

VENTURA UNIFIED SCHOOL DISTRICT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



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INDEPENDENT AUDITORS' REPORT

Board of Education
Ventura Unified School District
Ventura, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ventura 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.

Auditors' 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 auditors' 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 the 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 a Matter

During the year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the District reported a restatement for the change in accounting principle (see Note 16). Our auditors' opinion is not modified with respect to this matter. United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary schedules and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of instructional time, schedule of expenditures of federal awards, reconciliation of the annual financial and budget report with the audited financial statements, the notes to the supplementary information and the combining nonmajor fund financial statements 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The history and organization, schedule of financial trends and analysis and schedule of charter schools have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
April 20, 2022

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The Management Discussion and Analysis section of Ventura Unified School District's financial report presents an overall review of the District's financial performance during the fiscal year that ended on June 30, 2021. Readers should also review the notes to the basic financial statements and the fund financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Total net position was \$(737,591). As a result of decreased program revenues, the District's net position increased by \$233 thousand.

- Total governmental fund revenues were \$237.4 million. General Fund revenue accounted for \$218.5 million or 92.02% of total revenues.
- The District had \$237.2 million in government-wide expenses; \$68.6 million of these expenses were offset by program specific charges for services and grants and/or contributions.
- Outlays for capital improvements were \$2.5 million, primarily for equipment upgrades and replacements. New electric buses were purchases as well as necessary infrastructure upgrades to support charging stations. Replacement equipment includes used grounds equipment and vehicles. New playgrounds as well as CTE equipment including production equipment, a greenhouse, and an aquaponics system for the Sa'Aliyas Ranch project. Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives as depreciation expense.
- Among major funds, the General Fund had \$218.5 million in revenues and \$204.4 million in expenditures. The District has restricted, as required by law, the \$5.59 million unspent program grant funds. Annual increases in state revenues are currently based on state formula-drive cost of living adjustments (COLA). Pandemic related funding to assist the District in reopening schools and address student learning needs are restricted program funds and the expenditure of these funds will continue through September 2024 as available.
- School districts in California have completed their implementation of the Local Control Funding Formula (LCFF), a comprehensive reform of how funding is allocated for K-12 schools. The LCFF was adopted by the state in 2013 to replace the Revenue Limit funding formula and the majority of state categorical programs, a structure that had been in place for 40 years. The LCFF model requires local determination of priorities for the expenditure of funds. Districts develop a Local Control Accountability Plan (LCAP) to explain programs and priorities to the community. Input from the community is required as part of the development of the plan, and it is intended to assist in promoting transparency for the districts.
- Average daily attendance reported on the second period attendance report for the regular education K-12 program decreased by 941 to 14,587 while the enrollment count decreased by 362 students, to 15,874 as measured by the California Basic Education System (CBEDS). During this period Districts were held harmless by the State in their attendance reporting due to the pandemic and the displacement caused by the closures. School sites worked to provide additional learning opportunities throughout the school year to address learning loss and reengage students.

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

- The LCFF consists of base, supplemental, and concentration funding. Base funding provides consistent per student funding rates for all students state-wide using grade level groupings. Additional funding is provided for students identified as higher need: low socio-economic, English learners, homeless, and foster youth. Supplemental funding provides an additional 20% of the base funds for the unduplicated count of students who are identified in these higher need categories. Concentration funding is provided to districts exceeding 55% of their population identified in the unduplicated pupil count. Concentration grant funding provides an additional 50% of the base funds for the percentage of students that exceed 55%. For the 2020-21 school year, Ventura Unified's unduplicated count of students was 56.02%, representing a decline of 0.01%.
- In the November 2020 election, the District was successful in extending a parcel tax that was first initiated in the 2013-14 school year. The community approved continuing the \$59 per parcel per year tax through the 2024-25 school-year. Annual parcel tax receipts generate \$2.2 million for the District.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts, management's discussion and analysis (this section), the basic financial statements, and the supplementary information, comprised of required and other supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term and long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail.

The financial statements also include *notes* that explain some of the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with comparison of the District's budget for the year.

District-Wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position—the difference between the District's assets plus deferred outflow of resources less liabilities and deferred inflows of resources—is one way to measure the District's financial health or *position*.

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements the District's activities include:

- *Governmental activities*—Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and LCFF finance most of these activities. Other funds in the District are also included here and are described in the notes to the financial statements.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information that explains the relationship (or differences) between them.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position from governmental activities was (\$737,591). The \$233 thousand increase in net position was primarily due to increased program revenues. Table 1 provides a summary of the District's combined net position for 2021.

Table 1: Net Position

	Governmental Activities	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
ASSETS		
Current and Other Assets	\$ 88,461,126	\$ 59,010,396
Capital Assets, Net	162,114,679	168,007,015
Total Assets	<u>250,575,805</u>	<u>227,017,411</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	712,241	380,192
Deferred Outflows - OPEB	1,494,150	1,592,814
Deferred Outflows - Pensions	42,414,830	47,786,778
Total Deferred Outflows of Resources	<u>44,621,221</u>	<u>49,759,784</u>
LIABILITIES		
Current Liabilities	28,382,552	11,261,604
Long-Term Liabilities	255,960,579	250,573,755
Total Liabilities	<u>284,343,131</u>	<u>261,835,359</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Pensions	11,591,486	17,671,239
Total Deferred Inflows of Resources	<u>11,591,486</u>	<u>17,671,239</u>
NET POSITION		
Net Investment in Capital Assets	120,691,439	122,364,057
Restricted	30,823,969	25,082,610
Unrestricted	(152,252,999)	(150,176,070)
Total Net Position	<u>\$ (737,591)</u>	<u>\$ (2,729,403)</u>

Significant changes include:

- The closures that occurred in March 2020 impacted the District in its ability to perform various programs and other functions that are normally maintained under program revenues or services, such as the functions of the Food and Nutrition Services program and grant programming.
- The District was permitted to reopen schools per State and Federal guidelines for limited in person instruction starting December 2020 and then fully in April 2021. Additional funding related to the pandemic increased non-LCFF State revenue as well as Federal revenue which provided funding for reopening and in-person instruction supports as well as student supports such as learning loss mitigation and counseling services.
- The increase in long-term liabilities are related to increases in net pension liability offset by changes in debt including a refunding of general obligation bonds.

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Activities. Total cost of all governmental activity programs and services was \$237.2 million. Instruction and pupil services made up 76.0% of total program cost, plant services were 8.3%, and general administration was 7.9%. Table 2 provides a summary of the District's governmental activities.

With the implementation of the LCFF, the funding received from Proposition 30 from the state for education increased for the seventh consecutive year in terms of per pupil spending while District state funding decreased. The parcel tax, \$2.17 million, that was collected for the eighth year in 2020-21, helped to maintain class sizes, purchase technology, and support the arts and music education.

Table 2: Changes in Net Position

	Governmental Activities	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
REVENUES		
Program Revenues:		
Charges for Services	\$ 2,544,183	\$ 3,575,146
Operating Grants and Contributions	66,038,875	41,281,813
General Revenues:		
Property Taxes	79,827,377	76,406,770
Federal and State Aid	84,128,873	92,433,644
Other General Revenues	4,894,010	4,036,723
Total Revenues	<u>237,433,318</u>	<u>217,734,096</u>
EXPENSES		
Instruction	130,405,525	120,659,207
Instruction-Related Services	25,809,321	24,063,339
Pupil Services	24,031,343	24,999,931
Ancillary Services	1,930,382	1,243,689
Community Services	120,219	158,312
Enterprise Activities	1,592,814	1,558,384
General Administration	18,478,644	12,881,582
Plant Services	19,750,546	20,062,728
Other Outgo and Interest on Long-Term Debt	6,677,061	7,545,726
Depreciation	8,404,105	8,029,989
Total Expenses	<u>237,199,960</u>	<u>221,202,887</u>
CHANGE IN NET POSITION	233,358	(3,468,791)
Net Position - Beginning of Year, as Originally Stated	(2,729,403)	739,388
Cumulative Effect of Change in Accounting Principle (See Note 16)	1,758,454	-
Net Position - Beginning of Year, as Restated	<u>(970,949)</u>	<u>739,388</u>
NET POSITION - END OF YEAR	<u>\$ (737,591)</u>	<u>\$ (2,729,403)</u>

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Significant changes include:

Revenues:

- Local Control Funding Formula (LCFF) decreased \$3.6 million, or 2.30% primarily due to \$1.2 million in prior-year ADA revenue due to the District based on revised attendance information related to the 2017-18 Thomas fire disaster. Increases in property tax collections are offset by decreases to State apportionments and as the LCFF implementation was complete as of 2018-19, the District will be subject to Cost of Living Adjustments (COLA) only increases going forward.
- In the General Fund, federal revenues increased \$13.2 million due to pandemic funding while program funding revenue decreased and state revenues increased \$9.8 million compared to the prior year due to pandemic funding and learning loss mitigation funding.
- In the General Fund, local revenues increase \$1.4 million due to additional grant opportunities awarded to the District.

Expenses:

- In the General Fund, the District maintained its annual contribution to health and welfare benefits which increased by \$1,908 to \$18,228 per full-time employee. The increased cost to the District for health and welfare benefits was \$1.9 million in 2020-21.
- The District funded a base salary schedule increase for Classified employees to address the changing minimum wage requirements as part of a multiyear agreement from 2019-20 through 2021-22.
- Material and supply costs increased \$8.2 million which were related to the pandemic including student learning supplies during the closures, new cleaning supplies and protocols, as well as personal protective equipment (PPE). Student technology including iPads and Chromebooks for individual use was the largest increase to material costs.
- General expenditures related to supplies and services decreased by \$62 thousand in the 2020-21 year due the mandated school closures and stay-at-home orders. Cost-reimbursable programs unable to operate during the closures, such as grant funded programs, had reduced expenditures which corresponds to the reduced revenues in those programs. An increase of \$800 thousand.

Governmental Activities

The District's governmental funds revenue totaled \$235.7 million. Local control funding formula (funded by property taxes and state funds) generated 64.8% of the revenues, 24.5% was from federal and state grants and contributions, 9.8% from local sources and charges for services, and 0.9% from the parcel tax. General revenues, local control funding formula and the related property taxes were received to provide for the District's basic services.

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the school year, the governmental funds reported a combined fund balance of \$60,716,582 which is an increase of \$10,558,263 from last year.

Table 3: Fund Balance

	Fund Balance		
	June 30, 2021	June 30, 2020	Difference
GOVERNMENTAL FUNDS			
General Fund	\$ 31,984,006	\$ 21,532,916	\$ 10,451,090
Building Fund	8,484,676	9,519,379	(1,034,703)
Student Activity Fund	1,607,312	1,758,454	(151,142)
Adult Education Fund	5,388,647	4,387,572	1,001,075
Child Development Fund	178,732	73,939	104,793
Cafeteria Fund	1,012,115	894,461	117,654
Capital Facilities Fund	6,969,067	6,935,531	33,536
Bond Interest and Redemption Fund	5,092,027	5,056,067	35,960
Total	<u>\$ 60,716,582</u>	<u>\$ 50,158,319</u>	<u>\$ 10,558,263</u>

- The General Fund increased \$10.5 million due to a combination of decreased expenditures due to global pandemic related closures and stay-at-home orders as well as an increase in pandemic related funding to support.
- The Building Fund decreased \$1.03 million due to continued facilities improvement projects such as new playground installation, energy efficient lighting installation, and the Sa'aliyas Ranch project which includes a new greenhouse.
- The Adult Education Fund increased \$1.0 million due pandemic related funding as well as being able to offer online course programming under a state waiver during the closures.

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its annual operating budget several times. The District is required to adopt its budget by July 1st each year, which is prior to final funding information from the state. After the state budget is adopted the District is required to present the impacts of the state budget, if significant, to the District budget, within 45 days of the Governor's signature. The District is also required by law to make two formal presentations each year on its financial condition. Budget revisions are made after the presentations to reflect current information. Budget revisions are also made throughout the year as information regarding funding and expenditures becomes available. A budgetary comparison schedule for the General Fund is presented in the required supplementary section of this report.

Actual revenues were \$6.7 million more than the final budget amount. Local control funding formula was \$268 thousand less than budgeted due to small variances in property taxes and LCFF supplemental and concentration grants. An additional \$4.4 million in federal funding more than budgeted was due to the change in the revenue recognition treatment guidelines adopted by CDE during the closing process. Additionally state funding was \$1.6 million more than budgeted due primarily to the final STRS on-behalf pass-through contribution.

Actual expenditures were \$3.3 million less than the final budgeted amount. Salaries and benefits were \$1.2 million higher primarily due to the final STRS on-behalf pass-through contribution. Delays in services or construction due to material shortages resulted in \$2.3 million less than budgeted in capital outlay. Decreases in expenditures primarily related to supplies and services totaling \$3.7 million reduced site expenditures, reduced program expenditures, and decreases related to closures or supply chain issues. Increases in transfer expenditures include a \$1.2 million in excess cost expenditures compared to budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had \$162,114,679 in a broad range of capital assets as shown below:

Table 4: Capital Assets (Net of Depreciation)

	June 30, 2021	June 30, 2020
Land	\$ 13,454,888	\$ 13,454,888
Buildings and Improvements	145,802,681	150,743,121
Machinery, Equipment and Vehicles	2,857,110	3,809,006
Capital Assets, Net	\$ 162,114,679	\$ 168,007,015

**VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Long-Term Liabilities

At June 30, 2021, the District had \$256,237,426 in long-term liabilities as shown below:

Table 5: Long-Term Liabilities

	June 30, 2021	June 30, 2020
General Obligation Bonds	\$ 42,944,491	\$ 45,861,196
Certificates of Participation (COPS)	33,000	423,000
Installment Loan	320,763	591,653
Compensated Absences	1,231,739	1,250,138
Net Other Postemployment Benefits (OPEB) Liability	10,952,731	12,032,945
Net Pension Liability	200,477,855	190,414,823
Total Long-Term Liabilities	\$ 255,960,579	\$ 250,573,755

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

Although the District is financially stable, its financial condition is highly dependent upon the economic condition of the state of California. The global pandemic created dramatic shifts in the state and local outlooks as well as economic activity throughout the state.

The California Legislative Analyst's Office (LAO) notes in their November 2021 fiscal outlook for the California economy that historic revenue growth has created a \$31 billion dollar surplus for allocation in 2022-23. The large surplus will allow the state to either reduce taxes or provide additional funding to schools and other organizations. The District continues to maintain a cautious approach, focusing on the maintenance and enhancement of programs for the current year and adjusting plans for the future in light of uncertainty. The District will also continue to focus on the needs of students related to learning loss and managing student needs related to the pandemic through the federal and state pandemic recovery appropriations and grants.

Going forward, annual increases in state revenues are expected to be based only on state formula-driven cost of living adjustments (COLA). The District anticipates the need to address changing programmatic needs, rising pension costs, and health and welfare increases in the COLA only environment. The District is also anticipating the changing needs of students and the community at large with the decline in student enrollment.

The District currently maintains the required 3% reserve for economic uncertainties and continues to look for ways to optimize revenues while reviewing expenditures for the best value in educating the children of the District.

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 Rebecca Chandler, Assistant Superintendent of Business Services at Ventura Unified School District, 255 West Stanley Ave, Ventura California 93001.

FINANCIAL SECTION

**VENTURA UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities
ASSETS	
Cash in County Treasury	\$ 48,948,314
Cash and Cash Equivalents	1,600,628
Accounts Receivable	36,132,860
Due from Fiduciary Funds	3,032
Stores	394,355
Prepaid Expenses	1,381,937
Land	13,454,888
Depreciable Assets, Net	148,659,791
Total Assets	250,575,805
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	712,241
Deferred Outflows - OPEB	1,494,150
Deferred Outflows - Pensions	42,414,830
Total Deferred Outflows of Resources	44,621,221
 LIABILITIES	
Accounts Payable	10,505,545
Accrued Interest	638,008
Current Loan	14,605,000
Unearned Revenue	2,633,999
Long-Term Liabilities:	
Due Within One Year	4,916,778
Due in More Than One Year	251,043,801
Total Liabilities	284,343,131
 DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Pensions	11,591,486
 NET POSITION	
Net Investment in Capital Assets	120,691,439
Restricted for:	
Capital Projects	14,240,970
Debt Service	4,454,019
Educational Programs	9,584,885
Other Programs	2,544,095
Unrestricted	(152,252,999)
Total Net Position	\$ (737,591)

See accompanying Notes to Financial Statements.

**VENTURA UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 130,405,525	\$ 1,089,808	\$ 42,784,462	\$ (86,531,255)
Instruction - Related Services	25,809,321	22,924	6,834,904	(18,951,493)
Pupil Services	24,031,343	112,472	6,432,325	(17,486,546)
Ancillary Services	1,930,382	785,862	92,103	(1,052,417)
Community Services	120,219	-	1,096	(119,123)
Enterprise Activities	1,592,814	-	-	(1,592,814)
General Administration	18,478,644	8,114	6,999,480	(11,471,050)
Plant Services	19,750,546	27,642	694,063	(19,028,841)
Other Outgo	5,471,143	497,361	2,200,442	(2,773,340)
Debt Service - Interest	1,205,918	-	-	(1,205,918)
Depreciation (Unallocated)	8,404,105	-	-	(8,404,105)
Total Governmental Activities	<u>\$ 237,199,960</u>	<u>\$ 2,544,183</u>	<u>\$ 66,038,875</u>	<u>(168,616,902)</u>
GENERAL REVENUES				
Property Taxes Levied for:				
				72,722,432
				4,585,521
				2,519,424
				84,128,873
				348,386
				4,545,624
				<u>168,850,260</u>
CHANGE IN NET POSITION				
				233,358
				(2,729,403)
				1,758,454
				<u>(970,949)</u>
NET POSITION - END OF YEAR				
				<u>\$ (737,591)</u>

See accompanying Notes to Financial Statements.

**VENTURA UNIFIED SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Building Fund	Nonmajor Governmental Fund	Total Governmental Fund
ASSETS				
Cash in County Treasury	\$ 21,949,345	\$ 8,227,965	\$ 18,771,004	\$ 48,948,314
Cash on Hand and in Banks	-	-	1,600,628	1,600,628
Accounts Receivable	35,061,277	236,986	834,597	36,132,860
Due from Other Funds	302,100	422,652	752,260	1,477,012
Stores	319,024	-	75,331	394,355
Prepaid Expenditures	1,331,937	50,000	-	1,381,937
	<u>\$ 58,963,683</u>	<u>\$ 8,937,603</u>	<u>\$ 22,033,820</u>	<u>\$ 89,935,106</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 9,649,953	\$ 452,927	\$ 402,665	\$ 10,505,545
Due to Other Funds	752,259	-	721,721	1,473,980
Current Loans	14,605,000	-	-	14,605,000
Unearned Revenue	1,972,465	-	661,534	2,633,999
Total Liabilities	<u>26,979,677</u>	<u>452,927</u>	<u>1,785,920</u>	<u>29,218,524</u>
FUND BALANCE				
Nonspendable	1,650,961	50,000	75,332	1,776,293
Restricted	5,588,488	8,434,676	18,601,586	32,624,750
Committed	-	-	1,557,875	1,557,875
Assigned	400,000	-	13,107	413,107
Unassigned	24,344,557	-	-	24,344,557
Total Fund Balance	<u>31,984,006</u>	<u>8,484,676</u>	<u>20,247,900</u>	<u>60,716,582</u>
Total Liabilities and Fund Balance	<u>\$ 58,963,683</u>	<u>\$ 8,937,603</u>	<u>\$ 22,033,820</u>	<u>\$ 89,935,106</u>

See accompanying Notes to Financial Statements.

**VENTURA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Fund Balance - Governmental Funds \$ 60,716,582

Amounts reported for governmental funds are different than the statement of net position because:

Capital assets used in governmental activities are not financial resource and, therefore, are not reported as assets in governmental funds. These assets consist of:

Land	\$ 13,454,888	
Depreciable Assets, Net	<u>148,659,791</u>	
		162,114,679

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds.

Long-term liabilities at year-end consist of:

General Obligation Bonds and Related Bond Premium	(42,944,491)	
Certificates of Participation (COPS)	(33,000)	
Installment Loan	(320,763)	
Compensated Absences	(1,231,739)	
Other Postemployment Benefits (OPEB)	(10,952,731)	
Net Pension Liability	<u>(200,477,855)</u>	
		(255,960,579)

In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. Deferred outflows and inflows of resources at year-end consist of:

Deferred Charge on Refunding	712,241	
Deferred Outflows - OPEB	1,494,150	
Deferred Outflows - Pensions	42,414,830	
Deferred Inflows - Pensions	<u>(11,591,486)</u>	
		33,029,735

Interest expense related to general obligation bonds, COPS and installment loan was incurred but not accrued through June 30, 2021.

(638,008)

Total Net Position - Governmental Activities \$ (737,591)

**VENTURA UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	General Fund	Building Fund	Nonmajor Governmental Fund	Total Governmental Fund
REVENUES				
Local Control Funding Formula (LCFF):				
State Apportionments	\$ 79,928,344	\$ -	\$ -	\$ 79,928,344
Local Sources	72,722,453	-	-	72,722,453
Total LCFF Sources	152,650,797	-	-	152,650,797
Federal Sources	21,115,223	-	3,224,762	24,339,985
Other State Sources	26,783,252	-	6,740,060	33,523,312
Other Local Sources	17,941,851	868,850	6,415,817	25,226,518
Total Revenues	218,491,123	868,850	16,380,639	235,740,612
EXPENDITURES				
Instruction	119,690,414	-	5,166,844	124,857,258
Instruction - Related Services	22,884,887	-	1,531,048	24,415,935
Pupil Services	17,220,236	-	5,771,407	22,991,643
Ancillary Services	956,530	-	936,965	1,893,495
Community Services	113,503	-	-	113,503
Enterprise Activities	1,494,150	-	-	1,494,150
General Administration	17,859,246	-	404,180	18,263,426
Plant Services	18,429,714	1,930,151	193,304	20,553,169
Other Outgo	5,471,143	-	-	5,471,143
Debt Service	286,819	396,054	4,570,756	5,253,629
Total Expenditures	204,406,642	2,326,205	18,574,504	225,307,351
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,084,481	(1,457,355)	(2,193,865)	10,433,261
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In	16,609	422,652	3,650,000	4,089,261
Interfund Transfers Out	(3,650,000)	-	(439,261)	(4,089,261)
Proceeds from Sale of Bonds	-	-	10,410,600	10,410,600
Deposit to Refunding Bond Escrow Agent	-	-	(10,285,598)	(10,285,598)
Total Other Financing Sources (Uses)	(3,633,391)	422,652	3,335,741	125,002
NET CHANGE IN FUND BALANCE	10,451,090	(1,034,703)	1,141,876	10,558,263
Fund Balance - Beginning of Year, as Originally Stated	21,532,916	9,519,379	17,347,570	48,399,865
Adjustment for Cumulative Effect of Change in Accounting Principle (See Note 16)	-	-	1,758,454	1,758,454
Fund Balance - Beginning of Year, as Restated	21,532,916	9,519,379	19,106,024	50,158,319
FUND BALANCE - END OF YEAR	\$ 31,984,006	\$ 8,484,676	\$ 20,247,900	\$ 60,716,582

See accompanying Notes to Financial Statements.

**VENTURA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balance - Total Governmental Funds \$ 10,558,263

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the costs is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 2,511,769	
Depreciation Expense	(8,404,105)	
Deficiency of Capital Outlay Over Depreciation Expense		(5,892,336)

Issuance of long-term debt is reported as proceeds in governmental funds but increases long-term liabilities in the statement of net position.

General Obligation Bonds		(10,410,600)
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Bond Principal Payments	12,370,000	
COP Principal Payments	390,000	
Installment Loan	270,890	
		13,030,890

In governmental funds, pension costs are recognized when the employer contribution is made, but in the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual basis pension costs and actual employer contributions was:

(9,355,227)

In governmental funds, postemployment healthcare costs are recognized when the employer payment is made, but in the statement of activities, postemployment healthcare costs are recognized on the accrual basis. The difference between accrual basis postemployment healthcare costs and actual employer payments was:

981,550

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Increase in Deferred Charge on Refunding Bonds	332,049	
Decrease in Accrued Interest	13,065	
Decrease in Premium on General Obligation Bonds	957,305	
Decrease in Compensated Absences	18,399	
		1,320,818

Change in Net Position of Governmental Activities		\$ 233,358
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See accompanying Notes to Financial Statements.

**VENTURA UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	<u>Foundation Trust Fund</u>
ASSETS	
Cash in County Treasury	\$ 871,727
Accounts Receivable	1,239
Total Assets	<u>872,966</u>
LIABILITIES	
Accounts Payable	73,905
Due to Governmental Funds	3,032
Total Liabilities	<u>76,937</u>
NET POSITION	
Restricted	796,029
Total Net Position	<u><u>\$ 796,029</u></u>

See accompanying Notes to Financial Statements.

**VENTURA UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

	<u>Foundation Trust Fund</u>
ADDITIONS	
Revenue from Local Sources	\$ 216,986
Total Additions	<u>216,986</u>
DEDUCTIONS	
Scholarships	9,310
Other Expenses	76,997
Total Deductions	<u>86,307</u>
CHANGE IN NET POSITION	130,679
Net Position - Beginning of Year	<u>665,350</u>
NET POSITION - END OF YEAR	<u><u>\$ 796,029</u></u>

See accompanying Notes to Financial Statements.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ventura Unified School District (the District) accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*, updated to conform to the most current financial and reporting requirements promulgated by the California Department of Education. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The significant accounting policies applicable to the District are described below.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective enhances the fund-group perspective previously required. Fiduciary activities are excluded from the basic financial statements and are reported separately in the fiduciary fund statements.

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position, a Statement of Activities, and fund financial statements.

Government-Wide Financial Statements

The statement of net position and the statement of activities displays information about the District as a whole. These statements include the financial activities of the primary government. Fiduciary funds are excluded.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District. Depreciation and interest expense have not been allocated to specific functions.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

Instruction: includes the activities directly dealing with the interaction between teachers and students.

Instruction – Related Services: includes supervision of instruction, instructional library, media and technology, and school site administration.

Pupil Services: includes home to school transportation, food services, and other pupil services.

Ancillary Services: includes activities that are generally designed to provide students with experiences outside the regular school day.

Community Services: includes activities that provide services to community participants other than students.

Enterprise Activities: includes activities where the stated intent is that the costs are financed or recovered primarily through user charges. This function includes activities related to the recording of retiree health benefits and deferred compensation plan expenditures.

General Administration: includes data processing services and all other general administration services.

Plant Services: includes activities of maintaining the physical plant. This also includes facilities acquisition and construction expenditures.

Other Outgo: includes transfers to other agencies.

Debt Service: includes principal and interest payments for long-term debt.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations, and equities.

The statement of revenues, expenditures, and changes in fund balance are statements of financial activities of the particular fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization. The modified accrual basis of accounting is used for all governmental funds.

Governmental Funds – Major

General Fund: used to account for all financial resources except those required to be accounted for in another fund.

Building Fund: the Building Fund is a consolidation of three sub-funds:

Building Fund (Fund #210): used to account for the construction and/or acquisition of major capital facilities. Income is from rental of unused sites.

Building Fund Series A (Fund #211): used to account for the proceeds of Certificates of Participation and for acquisition, retro-fitting and operation of real property.

Bond Building Fund (Fund #213): used to account for proceeds of general obligation bonds and for construction and repairs of facilities.

Governmental Funds – Nonmajor

Special Revenue Funds: used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Student Activity Fund (Fund #080): used to account for raising and expending money to promote the general welfare, morale, and education experiences of the study body organizations.

Adult Education Fund (Fund #110): used to account for resources restricted or committed to adult education programs maintained by the District.

Child Development Fund (Fund #120): used to account for resources restricted to child development programs.

Cafeteria Fund (Fund #130): used to account for revenues received and expenditures made to operate the District's cafeterias.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds – Nonmajor (Continued)

Capital Projects Funds: used to account for the financial resources that are restricted for the acquisition and/or construction of major governmental general fixed assets.

Capital Facilities Fund: the Capital Facilities Fund is a consolidation of two sub-funds:

Capital Facilities Fund (Residential) (Fund #250): used to account for resources received from residential developer impact fees.

Capital Facilities Fund (Commercial) (Fund #251): used to account for resources received from commercial developer impact fees.

Debt Service Funds: used to account for the financial resources that are restricted, committed or assigned and the accumulation of resources for, the payment of general long-term debt principal, interest, and related costs.

Bond Interest and Redemption Fund (#510): used to collect taxes and pay for debt service associated with general obligation bonds.

Fiduciary Funds

Private Purpose Trust Fund: is a consolidation of four sub-funds:

Foundation Fund (Fund #730): used to account for donations of funds from private individuals and organizations.

Student Scholarships Fund (Fund #731): used to account for donations of funds from private individuals and organizations for the express purpose of providing scholarship awards to students as they move onto post-secondary education.

Short-Term Trust Fund (Fund #732): used to account for short-term trust funds through global pandemic closures related to Associated Student Body funds unable to carry forward.

David Graham and Stella Brittingham Memorial Scholarship Fund (Fund #736): used to award scholarships to students and/or graduates of the District who have participated in aquatic sports.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Revenues in governmental fund financial statements are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of state apportionment, interest and reimbursement grants which are considered available as collectible within one year.

Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Private-purpose trust funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the county treasury is recorded at amortized cost, which approximates fair value.

Receivables

Receivables are generally recorded when the amount is earned and can be estimated. All material receivables are considered fully collectible. Per Education Code Section 33128.1, a local education agency may recognize for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

Prepaid Expenses/Expenditures

Payments made to vendors for goods or services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which goods or services are consumed.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined by GASB. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and Improvements	20 to 40 Years
Machinery, Equipment, and Vehicles	3 to 20 Years

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. These amounts are reported in the government-wide statement of net position.

Deferred Charge on Refunding: A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows – OPEB: The deferred outflows of resources related to OPEB benefits resulted from District contributions to employee OPEB benefits subsequent to the measurement date of the actuarial valuations for the plans and the effects of actuarially-determined changes to the OPEB plan. These amounts are deferred and amortized as detailed in Note 13 to the financial statements.

Deferred Outflows – Pensions: The deferred outflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans and the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 14 to the financial statements.

Unearned Revenue

Certain federal and state grants received before the eligibility requirements are met are recorded as unearned revenue. Revenue is recognized once qualified expenditures have been incurred.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave, therefore, accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken. However, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Long-Term Obligations

The District reports long-term liabilities of governmental funds at face value in the government-wide financial statements. Bond premiums are deferred and amortized over the life of the bonds using the interest method. General obligation bonds are reported net of the applicable bond premium. In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the District's OPEB liability related to the Medicare Premium Payment (MPP) Program, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the MPP Program and additions to/deductions from the MPP Program fiduciary net position have been determined on the same basis as they are reported by the MPP Program. For this purpose, the MPP Program 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.

Net Pension Liability

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.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position by the District that is applicable to a future reporting period.

Deferred Inflows – Pensions: The deferred inflows of resources related to pensions resulted from the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 14 to the financial statements.

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws or regulations of other governments or by enabling legislation adopted by the District. All other net position is reported as unrestricted.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: Amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Education. These amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Education, through a formal action has given authority to the Deputy Superintendent of Business Services to assign amounts for a specific purpose that is neither restricted nor committed.

Unassigned: Amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Spending Order Policy

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position or fund balance is available.

When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment functions.

Minimum Fund Balance Policy

The District has adopted a minimum fund balance policy in order to protect against revenue shortfalls and unexpected one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts which represent the minimum recommended reserve consistent with the criteria and standards for fiscal solvency adopted by the State Board of Education. The minimum recommended reserve for a district this size is 3% of budgeted General Fund expenditures and other financing uses.

State Apportionments

Certain current year apportionments from the state are based upon various financial and statistical information of the previous year. Second period to annual corrections for local control funding formula and other state apportionments (either positive or negative) are accrued at the end of the fiscal year.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable in two installments on November 1st and February 1st. Unsecured property taxes are payable in one installment on or before August 31st.

Real and personal property tax revenues are reported in the same manner in which the county auditor records and reports actual property tax receipts to the California Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the state for Local Control Funding Formula purposes. Property taxes for debt service purposes cannot be estimated and have therefore not been accrued in the government-wide financial statements.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state of California makes direct on-behalf payments for retirement benefits to the State Teachers' Retirement System on behalf of all school districts in California.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

NOTE 2 BUDGETS

By state law, the District's Governing Board must approve a budget no later than July 1, using the Single Adoption Budget process. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with GAAP.

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. The original and final revised budget for the General Fund is presented in a budgetary comparison schedule in the required supplementary information section.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

NOTE 3 DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits, including those of fiduciary funds, may not be returned to it. The District has established a policy for custodial risk that follows requirements as set forth in Education Code 41002.5. As of June 30, 2021, \$953,542 of the District's bank balance of \$1,752,904 was exposed to credit risk as it was uninsured and collateral was held by the pledging bank's trust department, not in the District's name.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Ventura County Treasury as part of the common investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2021 is measured at 99.83% of amortized costs. The District's deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635 and 53648. The county is restricted to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follows. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pools sponsor's annual financial report may be obtained from the Ventura County Board of Supervisors, County Government Center, 800 South Victoria Avenue, Ventura, CA 93009.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2021 consists of the following:

<u>Accounts Receivable</u>	General Fund	Building Fund	Nonmajor Governmental Fund	Total Governmental Fund	Foundation Trust Fund
Federal and State	\$ 34,773,981	\$ -	\$ 693,752	\$ 35,467,733	\$ -
Miscellaneous	287,296	236,986	140,845	665,127	1,239
Total Accounts Receivable	<u>\$ 35,061,277</u>	<u>\$ 236,986</u>	<u>\$ 834,597</u>	<u>\$ 36,132,860</u>	<u>\$ 1,239</u>

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 INTERFUND TRANSACTIONS

Interfund activity has been eliminated in the government-wide statements. The following balance and transactions are reported in the fund financial statements.

Interfund Receivables/Payables

Individual interfund receivable and payable balance at June 30, 2021 are temporary loans and are detailed as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 302,100	\$ 752,259
Building Fund	422,652	-
Nonmajor Governmental Funds:		
Adult Education Fund	4,935	594,773
Child Development Fund	997	110,017
Cafeteria Fund	746,328	322
Capital Facilities Fund	-	16,609
Fiduciary Funds:		
Foundation Fund	-	3,032
Total	\$ 1,477,012	\$ 1,477,012

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2020-21 fiscal year are as follows:

Transfer from the General Fund to the Cafeteria Fund to support the nutrition program	\$ 3,650,000
Transfer from the Adult Education Fund to the Building Fund for debt service and common area maintenance.	422,652
Transfer from the Capital Facilities Fund to the General Fund to pay for developer fee administration.	16,609
Total	\$ 4,089,261

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 FUND BALANCE.

The following amounts were nonspendable, restricted, committed, assigned, or unassigned as shown below:

	General Fund	Building Fund	Nonmajor Governmental Fund	Total Governmental Fund
Nonspendable:				
Stores	\$ 319,024	\$ -	\$ 75,332	\$ 394,356
Prepaid Expenditures	1,331,937	50,000	-	1,381,937
Total Nonspendable	<u>1,650,961</u>	<u>50,000</u>	<u>75,332</u>	<u>1,776,293</u>
Restricted:				
Legally Restricted Programs	5,588,488	-	4,989,222	10,577,710
Capital Projects	-	-	6,969,067	6,969,067
Debt Service	-	8,434,676	5,092,027	13,526,703
Student Activity Funds	-	-	1,551,270	1,551,270
Total Restricted	<u>5,588,488</u>	<u>8,434,676</u>	<u>18,601,586</u>	<u>32,624,750</u>
Committed:				
Adult Education Program	-	-	1,557,875	1,557,875
Total Committed	<u>-</u>	<u>-</u>	<u>1,557,875</u>	<u>1,557,875</u>
Assigned:				
School Site Carryover	400,000	-	-	400,000
Child Development	-	-	13,107	13,107
Total Assigned	<u>400,000</u>	<u>-</u>	<u>13,107</u>	<u>413,107</u>
Unassigned:				
Economic Uncertainties	6,133,001	-	-	6,133,001
Unassigned	18,211,556	-	-	18,211,556
Total Unassigned	<u>24,344,557</u>	<u>-</u>	<u>-</u>	<u>24,344,557</u>
Total Fund Balance	<u>\$ 31,984,006</u>	<u>\$ 8,484,676</u>	<u>\$ 20,247,900</u>	<u>\$ 60,716,582</u>

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES

Capital asset activity for the year ended June 30, 2021 is shown below.

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 13,454,888	\$ -	\$ -	\$ 13,454,888
Total Capital Assets Not Being Depreciated	13,454,888	-	-	13,454,888
Capital Assets Being Depreciated:				
Buildings and Improvements	284,099,365	1,789,697	-	285,889,062
Machinery, Equipment, and Vehicles	14,919,182	722,072	1,322,038	14,319,216
Total Capital Assets Being Depreciated	299,018,547	2,511,769	1,322,038	300,208,278
Less: Accumulated Depreciation for:				
Buildings and Improvements	133,356,244	6,730,137	-	140,086,381
Machinery, Equipment, and Vehicles	11,110,176	1,673,968	1,322,038	11,462,106
Total Accumulated Depreciation	144,466,420	8,404,105	1,322,038	151,548,487
Depreciable Assets, Net	154,552,127	(5,892,336)	-	148,659,791
Governmental Activities Capital Assets, Net	<u>\$ 168,007,015</u>	<u>\$ (5,892,336)</u>	<u>\$ -</u>	<u>\$ 162,114,679</u>

NOTE 8 TAX REVENUE ANTICIPATION NOTES

The District issued \$19,790,000 of Tax Revenue Anticipation Notes dated August 11, 2020 through the California School Cash Reserve Program Authority 2020-21 (Series D). The notes matured on May 3, 2021 and carried a 2.00% interest rate. The notes were sold by the District to supplement its cash flow.

Repayment requirements were that principal of \$9,895,000 be set aside on January 31, 2020 and \$9,895,000 plus \$288,054 of interest be set aside with the U.S. Bank National Association (the Trustee) on April 30, 2021.

The payments were transferred to and set aside in a sperate fund of the Trustee in a timely manner. The monies were required to remain on deposit until the maturity date of the note, at which time they were applied to pay the principal and interest on the notes.

The District issued \$14,605,000 of Tax Revenue Anticipation Notes dated April 7, 2021 through the California School Finance Authority 2021 (Series C). The notes mature on December 30, 2021 and carried a 0.22% interest rate. The notes were sold by the District to supplement its cash flow.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 LONG-TERM LIABILITIES– SCHEDULE OF CHANGES

	July 1, 2020	Additions	Reductions	June 30, 2021	Amount Due in One Year
General Obligation (GO) Bonds	\$ 41,345,000	\$ -	\$ 12,370,000	\$ 28,975,000	\$ 2,890,000
Direct Placement GO Bonds	-	10,410,600	-	10,410,600	277,270
Premium on GO Bonds	4,516,196	-	957,305	3,558,891	-
Total GO Bonds	<u>45,861,196</u>	<u>10,410,600</u>	<u>13,327,305</u>	<u>42,944,491</u>	<u>3,167,270</u>
Certificates of Participation	423,000	-	390,000	33,000	33,000
Installment Loan	591,653	-	270,890	320,763	158,251
Compensated Absences	1,250,138	-	18,399	1,231,739	-
Net OPEB Liability	12,032,945	-	1,080,214	10,952,731	1,558,257
Net Pension Liability	190,414,823	10,063,032	-	200,477,855	-
Total	<u>\$250,573,755</u>	<u>\$20,473,632</u>	<u>\$ 15,086,808</u>	<u>\$255,960,579</u>	<u>\$ 4,916,778</u>

Liabilities for all GO bonds are liquidated by the tax collections as administered by the county office through the Bond Interest and Redemption Fund. Certificates of participation are liquidated by adult education fees. Net pension liability and compensated absences are liquidated by the fund with the related salary expenditure. The installment loan and net OPEB liability are liquidated by the General Fund.

NOTE 10 GENERAL OBLIGATION BONDS

In 1997, the voters approved the issuance of bonds, not to exceed \$81 million, for the purpose of raising money to finance the acquisition, construction and modernization of school facilities and paying related costs. Between 1997 and 2005, the District issued bonds Series A through Series I, totaling \$81 million.

Between 2004 and 2014, the District issued refunding bonds to advance refund all of the remaining Series A through Series I bonds. In 2015 and 2020, the District issued refunding bonds to advance refund the 2005 and 2010 refunding bonds.

On September 17, 2020, the District issued \$10,410,600 of 2020 General Obligation Refunding Bonds, Series B to advance refund portions of the 2012 Refunding Bonds. The bonds were issued as taxable current interest bonds and accrue interest at rate at 1.60% and will have a final maturity date of February 1, 2034. The difference in cash flow requirements related to this refunding is a savings of cash outflow of \$1.095 million. The present value of the economic gain to the District amounts to \$984 thousand. The proceeds associated with this refunding were deposited in an escrow account to be redeemed August 2022 and as such the applicable bonds are considered in-substance defeased. The outstanding balance of the defeased debt was roughly \$10.1 million as of June 30, 2021.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 GENERAL OBLIGATION BONDS (CONTINUED)

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agents exceeded the existing carrying value of the refunded debts by \$850,298. These amounts are amortized using the interest method. Amortization of \$38,602 was recognized during the fiscal year and balance as of June 30, 2021 was \$712,241.

The outstanding general obligation bonded debt of the District at June 30, 2021 is:

	Date of Issue	Date of Final Maturity	Interest Rate Percent	Amount of Original Issue	Outstanding June 30, 2021
2010 Refunding	11/4/2010	8/1/2031	2.0 - 5.0%	\$ 14,510,000	\$ -
2012 Refunding	4/11/2012	8/1/2034	3.0 - 5.0%	13,760,000	1,050,000
2014 Refunding	7/29/2014	8/1/2034	2.0 - 5.0%	17,570,000	12,860,000
2015 Refunding	7/30/2015	8/1/2029	2.0 - 5.0%	11,140,000	7,630,000
2020 Refunding	5/5/2020	8/1/2031	5.00%	7,535,000	7,435,000
Subtotal				<u>64,515,000</u>	<u>28,975,000</u>
Direct Placements:					
2020 Refunding	9/17/2020	8/1/2034	1.60%	10,410,600	10,410,600
Total				<u>\$ 74,925,600</u>	<u>\$ 39,385,600</u>

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	General Obligation Bonds		General Obligation Bonds from Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 2,890,000	\$ 1,352,681	\$ 277,270	\$ 164,351
2023	3,025,000	1,205,306	223,260	160,347
2024	2,625,000	11,006,814	750,650	152,556
2025	2,845,000	969,356	759,240	140,477
2026	2,570,000	789,406	1,149,450	125,207
2027-2031	12,300,000	1,980,531	5,089,870	361,146
2032-2035	2,720,000	154,147	2,160,860	52,300
Total	<u>\$ 28,975,000</u>	<u>\$ 17,458,241</u>	<u>\$ 10,410,600</u>	<u>\$ 1,156,384</u>

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 CERTIFICATES OF PARTICIPATION

The District entered into a certificate of participation agreement dated March 1, 2016. The proceeds of \$1,903,000, after payment of costs, were used to refund the outstanding Certificates of Participation Series 2002.

The Ventura County Schools Public Facilities Financing Corporation acts as a purchaser and lessor of the property. Lease payments are required to be made by the District under the lease agreement each October 1st and April 1st for use and possession of the property for the period commencing October 1, 2016 and terminating April 1, 2022. Lease payments will be funded in part from the proceeds of the certificates.

Required principal and interest payments as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 33,000	\$ 474

Certificates of Participation are long-term debt instruments which are tax exempt and therefore issued at an interest rate of 1.86%, which is below current market levels for taxable investments.

NOTE 12 INSTALLMENT LOAN

On September 22, 2014, the District entered into a master installment purchase agreement for the purchase of ten buses in the amount of \$1,297,194. On September 13, 2017, the District entered into an installment purchase agreement for the purchase of six additional school buses in the amount of \$933,781. Included in the financing arrangement is the refinancing of the original 10 bus purchase outstanding installment loan. The revised annual installment payments are due October 13, 2017 through October 13, 2022. Payments of \$286,819 are due the first four years of the loan and \$166,887 are due the final two years of the loan. Interest is calculated at a rate of 2.69% per annum.

Required principal and interest payments as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 158,251	\$ 8,636
2023	162,512	4,375
Total	\$ 320,763	\$ 13,011

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS

The District administers a single-employer defined benefit postemployment health care plan (the Retiree Health Plan) for qualified employees. In addition, some qualified certificated employees are participants in the Medicare Premium Payment (MPP) Program, a cost-sharing defined benefit program administered through the California State Teachers' Retirements System (CalSTRS).

As of June 30, 2021, the District's liability for postemployment health care benefits consisted of the following:

	OPEB Liability	Deferred Outflows of Resources	OPEB Expense
Retiree Health Plan	\$ 10,071,258	\$ 1,494,150	\$ 418,537
MPP Program	881,473	-	84,543
Total	<u>\$ 10,952,731</u>	<u>\$ 1,494,150</u>	<u>\$ 503,080</u>

Retiree Health Plan

Plan Description and Eligibility

The plan provides health, dental and vision benefits to all Certificated and Classified employees who were retired from the District as of June 30, 1993. The plan also provides for benefits to their spouses. Membership in the Retiree Health Plan consists of 162 retirees and beneficiaries currently receiving benefits and no active members eligible. The Retiree Health Plan does not issue a separate financial report.

Funding Policy

The District currently finances benefits on a pay-as-you-go basis. The District contributes 100% of the cost of current year premiums for eligible retired plan members and their spouses as applicable. Classified retirees who retired with fewer than 14 years of service must contribute a portion of the cost of their coverage and all classified retirees must contribute the costs of dental and vision coverage for their dependents. For the year ended June 30, 2021, the District contributed \$1,494,150 to the plan.

Actuarial Methods and Assumptions

Actuarial Assumptions

The total OPEB liability was determined based on an actuarial valuation as of June 30, 2019. The following actuarial assumptions used in the June 30, 2019 valuation applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.26%
Healthcare Costs Trend Rate	7.15%, Decreasing to 4.50%

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

Actuarial Methods and Assumptions (Continued)

Actuarial Assumptions (Continued)

Mortality assumptions are based on the 2016 CalSTRS Retiree and Active Mortality tables for Certificated employee types as applicable and 2017 CalPERS Retiree and Active Mortality tables for Miscellaneous Employees, as applicable for Classified Employee types. CalSTRS and CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. These table incorporates mortality projection as deemed appropriate based on CalSTRS and CalPERS analysis.

Discount Rate

The discount rate used to measure the OPEB liability was 2.66%. The projection of cash flows used to determine the discount rate was based on the Standard & Poor spot rate for 20-year Grade AA Municipal bonds. There are no plan assets.

Changes in the Total OPEB Liability

Total OPEB Liability	2021
<hr/>	
Changes for the Year	
Interest Cost	\$ 291,550
Differences Between Expected and Actual Experience	62,576
Changes in Assumptions	64,411
Benefit Payments	(1,583,294)
Net Change in Total OPEB Liability	<hr/> (1,164,757)
Beginning Balance	11,236,015
Ending Balance	<hr/> <u>\$ 10,071,258</u> <hr/>

Sensitivity

The following presents the District's OPEB liability calculated using the discount rate of 2.66%, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Discount Rate	Total OPEB Liability
<hr/>	
1% Decrease	\$ 9,565,508
Current Discount Rate	10,071,258
1% Increase	10,628,611

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

Sensitivity (Continued)

The following presents the District's OPEB liability calculated using the health care cost trend rate of 7.15%, as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

Healthcare Trend Rate	Total OPEB Liability
1% Decrease	\$ 10,556,479
Current Healthcare Trend Rate	10,071,258
1% Increase	9,620,790

Deferred Outflows of Resources

The deferred outflows of resources related to OPEB resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB in the year ended June 30, 2022.

Medicare Premium Payment Program (MPP)

Plan Description and Eligibility

The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to California state statute. CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible California fulltime and part-time public school teachers from pre-kindergarten through community college 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 MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program. For the years ending June 30, 2020 and 2019, 5,984 and 5,443 retirees participated in the MPP Program, respectively. The number of retired members who will participate in the program in the future is unknown because eligibility cannot be pre-determined.

Funding Policy

The MPP Program is funded on a pay-as-you go basis from a portion of monthly employer contributions. In accordance with California Education Code, contributions that would otherwise be credited to the CalSTRS defined benefit pension program (STRP) each month are instead credited to the MPP Program to fund monthly program and administrative costs. These contributions are generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds remaining 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.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Funding Policy (Continued)

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. Total aggregate employer contributions of all participating employers to the MPP Program for fiscal year 2019-20 were \$27.68 million.

Because amounts credited to the MPP Program are deducted from the employer's regular STRP contributions, there are no contribution rates specific to the MPP Plan. Employer contributions to the STRP are calculated by CalSTRS based on creditable compensation for active members reported by employers. Employer contributions are accrued when required by statute, and the employer has made a formal commitment to provide the contributions. Cash remittances of contributions due are received from employers prior to their reports of creditable earnings by member. As a result, CalSTRS accrues employer contributions due monthly using current contribution rates and estimates based on historical creditable compensation. CalSTRS recognizes MPP Program expenses when due and payable.

Net OPEB Liability

As of June 30, 2021, the District reported a net OPEB liability for its proportionate share of the MPP total OPEB liability, fiduciary net position and net OPEB liability as follows:

<u>Proportionate Share of OPEB Liability</u>	<u>Balance June 30, 2021</u>
Total OPEB Liability	\$ 875,227
Plan Fiduciary Net Position	(6,246)
Net OPEB Liability	\$ 881,473

As the MPP Program is funded on a pay-as-you-go basis from redirected contributions from the STRP, the District has elected to calculate their proportionate share based on Schedule C of the audited proportionate share schedules of the MPP Program. This schedule presents the projection of the District's long-term share of contributions to the STRP relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.2080% which is a decrease of 0.0060% from its proportion measured as of June 30, 2019.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Actuarial Methods and Assumptions

Total OPEB liability for the MPP Program 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:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Experience Study	July 1, 2014 through June 30, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	2.21%
Medicare Part A Premium Costs Trend Rate	4.50%
Medicare Part B Premium Costs Trend Rate	5.40%

In addition, assumptions were made about future participation (enrollment) into the MPP Program as 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 but 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 percent of the potentially eligible population of 159,339.

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 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (for example, Medicare premiums) and assumptions about the probability of occurrence of events far into the future (for example, mortality, disabilities and retirees eligible for the program). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Actuarial Methods and Assumptions (Continued)

Actuarial calculations reflect a long-term perspective and take into account the premiums and surcharges paid after termination of employment until the death of the employee. In many cases, actuarial calculations reflect several decades of payments after termination of employment.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020 and 2019 was 2.21 percent and 3.50 percent, respectively. The MPP Program is funded on a pay-as-you-go basis, and under the pay-as-you-go method, 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 percent and 3.50 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020 and 2019, respectively, was applied to all periods of projected benefit payments to measure the total OPEB liability.

The following table presents the net OPEB liability of employers 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 1 percent lower or 1 percent higher than the current rate:

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% Decrease (1.21%)	\$ 974,713
Current Discount Rate (2.21%)	881,473
1% Increase (3.21%)	802,131

Medicare Costs Trend Rate

The June 30, 2019, valuation uses the 2020 Medicare Part A and Part B premiums as the basis for future premium calculations. Future premiums are assumed to increase with a medical trend rate that varies by year. The Part A trend is approximately equivalent to assuming a fixed 4.50 percent increase each year. The Part B trend is approximately equivalent to assuming a fixed 5.40 percent increase each year.

The following table presents the net OPEB liability of employers 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 1 percent lower and 1 percent higher than the current rate:

<u>Health Care Trend Rate</u>	<u>Net OPEB Liability</u>
1% decrease (3.5% Part A, 4.4% Part B)	\$ 799,261
Current Healthcare Trend Rate (4.5% Part A, 5.4% Part B)	881,473
1% increase (5.5% Part A, 6.4% Part B)	976,113

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

As the MPP Program is a retiree only OPEB plan with no average remaining service life, other than differences between projected and actual investment earnings, deferred inflows and outflows of resources are recognized in OPEB expense in the current period. The net deferred outflows and inflows relating to differences between projected and actual earnings on plan investments are not material and have not been recognized in these financial statements.

MPP Program Net OPEB Liability

Detailed information about the MPP Program net OPEB liability is available in a separate annual comprehensive financial report on the CalSTRS website. Copies of the CalSTRS annual comprehensive financial report may also be obtained from CalSTRS.

NOTE 14 EMPLOYEE RETIREMENT PLANS

Multi-Employer Defined Benefit Pension Plans

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).

As of June 30, 2021, the District's net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the retirement plans are as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS (STRP)	\$ 132,765,330	\$ 30,871,392	\$ 10,290,966	\$ 28,341,418
CalPERS (Schools Pool Plan)	66,735,690	11,139,725	1,156,209	12,850,407
Total	<u>\$ 199,501,020</u>	<u>\$ 42,011,117</u>	<u>\$ 11,447,175</u>	<u>\$ 41,191,825</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.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

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 to the STRP Defined Benefit Program and STRP Defined Benefit Supplement 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:

<u>Provisions and Benefits</u>	<u>STRP Defined Benefit Program and Supplement Program</u>	
	<u>On or Before December 31, 2012</u>	<u>On or After January 1, 2013</u>
Hire Date	2% at 60	2% at 62
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	60	62
Retirement Age	2.0% - 2.4%	2.0% - 2.4%
Monthly Benefits as a Percentage of Eligible Compensation	10.250%	10.205%
Required Employee Contribution Rate	16.150%	16.150%
Required Employer Contribution Rate	10.328%	10.328%
Required State Contribution Rate		

Contributions

Required member, District, and State of California contribution 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. The contribution rates for each plan for the year ended June 30, 2021 are presented above and the total District contributions were \$12,248,036.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Pension Liabilities, Pension Expense, and 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:

	Balance June 30, 2021
District Proportionate Share of the Net Pension Liability	\$ 132,765,330
State's Proportionate Share of the Net Pension Liability Associated with the District	68,439,989
Total	\$ 201,205,319

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. At June 30, 2020, the District's proportion was 0.1370% which is a decrease of 0.0020% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$18,767,065. In addition, the District recognized revenue and corresponding expense of \$9,574,353 for contributions 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	\$ 12,248,036	\$ -
Differences Between Expected and Actual Experience	234,270	3,744,210
Changes of Assumptions	12,946,500	-
Changes in Proportion	2,288,846	6,546,756
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	3,153,740	-
Total	\$ 30,871,392	\$ 10,290,966

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

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

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 year ended June 30, 2022. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis.

All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2020 measurement date is seven years.

The remaining amount will be recognized to pension expense as follows:

Year Ending June 30,	Amortization
2022	\$ 1,397,220
2023	2,367,607
2024	4,623,149
2025	894,181
2026	(720,816)
2027	(228,951)
Total	\$ 8,332,390

Actuarial Methods and Assumptions

Total pension liability for STRP 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. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. 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, 2015 through June 30, 2018
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%

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Actuarial Methods and Assumptions (Continued)

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 investment staff and investment consultants and adopted by the CalSTRS Board in January 2020. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	42 %	4.80 %
Real Estate	15	3.60
Private Equity	13	6.30
Fixed Income	12	1.30
Risk Mitigating Strategies	10	1.80
Inflation Sensitive	6	3.30
Cash/Liquidity	2	(0.40)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense occur 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 the total pension liability.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Discount Rate (Continued)

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%)	\$ 200,589,920
Current Discount Rate (7.10%)	132,765,330
1% Increase (8.10%)	76,766,580

Changes of Assumptions

During the fiscal year of the measurement date of June 30, 2020, CalSTRS completed an experience study for the period starting July 1, 2015 and ending June 30, 2018. The experience study was adopted by the CaSTRS Board in January 2020. As a result of the study, certain assumptions used in determining the net pension liability of the STRP changed, including termination rates and service rates.

Plan Fiduciary Net Position

Detailed information about the STRP's plan fiduciary net position is available in a separate annual comprehensive financial report on the CalSTRS website. Copies of the CalSTRS annual comprehensive financial report may be obtained from CalSTRS.

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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 5 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 5 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:

<u>Provisions and Benefits</u>	<u>Schools Pool Plan (CalPERS)</u>	
	<u>On or Before December 31, 2012</u>	<u>On or After January 1, 2013</u>
Hire Date	2% at 55	2% at 62
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	55	62
Retirement Age	1.1% - 2.5%	1.0% - 2.5%
Monthly Benefits as a Percentage of Eligible Compensation	7.00%	7.00%
Required Employee Contribution Rate	20.70%	20.70%
Required Employer Contribution Rate		

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 the July 1 following notice of a change in the rate. Total plan contributions are determined 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 as presented above and the total District contributions were \$6,195,893.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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 \$66,735,690. 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. At June 30, 2020, the District's proportion was 0.2175% which is a decrease of 0.0008% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$10,884,426. In addition, the District recognized revenue and corresponding expense of \$1,965,981 for contributions provided by the state that are not considered a special funding situation and was determined by the same proportion above. 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	\$ 6,195,893	\$ -
Differences Between Expected and Actual Experience	3,309,885	-
Changes of Assumptions	244,722	-
Changes in Proportion	-	1,156,209
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,389,225	-
Total	\$ 11,139,725	\$ 1,156,209

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 year ended June 30, 2022. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis.

All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the CalPERS Schools Pool Plan for the June 30, 2020 measurement date is 4.1 years.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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

The remaining amount will be recognized in pension expense as follows:

Year Ending June 30,	Amortization
2022	\$ 1,095,939
2023	1,002,906
2024	1,030,447
2025	658,331
Total	\$ 3,787,623

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool Plan 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. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. 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

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of mortality improvements using 90% of scale MP 2016 published by the Society of Actuaries.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Actuarial Methods and Assumptions (Continued)

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 10 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 single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target 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
Real Assets	13	4.93
Private Equity	8	7.23
Liquidity	1	(0.92)

Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Schools Pool Plan net of investment expenses and without reduction for administrative expenses. 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 Schools Pool Plan fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments 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:

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Discount Rate (Continued)

Discount Rate	Net Pension Liability
1% Decrease (6.15%)	\$ 95,944,724
Current Discount Rate (7.15%)	66,735,690
1% Increase (8.15%)	42,493,658

Plan Fiduciary Net Position

Detailed information about CalPERS Schools Pool Plan fiduciary net position is available in a separate annual comprehensive financial report available on the CalPERS website. Copies of the CalPERS annual comprehensive financial report may be obtained from CalPERS.

Single-Employer Deferred Compensation Plan

As of June 30, 2021, the District's net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense for the deferred compensation plan is as follows:

	Total Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Deferred Compensation Plan	\$ 976,835	\$ 403,713	\$ 144,311	\$ (27,552)

Plan Description

The District's Deferred Compensation Plan, a single-employer defined benefit pension plan administered by the District, is provided in lieu of postretirement health care benefits to plan members and beneficiaries. Benefit eligibility is limited to employees hired prior to April 28, 1993 who retire from the District after June 30, 1993 under either the PERS or STRS pension plan.

The benefit provides for \$1,500 per year of service, and is frozen based on completed years of service at June 30, 1993 plus one, limited to a maximum of 30 years of service. Benefits are paid in five equal annual installments. Benefit provisions were established by the governing board and may not be amended. The plan does not issue a separate financial report.

Participants in the plan consisted of the following at June 30, 2021:

	Number of Participants
Retired Members or Beneficiaries Currently Receiving Benefits	67
Active Members	90
Total	157

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Single-Employer Deferred Compensation Plan (Continued)

Funding Policy

The District currently finances benefits on a pay-as-you-go basis. The District paid \$308,633 in pension costs for eligible retirees and beneficiaries during the year ended June 30, 2021. The District contributes 100% of the cost of pension benefits as established by the plan provisions.

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

As of June 30, 2021, the District reported total pension liabilities for its deferred compensation plan totaling \$976,835. The total pension liability was measured as of June 30, 2020.

The changes in the total pension liability were as follows:

Changes for the Year:	
Interest	\$ 31,967
Differences between Expected and Actual Experience	(265,915)
Changes of Assumptions	172,969
Benefit Payments	(215,868)
Net Change in Total Pension Liability	<u>(276,847)</u>
Beginning Balance - Total Pension Liability	1,253,682
Ending Balance - Total Pension Liability	<u><u>\$ 976,835</u></u>

For the year ended June 30, 2021, the District recognized pension revenue of \$27,552. 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	\$ 308,633	\$ -
Differences Between Expected and Actual Experience	-	144,311
Changes of Assumptions	95,080	-
Total	<u><u>\$ 403,713</u></u>	<u><u>\$ 144,311</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 year ended June 30, 2022.

All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the deferred compensation plan for the June 30, 2020 measurement date is 2.161 years.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Single-Employer Deferred Compensation Plan (Continued)

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

The remaining amount will be recognized in pension expense as follows:

Year Ending June 30,	Amortization
2022	\$ (42,307)
2023	(6,924)
Total	\$ (49,231)

Actuarial Methods and Assumptions

Total pension liability for the deferred compensation plan was based on an actuarial valuation as of June 30, 2020. The valuation used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.66%

Projected benefits are based on the assumption that payments are certain and will be made to the retiree's designated beneficiary if the retiree dies prior to receiving all of the payments. Retiree rates are based on CalSTRS 2016 retirement rates for certificated employees and 2017 CalPERS School Employees retirement rates for classified employees.

Discount Rate and Sensitivity

The discount rate used to measure the total pension liability was 2.66% based on the S&P Municipal Bond 20-Year High Grade Rate Index.

The following presents the total 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 1% lower or higher than the current rate:

Discount Rate	Total Pension Liability
1% Decrease (1.66%)	\$ 1,017,706
Current Discount Rate (2.66%)	976,835
1% Increase (3.66%)	938,923

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 15 JOINT POWERS AGREEMENTS

The District participates in two joint powers agreement (JPA) entities: the Ventura County Schools Self-Funding Authority (the Authority) and the Gold Coast Joint Benefits Trust (the Trust). The Authority provides workers' compensation, property and liability insurance, boiler and machinery and fidelity bond coverage among other types of insurance. The member districts are subject to various deductible amounts in addition to payment of premiums assessed by the Authority. The Authority pools responsibility for claims up to certain limits and provides high level umbrella type coverage above its retention limits. The Trust arranges for health and welfare benefits for employees and retirees of participating school districts and their eligible dependents. Member districts pay a monthly premium per eligible participant. Claims have not exceeded coverage in any of the past three fiscal years.

Each JPA is independently accountable for its fiscal matters and is governed by a board consisting of representatives from each member District. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPAs. Separate financial statements for each JPA may be obtained from the respective entity.

The relationships between the District and the JPAs are such that none of the JPAs is a component unit of the District for financial reporting purposes.

Condensed financial information is as follows:

	The Authority (Audited) June 30, 2020	The Trust (Audited) June 30, 2020
Total Assets and Deferred Outflows of Resources	\$ 129,538,133	\$ 16,437,002
Total Liabilities and Deferred Inflows of Resources	58,925,189	4,825,497
Fund Balance/Net Position	<u>\$ 70,612,944</u>	<u>\$ 11,611,505</u>
Total Revenues	\$ 30,584,037	\$ 57,740,107
Total Expenditures/Expenses	35,205,446	60,555,654
Change in Fund Balance/Net Position	<u>\$ (4,621,409)</u>	<u>\$ (2,815,547)</u>

NOTE 16 CHANGE IN ACCOUNTING PRINCIPLE

The beginning net position of the statement of activities and the beginning fund balance of the Nonmajor Governmental Fund have been restated to recognize the beginning balances of the associated student body funds as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*. Amounts were previously reported as fiduciary activities.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

State and Federal Allowances, Awards, and Grants

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

Construction Commitments

As of June 30, 2021, the District was committed under various capital expenditure purchase agreements for construction projects totaling approximately \$1.16 million.

Joint Use Project

In June 2002, the District entered into an agreement with the City of San Buenaventura (the City) and the Redevelopment Agency of the City of San Buenaventura (the Agency) on a joint use project. The terms of the agreement include the commitment of the District to appropriate up to \$3,600,000 in proceeds from the disposition of the Hails site for construction of a City/District community swimming pool and amenities. In addition, the City and Agency agree to share with the District the tax increment generated from the future redevelopment of the Santa Clara site. The City, Agency and District jointly marketed the sale of the property. The City will be reimbursed up to \$100,000 for actual cost of staffing a project development team for the Santa Clara site.

NOTE 18 SUBSEQUENT EVENTS

Tax Revenue Anticipation Notes

The District issued \$5,187,443 of Tax Revenue Anticipation Notes dated July 12, 2021 through the California School Finance Authority 2021 (Series D). The notes mature on August 30, 2021 and carried a 0.18% interest rate. The notes were sold by the District to supplement its cash flow.

2021 General Obligation Refunding Bonds

The District issued for sale \$8,081,000 of 2021 General Obligation Refunding Bonds on September 22, 2021 to advance refund portions of the 2014 and 2015 Refunding Bonds. The bonds were issued as taxable current interest bonds and accrue interest at rate at 1.85%. The bonds mature on August 1, 2034 with mandatory sinking fund payments made each February 1st and August 1st.

REQUIRED SUPPLEMENTARY INFORMATION

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budgetary Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local Control Funding Formula (LCFF):			
State Apportionments	\$ 76,301,745	\$ 84,043,535	\$ 79,928,344
Local Sources	65,646,335	68,874,986	72,722,453
Total LCFF Sources	<u>141,948,080</u>	<u>152,918,521</u>	<u>152,650,797</u>
Federal Sources	12,411,800	16,753,815	21,115,223
Other State Sources	14,473,538	25,148,833	26,783,252
Other Local Sources	17,331,945	16,960,679	17,941,851
Total Revenues	<u>186,165,363</u>	<u>211,781,848</u>	<u>218,491,123</u>
EXPENDITURES			
Certificated Salaries	74,401,564	80,215,394	79,693,377
Classified Salaries	28,592,711	30,215,167	31,198,553
Employee Benefits	54,047,904	53,969,961	54,722,885
Books and Supplies	9,324,841	16,160,719	15,031,833
Services and Other Operating Expenditures	17,903,582	20,290,541	17,742,991
Capital Outlay	542,000	2,977,764	674,974
Other Outgo	4,588,101	3,574,616	5,055,210
Debt Service	287,975	286,820	286,819
Total Expenditures	<u>189,688,678</u>	<u>207,690,982</u>	<u>204,406,642</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	(3,523,315)	4,090,866	14,084,481
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In	30,000	31,500	16,609
Interfund Transfers Out	(1,250,000)	(3,532,000)	(3,650,000)
Total Other Financing Sources (Uses)	<u>(1,220,000)</u>	<u>(3,500,500)</u>	<u>(3,633,391)</u>
NET CHANGES IN FUND BALANCE	<u>\$ (4,743,315)</u>	<u>\$ 590,366</u>	10,451,090
Fund Balance - Beginning of Year			<u>21,532,916</u>
FUND BALANCE - END OF YEAR			<u>\$ 31,984,006</u>

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND
RELATED RATIOS – RETIREE BENEFITS PLAN
MEASUREMENT PERIODS ENDED JUNE 30,**

Total OPEB Liability - Retiree Health Plan	2020	2019	2018	2017
Changes for the Year				
Interest Cost	\$ 291,550	\$ 395,879	\$ 451,404	\$ 420,523
Differences Between Expected and Actual Experience	62,576	(394,178)	(258,139)	64,006
Changes in Assumptions	64,411	(1,265,386)	90,695	331,403
Benefit Payments	(1,583,294)	(1,558,257)	(1,562,940)	(2,093,860)
Net Changes	(1,164,757)	(2,821,942)	(1,278,980)	(1,277,928)
Beginning Balance	11,236,015	14,057,957	15,336,937	16,614,865
Ending Balance	<u>\$ 10,071,258</u>	<u>\$ 11,236,015</u>	<u>\$ 14,057,957</u>	<u>\$ 15,336,937</u>
District's Covered Payroll *	\$ -	\$ -	\$ -	\$ -
Total OPEB Liability as a Percentage of its Covered Payroll *	N/A	N/A	N/A	N/A

* Since the plan is limited to individuals who retired as of June 30, 1993 and there are no active members eligible, there is no applicable covered payroll amount.

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amounts are reported as of the previous year to align with the measurement date of the total OPEB liability

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB
LIABILITY – MEDICARE PREMIUM PAYMENT PLAN
MEASUREMENT PERIODS ENDED JUNE 30,**

Medicare Premium Payment Program	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.2080%	0.2140%	0.2200%	0.6400%
District's Proportionate Share of the Net OPEB Liability	\$ 881,473	\$ 796,930	\$ 842,092	\$ 2,692,530
District's Covered Payroll *	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as a Percentage of Covered Payroll *	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.71%	-0.81%	-0.40%	0.01%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amounts are reported as of the previous year to align with the measurement date of the net OPEB liability.

* Plan participants are limited to retirees; therefore covered payroll is zero.

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND PENSION LIABILITY AS
A PERCENTAGE OF COVERED PAYROLL – DEFERRED COMPENSATION PLAN
MEASUREMENT PERIODS ENDED JUNE 30,**

Total Pension Liability - Deferred Compensation Plan	2020	2019	2018	2017	2016
Changes for the Year:					
Interest	\$ 31,967	\$ 39,748	\$ 49,862	\$ 49,314	\$ 74,878
Differences Between Expected and Actual Experience	(265,915)	-	(67,397)	-	(44,286)
Changes of Assumptions	172,969	9,421	7,457	(31,353)	85,002
Benefit Payments	(215,868)	(258,621)	(239,655)	(263,055)	(362,712)
Net Change in Total Pension Liability	(276,847)	(209,452)	(249,733)	(245,094)	(247,118)
Beginning Balance - Total Pension Liability	1,253,682	1,463,134	1,712,867	1,957,961	\$ 2,205,079
Ending Balance - Total Pension Liability	<u>\$ 976,835</u>	<u>\$ 1,253,682</u>	<u>\$ 1,463,134</u>	<u>\$ 1,712,867</u>	<u>\$ 1,957,961</u>
District's Covered Payroll	N/A *	9,333,717	N/A *	N/A *	N/A *
Total Pension Liability as a Percentage of its Covered Payroll	N/A *	13%	N/A *	N/A *	N/A *

* Covered Payroll was not readily available

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amounts are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
MEASUREMENT PERIODS ENDED JUNE 30,**

CalSTRS - STRP	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.1370%	0.1390%	0.1400%	0.1420%	0.1470%	0.1560%	0.1340%
District's Proportionate Share of the Net Pension Liability	\$132,765,330	\$125,539,240	\$128,669,800	\$131,321,600	\$118,895,070	\$105,025,440	\$ 78,305,580
State's Proportionate Share of the Net Pension Liability Associated with the District	68,439,989	68,490,590	73,669,839	77,689,382	67,694,808	55,546,731	47,284,765
Total	<u>\$201,205,319</u>	<u>\$194,029,830</u>	<u>\$202,339,639</u>	<u>\$209,010,982</u>	<u>\$186,589,878</u>	<u>\$160,572,171</u>	<u>\$125,590,345</u>
District's Covered Payroll	\$ 75,530,000	\$ 76,140,000	\$ 75,585,000	\$ 75,125,000	\$ 74,460,000	\$ 70,710,000	\$ 66,700,000
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	176%	165%	170%	175%	160%	149%	117%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%	73%	71%	69%	70%	74%	77%
CalPERS - Schools Pool Plan	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2175%	0.2183%	0.2256%	0.2293%	0.2334%	0.2390%	0.2382%
District's Proportionate Share of the Net Pension Liability	\$ 66,735,690	\$ 63,621,901	\$ 60,152,062	\$ 54,739,962	\$ 46,096,644	\$ 35,228,836	\$ 27,041,500
District's Covered Payroll	\$ 31,560,000	\$ 30,410,000	\$ 30,145,000	\$ 29,175,000	\$ 27,950,000	\$ 26,450,000	\$ 25,000,000
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	211%	209%	200%	188%	165%	133%	108%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	70%	71%	72%	74%	79%	83%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amounts are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
YEARS ENDED JUNE 30,**

CalSTRS - STRP	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 12,248,036	\$ 12,916,215	\$ 12,395,923	\$ 10,906,789	\$ 9,450,804	\$ 7,989,196	\$ 6,278,689
Contributions in Relation to the Contractually Required Contribution	12,248,036	12,916,215	12,395,923	10,906,789	9,450,804	7,989,196	6,278,689
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 75,840,000	\$ 75,530,000	\$ 76,140,000	\$ 75,585,000	\$ 75,125,000	\$ 74,460,000	\$ 70,710,000
Contributions as a Percentage of Covered Payroll	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS - Schools Pool Plan	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 6,195,893	\$ 6,223,707	\$ 5,491,903	\$ 4,681,300	\$ 4,051,427	\$ 3,312,194	\$ 3,113,265
Contributions in Relation to the Contractually Required Contribution	6,195,893	6,223,707	5,491,903	4,681,300	4,051,427	3,312,194	3,113,265
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 29,930,000	\$ 31,560,000	\$ 30,410,000	\$ 30,145,000	\$ 29,175,000	\$ 27,950,000	\$ 26,450,000
Contributions as a Percentage of Covered Payroll	20.70%	19.72%	18.06%	15.53%	13.89%	11.85%	11.77%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES

Schedules of Budgetary Comparison for the General Fund

A budgetary comparison is presented for the general fund that has a legally adopted annual budget. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year end, actual amounts at fiscal year-end, and any adjustments needed to present the amounts in accordance with generally accepted accounting principles (GAAP).

Schedules of Changes in the Total OPEB Liability and Related Ratios – Retiree Benefits Plan

The schedule is intended to show trends about the changes in the District's actuarially determined liability for postemployment benefits other than pension associated with the District's retiree benefits plan.

Benefit changes – None

Changes of Assumptions:

2019-20

The District applied a new discount rate decreasing the rate from 2.79% to 2.66%.

2018-19

The District adopted new mortality assumptions and new mortality tables for the plan. Assumptions for discount rate was reduced from 2.98% to 2.79%. Assumptions for healthcare trend rate was reduced from 8.00% to 7.15%.

2017-18

The District applied a new discount rate decreasing the rate from 3.10% to 2.98%.

Schedules of Changes in the Net OPEB Liability and Related Ratios – Medicare Premium Payment Plan

The schedule is intended to show trends about the changes in the District's actuarially determined liability for the Medicare Premium Payment plan. In the future, as data becomes available, 10 years of information will be presented.

Benefit changes – None

Changes of Assumptions:

2020-21

CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates. CalSTRS also applied a new discount rate decreasing the rate from 3.50% to 2.21%.

2019-20

CalSTRS applied a new discount rate decreasing the rate from 3.87% to 3.50%.

2018-19

CalSTRS applied a new discount rate increasing the rate from 3.58% to 3.87%.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Changes in the Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll – Deferred Compensation Plan

The schedule presents information on the changes in the District's total pension liability for the Deferred Compensation plan and the total pension liability as a percentage of covered payroll. In the future, as data becomes available, 10 years of information will be presented.

Benefit changes – None

Changes of Assumptions:

2019-20

The District applied a new discount rate decreasing the rate from 2.79% to 2.66%.

2018-19

The District applied a new discount rate decreasing the rate from 2.98% to 2.79%.

2017-18

The District applied a new discount rate increasing the rate from 2.70% to 2.98%.

2016-17

The District applied a new discount rate decreasing the rate from 3.13% to 2.70%.

Schedules of District's Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

Benefit changes – None

Changes of Assumptions:

2019-20

CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates.

2018-19

CalPERS Board adopted new mortality assumptions for the plan. Assumption for inflation rate was reduced from 2.75% to 2.50%. Assumption for individual salary increases and overall payroll growth was reduced from 3.00% to 2.75%.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedules of District's Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan) (Continued)

Changes of Assumptions: (Continued)

2017-18

CalSTRS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 3.00% to 2.75%. Assumption for payroll growth was reduced from 3.75% to 3.50%.

CalPERS applied a new discount rate decreasing the rate from 7.65% to 7.15%.

2015-16

CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

Schedules of District Contributions – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The 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, 10 years of information will be presented.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excesses of expenditures over appropriations, by major object accounts, occurred in the General Fund as follows:

Classified Salaries	\$	983,386
Employee Benefits		752,924

SUPPLEMENTARY INFORMATION

**VENTURA UNIFIED SCHOOL DISTRICT
HISTORY AND ORGANIZATION
YEAR ENDED JUNE 30, 2021**

The Ventura Unified School District was formed effective July 1, 1966 as the result of a unification election held March 16, 1966 and action of the Ventura County Board of Supervisors at the meeting held March 30, 1966. The unified district encompasses the former Ventura Union High School District and its former component elementary districts, namely the Avenue, Mill Union, Mount, Buena Ventura School Districts and the Arnaz portion of the Nordhoff Union School District. The District includes an area of approximately 165 square miles, including the City of Ventura and surrounding area, in the western most portion of Ventura County. There were no changes in the boundaries of the District during the current year.

The District operates six pre-schools, sixteen elementary schools, one K-8 school, four middle schools, three comprehensive high schools, one continuation high schools, one independent study school, one opportunity school, one homestead school, one adult education school and one community day school.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2021 were as follows:

BOARD OF EDUCATION

<u>Members</u>	<u>Office</u>	<u>Term Expires</u>
Mrs. Velma Lomax	President	December 2022
Mr. Matt Almaraz	Vice President	December 2022
Ms. Sabrena Rodriguez	Member	December 2024
Ms. Amy Callahan	Member	December 2024
Dr. Jerry Dannenberg	Member	December 2022

DISTRICT ADMINISTRATORS

Dr. Roger Rice	Superintendent
Ms. Rebecca Chandler	Assistant Superintendent, Business Services
Dr. Antonio Castro	Assistant Superintendent, Educational Services
Mr. Brett Taylor	Assistant Superintendent, Certificated Human Resources

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2021**

Grade Level	Days Offered Traditional	Status
Kindergarten	180	In Compliance
Grade 1	180	In Compliance
Grade 2	180	In Compliance
Grade 3	180	In Compliance
Grade 4	180	In Compliance
Grade 5	180	In Compliance
Grade 6	180	In Compliance
Grade 7	180	In Compliance
Grade 8	180	In Compliance
Grade 9	180	In Compliance
Grade 10	180	In Compliance
Grade 11	180	In Compliance
Grade 12	180	In Compliance

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

<u>Program Name</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
United States Department of Agriculture				
Pass-Through Programs From California Department of Education (CDE):				
Child Nutrition Cluster:				
Summer Food Service Program	10.559	13004	\$ 1,683,088	\$ -
Commodities	10.555	13524	234,647	-
Subtotal: Child Nutrition Cluster			<u>1,917,735</u>	<u>-</u>
Pass-Through Programs From County of Ventura:				
Supplemental Nutrition Assistance Program Cluster	10.561	(1)	68,422	-
Total: United States Department of Agriculture			<u>1,986,157</u>	<u>-</u>
United States Department of Treasury				
Pass-Through Program From CDE:				
COVID - Coronavirus Relief Fund: Learning Loss Mitigation	21.019	25516	8,684,486	-
Total: United States Department of Health and Human Services			<u>8,684,486</u>	<u>-</u>
United States Department of Education				
Direct Programs:				
Student Financial Aid Cluster:				
Federal Direct Student Loans	84.268	(1)	46,073	-
Federal Pell Grant	84.063	(1)	131,346	-
Subtotal: Student Financial Aid Cluster			<u>177,419</u>	<u>-</u>
Other Programs:				
Indian Education Grants	84.060	(1)	79,701	-
Subtotal: Direct Programs			<u>79,701</u>	<u>-</u>
Direct and Pass-Through Programs:				
Education Stabilization Fund (ESF):				
Higher Education Emergency Relief Fund (HEERF) - Direct Program:				
COVID-19 - HEERF Student Aid Portion	84.425E	(1)	205,349	-
COVID-19 - HEERF Institutional Portion	84.425F	(1)	103,283	-
COVID-19 - HEERF Fund for the Improvement of Postsecondary Education (FIPSE) Formula Grant	84.425N	(1)	87,770	-
Subtotal: HEERF - Direct Program			<u>396,402</u>	<u>-</u>
Elementary and Secondary Education - Pass-Through from CDE:				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER I)	84.425D	15536	1,530,023	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	15547	3,545,933	-
COVID-19 - Governor's Emergency Education Relief (GEER)	84.425C	15517	867,581	-
Subtotal: Pass-Through from CDE			<u>5,943,537</u>	<u>-</u>
Subtotal: Education Stabilization Fund			<u>6,339,939</u>	<u>-</u>
Pass-Through Programs From CDE:				
Special Education Cluster:				
Grants to States (IDEA, Part B)	84.027	13379	2,803,813	-
Preschool Local Entitlement	84.027A	13682	78,544	-
Subtotal: Special Education Cluster			<u>2,882,357</u>	<u>-</u>

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

<u>Program Name</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
United States Department of Education (Continued)				
Pass-Through Programs From CDE: (Continued)				
Adult Education:				
Adult Education - Institutionalized Adults	84.002	13971	53,275	-
Adult Education - Adult Secondary Education	84.002	13978	156,138	-
Adult Education - English Literacy and Civics	84.002	14109	50,512	-
Adult Education - Adult Basic Education and ESL	84.002A	14508	147,543	-
Total Adult Education			407,468	-
Title I, Part A:				
Title I, Part A - Low Income and Neglected	84.010	14329	1,143,702	-
School Improvement Funding for LEAs	84.010	15438	303,668	-
Total Title I, Part A			1,447,370	-
Other Programs:				
Title II, Part A - Improving Teacher Quality	84.367	14341	278,617	-
Title III - Limited English Proficiency	84.365	14346	254,712	-
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	123,641	-
Title IV, Part B - 21st Century Community Learning Centers	84.287	13439	385,329	-
Carl D. Perkins Career and Technical Education:				
Secondary, Section 131	84.048	14894	102,910	-
Workability II, Transition Partnership	84.126	10006	323,671	-
Assistance for Homeless Children and Youth	84.938	(1)	21,395	-
Subtotal: Pass-Through Programs			1,490,275	-
Total: United States Department of Education			10,969,691	-
Total Federal Expenditures			\$ 23,495,172	\$ -
Reconciliation to Federal Revenue				
Total Federal Program Expenditures				\$ 23,495,172
Revenues in Excess (Deficiency) of Expenditures Related to				
Federal Entitlements:				
Student Financial Aid Cluster				219,346
Medi-Cal Administrative Activities				519,076
COVID-19 - ESSER Meal Reimbursement				106,391
Total Federal Program Revenue				\$ 24,339,985

(1) Pass-Through Entity Identifying Number not readily available or not applicable.

The District is the recipient of a federal program that does not result in cash receipts or disbursements. The District was granted \$234,647 of commodities under the National School Lunch Program (Assistance Listing 10.555).

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS – GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	2022 (Budgeted)	2021	2020	2019
REVENUE				
Local Control Funding Formula Sources	\$ 160,330,468	\$ 152,650,797	\$ 156,237,821	\$ 154,842,373
Federal Sources	15,049,720	21,115,223	7,915,590	8,891,757
Other State Sources	20,431,905	26,783,252	16,969,331	23,925,928
Other Local Sources	15,105,255	17,941,851	14,826,478	15,096,933
Interfund Transfers In	31,500	16,609	55,741	32,561
Total Revenue	<u>210,948,848</u>	<u>218,507,732</u>	<u>196,004,961</u>	<u>202,789,552</u>
EXPENDITURES				
Certificated Salaries	83,720,845	79,693,377	75,844,337	76,244,049
Classified Salaries	28,610,239	31,198,553	30,018,257	29,720,911
Employee Benefits	59,106,622	54,722,885	54,769,631	57,649,263
Books and Supplies	14,680,414	15,031,833	6,778,804	6,788,412
Services and Other Operating Expenditures	22,335,135	17,742,991	17,805,233	19,309,740
Capital Outlay	1,639,872	674,974	2,445,165	871,057
Other Outgo	4,560,196	5,055,210	5,155,062	5,345,439
Debt Service	286,820	286,819	286,820	286,820
Interfund Transfers Out	1,650,000	3,650,000	1,851,550	975,411
Total Expenditures	<u>216,590,143</u>	<u>208,056,642</u>	<u>194,954,859</u>	<u>197,191,102</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,641,295)</u>	<u>\$ 10,451,090</u>	<u>\$ 1,050,102</u>	<u>\$ 5,598,450</u>
ENDING FUND BALANCE	<u>\$ 26,342,711</u>	<u>\$ 31,984,006</u>	<u>\$ 21,532,916</u>	<u>\$ 20,482,814</u>
AVAILABLE RESERVE	<u>\$ 18,049,033</u>	<u>\$ 24,344,557</u>	<u>\$ 17,563,223</u>	<u>\$ 12,577,760</u>
AVAILABLE RESERVE PERCENTAGE	8.3%	11.7%	9.0%	6.4%
ADA	<u>14,881</u>	<u>15,533</u>	<u>15,533</u>	<u>15,722</u>
TOTAL LONG-TERM DEBT	<u>\$ 250,851,009</u>	<u>\$ 256,237,426</u>	<u>\$ 250,573,755</u>	<u>\$ 257,020,478</u>

Available reserves are those amounts reserved for economic uncertainty and any other remaining unassigned fund balance from the General Fund. For a District this size, the state recommends a 3% reserve of total General Fund expenditures, transfers out and other uses. For the year ended June 30, 2021, the District has met this requirement.

The 2022 budget is the original budget adopted on June 22, 2021.

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2021**

The district is not the granting agency for any Charter Schools.

**VENTURA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE ANNUAL FINANCIAL AND BUDGET
REPORT WITH THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

	<u>Cafeteria Fund</u>
June 30, 2021 Annual Financial and Budget Report Fund Balance	\$ 1,731,133
Adjustments and Reclassifications:	
Accounts Receivable - Post Closing Entry	<u>(719,018)</u>
June 30, 2021 Audited Financial Statement Fund Balance	<u>\$ 1,012,115</u>

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code.

Schedule of Expenditures of Federal Awards

Basis of Presentation

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

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing Number 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

The District did not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Payments to Subrecipients

The District did not make any payments to subrecipients.

Schedule of Financial Trends and Analysis

The *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule be prepared showing financial trends of the general fund over the past three fiscal years as well as the current year budget. This report is intended to identify if the District faces potential fiscal problems and if they have met the recommended available reserve percentages.

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Charter Schools

The *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District's financial statements.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the annual Financial and Budget Report form to the audited financial statements.

OPTIONAL SUPPLEMENTARY INFORMATION

**VENTURA UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash in County Treasury	\$ -	\$ 5,595,816	\$ 460,594	\$ 372,914	\$ 7,253,321	\$ 5,088,359	\$ 18,771,004
Cash on Hand and in Banks	1,551,271	-	-	49,357	-	-	1,600,628
Accounts Receivable	-	405,718	118,594	300,975	5,642	3,668	834,597
Due from Other Funds	-	4,935	997	746,328	-	-	752,260
Stores	56,041	-	-	19,290	-	-	75,331
Total Assets	<u>\$ 1,607,312</u>	<u>\$ 6,006,469</u>	<u>\$ 580,185</u>	<u>\$ 1,488,864</u>	<u>\$ 7,258,963</u>	<u>\$ 5,092,027</u>	<u>\$ 22,033,820</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ 23,049	\$ 6,330	\$ 99,999	\$ 273,287	\$ -	\$ 402,665
Due to Other Funds	-	594,773	110,017	322	16,609	-	721,721
Unearned Revenue	-	-	285,106	376,428	-	-	661,534
Total Liabilities	-	617,822	401,453	476,749	289,896	-	1,785,920
FUND BALANCE							
Nonspendable	56,042	-	-	19,290	-	-	75,332
Restricted	1,551,270	3,830,772	165,625	992,825	6,969,067	5,092,027	18,601,586
Committed	-	1,557,875	-	-	-	-	1,557,875
Assigned	-	-	13,107	-	-	-	13,107
Total Fund Balance	<u>1,607,312</u>	<u>5,388,647</u>	<u>178,732</u>	<u>1,012,115</u>	<u>6,969,067</u>	<u>5,092,027</u>	<u>20,247,900</u>
Total Liabilities and Fund Balance	<u>\$ 1,607,312</u>	<u>\$ 6,006,469</u>	<u>\$ 580,185</u>	<u>\$ 1,488,864</u>	<u>\$ 7,258,963</u>	<u>\$ 5,092,027</u>	<u>\$ 22,033,820</u>

**VENTURA UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
REVENUES							
Federal Sources	\$ -	\$ 1,200,636	\$ 106,391	\$ 1,917,735	\$ -	\$ -	\$ 3,224,762
State Sources	-	4,640,624	1,935,729	136,325	-	27,382	6,740,060
Local Sources	785,823	413,700	14,479	28,520	593,961	4,579,334	6,415,817
Total Revenues	<u>785,823</u>	<u>6,254,960</u>	<u>2,056,599</u>	<u>2,082,580</u>	<u>593,961</u>	<u>4,606,716</u>	<u>16,380,639</u>
EXPENDITURES							
Instruction	-	3,180,036	1,442,992	-	543,816	-	5,166,844
Instruction - Related Services	-	1,288,555	242,493	-	-	-	1,531,048
Pupil Services	-	-	156,481	5,614,926	-	-	5,771,407
Ancillary Services	936,965	-	-	-	-	-	936,965
General Administration	-	169,338	109,840	-	-	125,002	404,180
Plant Services	-	193,304	-	-	-	-	193,304
Debt Service	-	-	-	-	-	4,570,756	4,570,756
Total Expenditures	<u>936,965</u>	<u>4,831,233</u>	<u>1,951,806</u>	<u>5,614,926</u>	<u>543,816</u>	<u>4,695,758</u>	<u>18,574,504</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(151,142)	1,423,727	104,793	(3,532,346)	50,145	(89,042)	(2,193,865)
OTHER FINANCING SOURCES (USES)							
Interfund Transfers In	-	-	-	3,650,000	-	-	3,650,000
Interfund Transfers Out	-	(422,652)	-	-	(16,609)	-	(439,261)
Proceeds from Sale of Bonds	-	-	-	-	-	10,410,600	10,410,600
Deposit to Refunding Bond Escrow Agent	-	-	-	-	-	(10,285,598)	(10,285,598)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(422,652)</u>	<u>-</u>	<u>3,650,000</u>	<u>(16,609)</u>	<u>125,002</u>	<u>3,335,741</u>
NET CHANGES IN FUND BALANCE	(151,142)	1,001,075	104,793	117,654	33,536	35,960	1,141,876
Fund Balance - Beginning of Year, as Originally Stated	-	4,387,572	73,939	894,461	6,935,531	5,056,067	17,347,570
Adjustment for Cumulative Effect of Change in Accounting Principle (See Note 16)	1,758,454	-	-	-	-	-	1,758,454
Fund Balance - Beginning of Year, as Restated	<u>1,758,454</u>	<u>4,387,572</u>	<u>73,939</u>	<u>894,461</u>	<u>6,935,531</u>	<u>5,056,067</u>	<u>19,106,024</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,607,312</u>	<u>\$ 5,388,647</u>	<u>\$ 178,732</u>	<u>\$ 1,012,115</u>	<u>\$ 6,969,067</u>	<u>\$ 5,092,027</u>	<u>\$ 20,247,900</u>

**VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO OPTIONAL SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES

Combining Fund Financial Statements

Combining fund balance sheets and statements of revenues, expenditures and changes in fund balance have been presented for the nonmajor governmental funds to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS



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

Board of Education
Ventura Unified School District
Ventura, 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 Ventura 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, and have issued our report thereon dated April 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

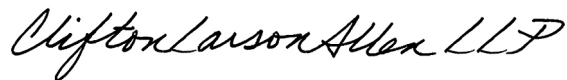
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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.



CliftonLarsonAllen LLP

Glendora, California
April 20, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Board of Education
Ventura Unified School District
Ventura, California

Report on Compliance for Each Major Federal Program

We have audited Ventura Unified School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 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 compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the 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 the 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 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.

Purpose of this Report

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.



CliftonLarsonAllen LLP

Glendora, California
April 20, 2022



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Education
Ventura Unified School District
Ventura, California

We have audited the Ventura Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2021. The District's state compliance requirements are identified in the table provided.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the types of compliance requirements referred to below. 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 *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas 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 the laws and regulations applicable to the following items:

Description	Procedures Performed
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools:	
Independent Study-Course Based	No ¹
Attendance	No ¹
Mode of Instruction	No ¹
Nonclassroom Based Instruction/Independent Study	No ¹
Determination of Funding for Nonclassroom Based Instruction	No ¹
Charter School Facility Grant Program	No ¹

¹The District is not the granting agency for any Charter Schools

Board of Education
Ventura Unified School District

Opinion on State Compliance

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

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
April 20, 2022

FINDINGS AND QUESTIONED COSTS

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund
84.425C, 84.425D, 84.425E, 84.425F, 84.425N	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes x no

**VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

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

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

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – State Compliance

Our audit did not disclose any matters required to be reported in accordance with the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

