described above. Bank account activity will be reconciled to the check register each month. Reconciliations will be signed and dated by the preparer and reviewer. Capital asset records will be maintained and reconciled to capital outlay expenditures. Backup documentation for transactions will be maintained in a systematic way in order for records to be retrieved and provided upon request.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

2020-001 Code 30000

Criteria or Specific Requirements

Generally accepted accounting procedures (GAAP) require the reconciliation of bank accounts, capital assets, and other subsidiary ledgers prior to the annual closing of the books.

The audit process includes agreeing financial statements balances to the reconciliations and to source documents.

Condition

During the course of the audit of the year-end financial statements, we noted that management had not completed several items prior to the closing of the 2019-2020 fiscal year as would be expected. The District's bank accounts had not been reconciled for the year end June 30, 2020, as of the scheduled audit date in October 2020 and were not provided until March 2021. The capital assets records had not been compiled as of the scheduled audit date in October 2020. These records were provided in February 2021 and were finalized in March 2021.

In addition, the backup for samples selected during the scheduled audit week in October 2020 was not provided in a timely manner. These included items selected for testing accounts payable, journal entries, and the other post-employment benefits census data.

Delays in receiving items requested as part of the audit process caused a delay in the issuance of the audited financial statements.

Questioned costs

There were no questioned costs associated with the condition.

Context

The condition was noted during our audit of the financial statements.

Effect

Due to the conditions identified, there was a delay in the completion of the audit process.

Cause

The condition identified above appears to be caused by the lack of formal procedures related to these processes, in addition to recent changes to District's Business Office personnel.

Recommendation

All bank accounts should be reconciled monthly, shortly after the bank statement is available from the bank. This ensures that errors and fraudulent activity may be identified promptly and corrected.

Capital assets represent a material balance in the government-wide financial statements. Tracking the activity in the governmental funds and recording the activity in the capital assets records can be time consuming. We recommend that these tasks take place periodically throughout the year. Prior to the preparation of the unaudited actuals reporting package, a final reconciliation of the expenditures in the relevant accounts and all additions to the capital asset accounts should be performed to confirm that all capital assets have been included in the records. At that point the annual depreciation can be calculated, and the Form ASSET can be completed.

To facilitate the completion of the audit in a timely manner, all requested backup documentation should be prepared in advance of the scheduled audit date, and all subsequent requests for documentation should be provided timely upon request.

Current status

Not implemented – see 2021-02

State Compliance Findings

2020-002 Code 10000, Attendance

Criteria or Specific Requirements

California school districts' principal apportionment is calculated using a formula that multiplies units of average daily attendance (ADA) by rates based on grade spans. The 2019-2020 Guide of Annual Audits of K-12 Local Education Agencies and State Compliance Reporting requires that auditors determine whether the P2 and Annual reports of attendance submitted to the California Department of Education (CDE) reconcile to the supporting documents the LEA's ADA calculations for each reporting line item.

Condition

The P2 attendance report filed by the District on June 29, 2020, did not reconcile to supporting documents provided by the District as audited. The ADA reported at P2 was overstated by 2.47.

Questioned Costs

Using the derived value per unit of average daily attendance as provided by the California Department of Education, the cost of the restatement is approximately \$21,646.

	Grades 7-8 Line A-1	Grades 4-6 Line A-3
ADA previously reported	384.82	1.53
Audited ADA balances	<u>383.49</u>	<u>0.39</u>
Difference	<u>1.33</u>	<u>1.14</u>

Context

The condition was noted during our audit of the supporting documentation for the P2 attendance report.

Effect

The overstatement of ADA resulted in an overstatement of the District's principal apportionment revenue of \$21,646.

Cause

In its calculation of total ADA reported at P2, the District included Month 8 in the calculation of ADA for Grades 7 -8. Month 8 was after the P-2 cut off. The District used an incorrect number of days in the denominator in the calculation of the Grade 4-6 Non-Public School ADA.

Recommendation

The District has refiled the 2019-2020 P2 attendance report using the corrected units of ADA as noted above.

Current status

Implemented



Management
Ojai Unified School District
Ojai, California

In planning and performing our audit of the financial statements of Ojai Unified School District (the District) for the year ended June 30, 2021, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following item represents a condition noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated April 6, 2022, on the government-wide financial statements of the District.

Observation

Fourth quarter interest revenue earned on the deposits held in the County Treasury through June 30, 2021, were not accrued during the closing of the books. We noted that the amounts were received on July 28, 2021, and August 6, 2021. The receipts were posted as offsets to accounts receivable in the 2021-2022 fiscal year, although the amounts had not been accrued and were not included in the accounts receivable balance. The amounts were not material to the financial statements. Therefore, audit adjustments were not posted.

Recommendation

In general, care should be taken to review receipts to determine the proper period for posting, especially during the closing period. Accrual accounting matches revenues and expenditures to the period earned or incurred, regardless of when received or paid.

Specifically, these postings should be recognized as revenue in the 2021-2022 fiscal year rather than credits to the accounts receivable balance.

We will review the status of the current year comments during our next audit engagement.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
April 6, 2022