Financial Statements
June 30, 2020

Simi Valley Unified School District

Simi Valley Unified School District
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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Governing Board
Simi Valley Unified School District
Simi Valley, California

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Simi Valley Unified School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, budgetary comparison information on page 78, schedule of changes in the District's total OPEB liability and related ratios on page 79, schedule of the District's proportionate share of the net OPEB liability – MPP program on page 80, schedule of the District's proportionate share of the net pension liability on page 81, and the schedule of District contributions on page 82, 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 Simi Valley Unified School District's financial statements. The combining and individual nonmajor fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 29, 2021 on our consideration of Simi Valley Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Simi Valley Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Simi Valley Unified School District's internal control over financial reporting and compliance.



Rancho Cucamonga, California
January 29, 2021

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Simi Valley Unified School District.

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

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, proprietary, and fiduciary.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.
- The *Proprietary Funds* are prepared using the economic resources measurement focus and modified accrual basis of accounting.
- The *Fiduciary Funds* only report a balance sheet and do not have measurement focus.

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

The Primary unit of the government is the Simi Valley Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

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

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental Funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities - such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our funds for associated student body activities. The District's fiduciary activities are reported in a separate Statement of Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $31,959,821 for the fiscal year ended June 30, 2020. Of this amount, $(167,322,577) was unrestricted deficit. Restricted net position are reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2020	2019
Assets		
Current and other assets	$ 201,697,624	$ 216,599,254
Capital assets	318,656,832	308,388,157
Total assets	520,354,456	524,987,411
Deferred outflows of resources	50,794,247	52,375,330
Liabilities		
Current liabilities	27,815,835	20,440,513
Long-term liabilities	495,982,122	500,142,325
Total liabilities	523,797,957	520,582,838
Deferred inflows of resources	15,390,925	13,225,325
Net Position		
Net investment in capital assets	164,054,554	126,475,732
Restricted	35,227,844	38,087,605
Unrestricted	(167,322,577)	(121,008,759)
Total net position	$ 31,959,821	$ 43,554,578

The $(167,322,577) in unrestricted deficit of governmental activities represents the accumulated results of all past years' operations.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 20. Table 2 takes the information from the statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	$ 3,928,368	$ 4,548,530
Operating grants and contributions	40,063,408	40,239,305
Capital grants and contributions	2,112,157	109,944
General revenues		
Federal and State aid not restricted	93,846,339	95,179,527
Property taxes	74,696,210	74,959,581
Other general revenues	8,737,004	17,327,670
Total revenues	223,383,486	232,364,557
Expenses		
Instruction-related	163,088,824	161,187,039
Pupil services	23,569,740	23,018,678
Administration	11,778,693	11,867,249
Plant services	22,343,827	22,623,101
Other	14,197,159	12,806,246
Total expenses	234,978,243	231,502,313
Change in net position	$ (11,594,757)	$ 862,244

Governmental Activities

As reported in the Statement of Activities on page 20, the cost of all of our governmental activities this year was $234,978,243. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $74,696,210 because the cost was paid by those who benefited from the programs ($3,928,368) or by other governments and organizations who subsidized certain programs with grants and contributions ($42,175,565). We paid for the remaining "public benefit" portion of our governmental activities with $93,846,339 in taxes, $8,737,004 in State funds, and with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost of each of the District's eight largest functions: instruction, school administration, pupil transportation, food services, other student support services, administration, plant services, and all other services, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	$ 163,088,824	$ 161,187,039	$ (129,987,178)	$ (128,166,722)
Pupil services	23,569,740	23,018,678	(15,791,760)	(3,553,043)
Administration	11,778,693	11,867,249	(10,888,899)	(11,137,501)
Plant services	22,343,827	22,623,101	(21,612,710)	(22,623,101)
All other services	14,197,159	12,806,246	(10,593,763)	(21,124,167)
Total	$ 234,978,243	$ 231,502,313	$ (188,874,310)	$ (186,604,534)

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $161,686,035, which is a decrease of $24,212,873 from last year.

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2019	Revenues	Expenditures	June 30, 2020
General	$ 39,065,382	$ 188,178,632	$ 193,188,792	$ 34,055,222
Building	95,036,729	8,619,731	18,509,894	85,146,566
Non-Major Governmental	51,796,797	31,904,658	41,217,208	42,484,247
Total	$ 185,898,908	$ 228,703,021	$ 252,915,894	$ 161,686,035

The primary reasons for these changes are the following:

1. Our Combined General Fund is our principal operating fund. The fund balance in the Combined General Fund decreased from $39.1 million to $34.1 million from prior year. This recognized decrease is mainly due to $5.0 million in deficit spending created by an overall reduction in revenues and an increase in expenses.
2. The Adult Education Non-Major Governmental Special Revenue Fund generated a net increase to fund balance from the prior year of $704,456. The Adult Education Fund is now funded through a Block Grant in the amount of $5,303,373.
3. The Deferred Maintenance Non-Major Governmental Special Revenue Fund had a net decrease to fund balance from the prior year of $18,767.
4. The District is progressing with Bond Building Projects and Modernization, even though State Modernization Funding has been slow in coming due to the State's sluggish economic recovery. For the current year, the District received modernization funding in the amount of $1,996,455. General Obligation Bond projects at various school sites expended approximately $16.1 million.
5. Developer fees were used for various modernization projects, with expenditures of $3.6 million.

6. The Bond Interest and Redemption Fund ending balance decreased over the prior year by $4.7 million due to property tax collections that offset the debt payment.
7. The Self-Insured Workers' Compensation Fund ending balance increased by $3.1 million over the prior year. The Self-Insured Medical Fund ending balance increased over prior year by $0.3 million.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Blanket approval of final amendments to the budget were approved in August 18, 2020, upon year-end closing. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received has been provided in our annual report on page 85.)

- Revenue revisions made to the 2019-2020 budget were mainly due to significant funding changes recognized after the budget adoption.
- Federal revenues changes were due to prior year unearned revenue and program carry-forwards in Title I, Title II, and Title III.
- State revenues had changes in funding were due to prior year unearned revenue and program carry-forwards for Lottery, Discretionary Block Grant funding, and other miscellaneous programs. Revenue decreases were recognized due to enacted legislation.

Local revenues reflect adjustments mainly for changes in interest earnings rates, use of facilities receipts, school gift funds, field trip receipts, Education Foundation, and Special Education tuition bill-back for court ordered students in foster homes and licensed children's institutions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the District had a net of $318,656,832 in a broad range of capital assets, including land, buildings, construction in progress, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of $10,268,674, or 3.33 percent, from last year.

Table 5

	Governmental Activities	
	2020	2019
Land and construction in progress	$ 46,930,683	$ 45,039,766
Buildings and improvements	241,656,285	239,329,408
Equipment	30,069,864	24,018,984
Total	$ 318,656,832	$ 308,388,158

This year's net additions of $10,326,982 (including depreciation) included bond and modernization projects at several sites, building improvements, seven new buses, asphalt paving, irrigation, carpeting, kitchen upgrades, storm drainage, plumbing, painting, re-roofing, copier equipment, telecommunication system, virtual classroom hardware and software, and network upgrades.

Long-Term Liabilities

At the end of this year, the District had $495,982,122 in long-term liabilities. Those liabilities consisted of:

Table 6

	Governmental Activities	
	2020	2019
Long-Term Liabilities		
General obligation bonds	$ 251,227,610	$ 258,303,055
Certificates of participation	4,470,000	5,740,000
Unamortized premiums	21,032,834	22,443,552
Unamortized discounts	(14,300)	(17,875)
Capital leases	268,414	410,957
Compensated absences	876,673	675,368
Claims liability	7,266,777	8,250,339
Net OPEB liability	24,115,273	22,962,060
Aggregate net pension liability	186,738,841	181,374,869
Total	$ 495,982,122	$ 500,142,325

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2019-2020 ARE NOTED BELOW:

During the months of May and June each year, the District finalizes its adopted budget for the coming year. In order to project the budget, a series of assumptions about the conditions of the District must be determined. These assumptions are then inserted into the State and District formulas in order to determine the final budget for the next year.

The accuracy of the District's budget projection for the next year is only as good as the assumptions that are used in developing the budget. If the assumptions are wrong, so too will be the budget. As a consequence, the assumptions - at least the primary ones - have to be carefully considered in evaluating the accuracy of next year's income and expense. Often, the assumptions for budget development are revised several times during a fiscal year.

Since it is impossible to accurately predict the assumptions that are needed in budget development, Simi Valley School District updates its budget, and assumptions, three times after the original budget is adopted. The assumptions are updated with a revision that occurs within 45 days after the adoption of the State Budget (if material) and with two interim reports that are delivered to the Board of Education in December and March of each fiscal year.

The key assumptions in our 2019-2020 Adopted Budget revenue forecast were:

1. The adopted budget included a Local Control Funding Formula (LCFF) amount equal to a 100 percent Economic Recovery Target, with a 3.26 percent COLA or approximately $2,347,375 over prior year funding levels.
2. The LCFF Supplemental funding percentage three-year average calculated to be 36.01 percent.
3. The District is not eligible for LCFF Concentration Funding.
4. K-3 and 9-12 Grade Span Funding is included for class size reduction. This assumes no class size penalties with the negotiated class size of 25:1 and 185:1, respectively. Title I program class size is 22:1.
5. LCFF Categorical Funded projects remain equal to $20,635,926.

Expenditures are based on the following forecasts:

1. Board policy limiting capital outlay in the unrestricted General Fund remains in effect.
2. Salary negotiations are unsettled at this time. Step and column increases are included in the budget at an estimated $1.3 million. The District has included attrition savings in the 1st Interim Budget.

	Staffing Ratio	Enrollment
Grades kindergarten through third*	24:1:1	4,838
Grades four through six	31:1:1	3,462
Grades seven through eight	32:1:1	2,600
Grades nine through twelve	32:1:1	5,624

*The Districts four Title schools are staffed at 22:1

No additional ADA revenue will be realized in the budget year, due to overall declining enrollment. The District was funded on 2019-2020 prior year ADA in the amount of 15,784.66 which was greater than current year ADA.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2020-21 year, the District Board of Education and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Local Control Funding Formula per Average Daily Attendance (ADA) will be held-harmless for the most part and there will be no Cost of Living Adjustment (COLA)
2. Federal Income will be projected at the prior year 2019-20 level.
3. Other State Income (categorical projects) will be projected at prior year 2019-20 level unless there are known adjustments, less any one-time revenues.

Expenditures are based on the same Student to Teacher Ratio Forecast as 2019-20.

New items specifically addressed in the expenditure budget are:

1. Increases in spending as a result of salary step and column changes and decreases for attrition savings.
2. Increases in employer contribution rates for CalPERS and Health & Welfare Plans.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Associate Superintendent, Business and Facilities, Simi Valley Unified School District, 101 W. Cochran, Simi Valley, California, 93065, or e-mail at: ron.todo@simivalleyusd.org.

	Governmental Activities
Assets	
Deposits and investments	$ 175,853,818
Receivables	23,650,462
Prepaid items	1,805,776
Stores inventories	387,568
Capital assets not depreciated	46,930,683
Capital assets, net of accumulated depreciation	271,726,149
Total assets	520,354,456
Deferred Outflows of Resources	
Deferred charge on refunding	2,658,208
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	701,855
Deferred outflows of resources related to pensions	47,434,184
Total deferred outflows of resources	50,794,247
Liabilities	
Accounts payable	23,967,107
Interest payable	3,509,400
Unearned revenue	339,328
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	13,082,785
Long-term liabilities other than OPEB and pensions due in more than one year	272,045,223
Net other postemployment benefits liability	24,115,273
Aggregate net pension liability	186,738,841
Total liabilities	523,797,957
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	192,830
Deferred inflows of resources related to pensions	15,198,095
Total deferred inflows of resources	15,390,925
Net Position	
Net investment in capital assets	164,054,554
Restricted for	
Debt service	15,160,517
Capital projects	10,658,754
Educational programs	2,497,406
Other restrictions	6,911,167
Unrestricted	(167,322,577)
Total net position	$ 31,959,821

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	$ 136,803,941	$ 806,697	$ 25,445,322	$ 2,112,157	$ (108,439,765)
Instruction-related activities					
Supervision of instruction	6,995,533	53,226	1,972,104	-	(4,970,203)
Instructional library, media, and technology	1,237,856	1,741	98,127	-	(1,137,988)
School site administration	18,051,494	667	2,611,605	-	(15,439,222)
Pupil services					
Home-to-school transportation	3,864,577	14,866	88,202	-	(3,761,509)
Food services	5,006,092	1,578,178	2,806,793	-	(621,121)
All other pupil services	14,699,071	177,789	3,112,152	-	(11,409,130)
Administration					
Data processing	2,301,379	-	20,257	-	(2,281,122)
All other administration	9,477,314	93,481	776,056	-	(8,607,777)
Plant services	22,343,827	14,979	716,138	-	(21,612,710)
Ancillary services	2,767,563	26,818	213,168	-	(2,527,577)
Community services	329,785	3,786	8,006	-	(317,993)
Enterprise services	61,019	61	110	-	(60,848)
Interest on long-term liabilities	10,359,750	-	-	-	(10,359,750)
Other outgo	679,042	1,156,079	2,195,368	-	2,672,405
Total governmental activities	$ 234,978,243	$ 3,928,368	$ 40,063,408	$ 2,112,157	(188,874,310)

General Revenues and Subventions	
Property taxes, levied for general purposes	$ 60,226,263
Property taxes, levied for debt service	13,419,515
Taxes levied for other specific purposes	1,050,432
Federal and State aid not restricted to specific purposes	93,846,339
Interest and investment earnings	986,711
Interagency revenues	206,596
Miscellaneous	7,543,697
Subtotal, general revenues	177,279,553
Change in Net Position	(11,594,757)
Net Position - Beginning	43,554,578
Net Position - Ending	$ 31,959,821

Simi Valley Unified School District
Balance Sheet – Governmental Funds
June 30, 2020

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Deposits and investments	$ 27,343,659	$ 89,492,050	$ 43,292,683	$ 160,128,392
Receivables	21,376,523	667,175	1,514,473	23,558,171
Due from other funds	1,386,596	-	42,160	1,428,756
Prepaid expenditures	1,805,776	-	-	1,805,776
Stores inventories	277,375	-	110,193	387,568
Total assets	$ 52,189,929	$ 90,159,225	$ 44,959,509	$ 187,308,663
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 17,752,206	$ 3,825,757	$ 2,343,380	$ 23,921,343
Due to other funds	47,378	1,182,697	131,882	1,361,957
Unearned revenue	335,123	4,205	-	339,328
Total liabilities	18,134,707	5,012,659	2,475,262	25,622,628
Fund Balances				
Nonspendable	2,165,699	-	110,993	2,276,692
Restricted	2,497,406	85,146,566	42,088,566	129,732,538
Committed	-	-	6,180	6,180
Assigned	-	-	278,508	278,508
Unassigned	29,392,117	-	-	29,392,117
Total fund balances	34,055,222	85,146,566	42,484,247	161,686,035
Total liabilities and fund balances	$ 52,189,929	$ 90,159,225	$ 44,959,509	$ 187,308,663

Total Fund Balance - Governmental Funds		$ 161,686,035
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 533,529,538	
Accumulated depreciation is	(214,872,706)	
Net capital assets		318,656,832
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(3,509,400)
An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		1,819,265
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Deferred charge on refunding	2,658,208	
Other postemployment benefits	701,855	
Net pension liability	47,434,184	
Total deferred outflows of resources		50,794,247
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Other postemployment benefits	(192,830)	
Net pension liability	(15,198,095)	
Total deferred inflows of resources		(15,390,925)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(186,738,841)
The District's net OPEB liability is not due and payable in the current period period, and is not reported as a liability in the funds.		(24,115,273)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds	$ (220,995,588)	
Certificates of participation	(4,470,000)	
Premium on issuance of general obligation bonds and certificates of participation	(21,032,834)	
Discount on issuance of general obligation bonds and certificates of participation	14,300	
Capital leases payable	(268,414)	
Compensated absences (vacations)	(876,673)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(30,232,022)	
Total long-term liabilities		(277,861,231)
Total net position - governmental activities		$ 25,340,709

Simi Valley Unified School District

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

Year Ended June 30, 2020

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Local Control Funding Formula	$ 148,620,373	$ -	$ -	$ 148,620,373
Federal sources	5,750,161	-	3,038,381	8,788,542
Other State sources	17,702,002	-	7,580,342	25,282,344
Other local sources	15,004,621	2,816,404	18,727,471	36,548,496
Total revenues	187,077,157	2,816,404	29,346,194	219,239,755
Expenditures				
Current				
Instruction	117,960,822	-	3,440,169	121,400,991
Instruction-related activities				
Supervision of instruction	6,361,597	-	28,023	6,389,620
Instructional library, media, and technology	1,113,115	-	-	1,113,115
School site administration	14,074,634	-	2,051,560	16,126,194
Pupil services				
Home-to-school transportation	3,513,630	-	-	3,513,630
Food services	89,826	-	4,492,933	4,582,759
All other pupil services	13,078,802	-	447,770	13,526,572
Administration				
Data processing	2,236,682	-	-	2,236,682
All other administration	8,099,087	-	626,982	8,726,069
Plant services	20,959,991	74,347	544,486	21,578,824
Ancillary services	2,587,430	-	-	2,587,430
Community services	220,681	-	62,745	283,426
Other outgo	679,042	-	-	679,042
Enterprise services	52,799	-	-	52,799
Facility acquisition and construction	1,100,082	17,171,830	4,221,706	22,493,618
Debt service				
Principal	-	142,543	11,440,000	11,582,543
Interest and other	10,140	19,699	7,748,534	7,778,373
Total expenditures	192,138,360	17,408,419	35,104,908	244,651,687
Excess (Deficiency) of Revenues Over Expenditures	(5,061,203)	(14,592,015)	(5,758,714)	(25,411,932)
Other Financing Sources (Uses)				
Transfers in	1,101,475	4,604,268	2,558,464	8,264,207
Other sources - proceeds from land sale	-	1,199,059	-	1,199,059
Transfers out	(1,050,432)	(1,101,475)	(6,112,300)	(8,264,207)
Net Financing Sources (Uses)	51,043	4,701,852	(3,553,836)	1,199,059
Net Change in Fund Balances	(5,010,160)	(9,890,163)	(9,312,550)	(24,212,873)
Fund Balance - Beginning	39,065,382	95,036,729	51,796,797	185,898,908
Fund Balance - Ending	$ 34,055,222	$ 85,146,566	$ 42,484,247	$ 161,686,035

Total Net Change in Fund Balances - Governmental Funds		$ (24,212,873)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which depreciation expense exceeds capital outlays in the period.		
Capital outlays	$ 23,694,194	
Depreciation expense	(13,367,212)	
Net expense adjustment		10,326,982
The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was		(3,094,555)
Loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(58,308)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(201,305)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(8,953,643)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the net OPEB liability during the year.		(977,948)

Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	$ 1,410,718
Discount amortization	(3,575)
Deferred charge on refunding amortization	(332,276)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	10,170,000
Certificates of participation	1,270,000
Capital leases	142,543
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	(561,689)
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	3,481,172
Change in net position of governmental activities	$ (11,594,757)

	Governmental Activities - Internal Service Funds		
	Workers' Compensation	Medical	Total
Assets			
Current assets			
Deposits and investments	$ 13,908,902	$ 1,816,524	$ 15,725,426
Receivables	81,077	11,214	92,291
Due from other funds	5,218	-	5,218
Total assets	13,995,197	1,827,738	15,822,935
Liabilities			
Current liabilities			
Accounts payable	37,291	8,473	45,764
Due to other funds	72,017	-	72,017
Current portion of claims liabilities	1,155,266	-	1,155,266
Total current liabilities	1,264,574	8,473	1,273,047
Noncurrent liabilities			
Claims liabilities	6,111,511	-	6,111,511
Total liabilities	7,376,085	8,473	7,384,558
Net Position			
Restricted for self-insurance	$ 6,619,112	$ 1,819,265	$ 8,438,377

	Governmental Activities - Internal Service Funds		
	Workers' Compensation	Medical	Total
Operating Revenues			
Charges for services	$ -	$ 13,194	$ 13,194
Charges to other funds and miscellaneous revenues	3,761,767	2,413,067	6,174,834
Total operating revenues	3,761,767	2,426,261	6,188,028
Operating Expenses			
Payroll costs	133,838	-	133,838
Professional and contract services	741,354	2,105,443	2,846,797
Supplies and materials	1,651	-	1,651
Total operating expenses	876,843	2,105,443	2,982,286
Operating Income	2,884,924	320,818	3,205,742
Nonoperating Revenues			
Interest income	248,286	27,144	275,430
Change in Net Position	3,133,210	347,962	3,481,172
Total Net Position - Beginning	3,485,902	1,471,303	4,957,205
Total Net Position - Ending	$ 6,619,112	$ 1,819,265	$ 8,438,377

	Governmental Activities - Internal Service Funds		
	Workers' Compensation	Medical	Total
Operating Activities			
Cash receipts from customers	$ 3,818,255	$ 2,428,252	$ 6,246,507
Other operating cash payments	(937)	-	(937)
Cash payments to other suppliers of goods or services	(2,619,126)	(2,124,037)	(4,743,163)
Net Cash From Operating Activities	1,198,192	304,215	1,502,407
Investing Activities			
Interest on investments	248,286	27,144	275,430
Net Cash From Investing Activities	248,286	27,144	275,430
Net Change in Cash and Cash Equivalents	1,446,478	331,359	1,777,837
Cash and Cash Equivalents, Beginning	12,462,424	1,485,165	13,947,589
Cash and Cash Equivalents, Ending	$ 13,908,902	$ 1,816,524	$ 15,725,426
Reconciliation of Operating Income to Net Cash From Operating Activities			
Operating income	$ 2,884,924	$ 320,818	$ 3,205,742
Changes in assets and liabilities			
Receivables	53,881	1,991	55,872
Due from other fund	1,670	-	1,670
Accounts payable	(790,924)	(18,594)	(809,518)
Due to other fund	32,203	-	32,203
Claims liability	(983,562)	-	(983,562)
Net Cash From Operating Activities	$ 1,198,192	$ 304,215	$ 1,502,407

	Agency Funds		
	Associated Student Bodies	Warrant Pass-through Fund	Total Fiduciary Funds
Assets			
Cash and cash equivalents	$ 1,390,088	$ 81,959	$ 1,472,047
Receivables	3,110	495	3,605
Stores inventories	354,695	-	354,695
Other assets	17,822	-	17,822
Total assets	$ 1,765,715	$ 82,454	$ 1,848,169
Liabilities			
Accounts payable	$ 32,269	$ 82,454	$ 114,723
Due to student groups	1,733,446	-	1,733,446
Total liabilities	$ 1,765,715	$ 82,454	$ 1,848,169

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Simi Valley Unified School District (the District) was formed in 1936, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K-12 as mandated by the State and Federal agencies. The District operates twenty one elementary schools, three middle schools, three high schools, an alternative education program, one adult school, and one continuation high school.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt, or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 80, Blending Requirements For Certain Component Units and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Simi Valley Unified School District School certificates of participation financial activity is presented in the financial statements as the Capital Projects Fund for Blended Component Units. The certificates of participation issued by the District are included as long-term liabilities in the government-wide financial statements.

Other Related Entities

Public Entity Risk Pools and Joint Powers Authorities The District is associated with one risk pool and two joint powers authorities. These organizations do not meet the criteria for inclusion as component units of the District. Additional information is presented in Note 16 to the financial statements. These organizations are:

- Ventura County Schools Self-Funding Authority (VCSSFA)
- York Risk Services Group (YRSA)
- Ventura County Fast Action School Transit Authority (VCFAST)

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

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

Non-Major Governmental Funds

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

- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for State apportionments and the District's contributions for deferred maintenance purposes. (*Education Code* Section 17582)

Capital Project Funds The Capital Project funds are used to account for and report financial resources to be used for the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

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

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition lA), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (Education Code Section 17070 et seq.).

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

- **Capital Projects Fund for Blended Component Units** The Capital Projects Fund for Blended Component Units is used to account for the ongoing redevelopment agency deposits and district contributions for debt retirement and expenditures of approved projects of school stadiums, gymnasiums, tennis courts, MPR and Quad upgrade, and stadium restructuring.

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term liabilities.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary fund:

- **Internal Service Fund** Internal service funds may be used to account for any activity for which goods or services are provided to other funds of the District in return for a fee to cover the cost of operations. The District operates two internal service funds, medical benefits and workers' compensation.

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student body activities (ASB) and warrant pass-through activities.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

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

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

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

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

- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term obligations, that have not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Cash and Cash Equivalents

The District's 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 equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

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

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Stores Inventories

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

Capital Assets and Depreciation

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

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

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

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums, and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight line method.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred amounts related to pension and OPEB relate to differences between contributions and the District's proportionate share of contributions, differences between expected and actual experiences, and differences between expected and actual earnings on investments.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Fund Balances - Governmental Funds

As of June 30, 2020, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

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

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $35,227,844 of restricted net position restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are self-insurance premiums for insurance cost. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Interfund Activity

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

Estimates

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

Property Tax

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

Change in Accounting Principles

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

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

The provisions of this Statement have been implemented as of June 30, 2020.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the implementation of GASB No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

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

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

As a result of the implementation of GASB No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.

- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements - often characterized as leases - that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021 All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The effects of this change on the District's financial statements have not yet been determined.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Governmental funds	$ 160,128,392
Proprietary funds	15,725,426
Fiduciary funds	1,472,047
Total deposits and investments	$ 177,325,865

Deposits and investments as of June 30, 2020, consist of the following:

Cash on hand and in banks	$ 2,776,329
Cash in revolving	83,348
Investments	174,466,188
Total deposits and investments	$ 177,325,865

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

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

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities through the last scheduled payment of the certificates of participation debt.

Interest Rate Risk

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

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity In Days
Governmental Funds		
U.S. Treasuries	$ 1,503,244	40
Ventura County Investment Pool	157,230,559	249
Subtotal	158,733,803	
Proprietary Funds		
Ventura County Investment Pool	15,650,426	249
Fiduciary Funds		
Ventura County Investment Pool	81,959	249
Total	$ 174,466,188	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and actual rating as of the year-end for each investment type.

Investment Type	Reported Amount	Minimum Legal Rating	Rating as of Year End	
			Aaa-mf	AAA
Governmental Funds				
U.S. Treasuries	$ 1,503,244	N/A	$ -	$ 1,503,244
Ventura County Investment Pool	157,230,559	N/A	157,230,559	-
Subtotal	158,733,803		157,230,559	1,503,244
Proprietary Funds				
Ventura County Investment Pool	15,650,426	N/A	15,650,426	-
Fiduciary Funds				
Ventura County Investment Pool	81,959	N/A	81,959	-
Total	$ 174,466,188		$ 172,962,944	$ 1,503,244

N/A - Not applicable

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District's bank balance of $3,629,574 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 3 - Fair Value Measurements

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

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

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

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

Investment Type	Reported Amount	Fair Value Measurements Using Level 1 Inputs	Uncategorized
Governmental Funds			
U.S. Treasuries	$ 1,503,244	$ 1,503,244	$ -
Ventura County Investment Pool	157,230,559	-	157,230,559
Subtotal	158,733,803	1,503,244	157,230,559
Proprietary Funds			
Ventura County Investment Pool	15,650,426	-	15,650,426
Fiduciary Funds			
Ventura County Investment Pool	81,959	-	81,959
Total	$ 174,466,188	$ -	$ 172,962,944

Note 4 - Receivables

Receivables at June 30, 2020, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Total	Fiduciary Funds
Federal Government						
Categorical aid	$ 3,604,506	$ -	$ 884,410	$ -	$ 4,488,916	$ -
State Government						
LCFF apportionment	14,290,077	-	-	-	14,290,077	-
Categorical aid	1,811,232	-	38,508	-	1,849,740	-
Lottery	813,611	-	-	-	813,611	-
Local Government						
Interest	285,056	667,175	319,895	92,291	1,364,417	-
Other local sources	572,041	-	271,660	-	843,701	3,605
Total	$ 21,376,523	$ 667,175	$ 1,514,473	$ 92,291	$ 23,650,462	$ 3,605

Note 5 - Capital Assets

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	$ 22,309,308	$ -	$ -	$ 22,309,308
Construction in progress	22,730,458	18,118,452	(16,227,535)	24,621,375
Total capital assets not being depreciated	45,039,766	18,118,452	(16,227,535)	46,930,683
Capital assets being depreciated				
Land improvements	50,057,462	5,968,200	(274,050)	55,751,612
Buildings and improvements	358,869,731	5,232,004	(171,608)	363,930,127
Furniture and equipment	57,941,120	10,603,073	(1,627,077)	66,917,116
Total capital assets being depreciated	466,868,313	21,803,277	(2,072,735)	486,598,855
Total capital assets	511,908,079	39,921,729	(18,300,270)	533,529,538
Accumulated depreciation				
Land improvements	(20,852,008)	(1,869,106)	259,370	(22,461,744)
Buildings and improvements	(148,745,777)	(7,033,361)	215,428	(155,563,710)
Furniture and equipment	(33,922,136)	(4,464,745)	1,539,629	(36,847,252)
Total accumulated depreciation	(203,519,921)	(13,367,212)	2,014,427	(214,872,706)
Governmental activities capital assets, net	$ 308,388,158	$ 26,554,517	$ (16,285,843)	$ 318,656,832

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

Governmental Activities	
Instruction	$ 8,833,054
Supervision of instruction	319,476
Instructional library, media, and technology	96,244
School site administration	1,058,684
Home-to-school transportation	235,263
Food services	351,557
All other pupil services	495,923
Data processing	117,632
All other administration	312,792
Plant services	1,404,894
Ancillary services	101,591
Community services	40,102
Total depreciation expenses governmental activities	$ 13,367,212

Note 6 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances at June 30, 2020, between major and non-major governmental funds and internal service fund are as follows:

	Due From				
	Governmental Funds				
Due To	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Total
General Fund	$ -	$ 1,182,697	$ 131,882	$ 72,017	$ 1,386,596
Non-Major Governmental Funds	42,160	-	-	-	42,160
Internal Service Fund	5,218	-	-	-	5,218
Total	$ 47,378	$ 1,182,697	$ 131,882	$ 72,017	$ 1,433,974

The balance of $1,182,697 is due to the General Fund from the Buidling Fund for reimbursement of costs.

A balance of $95,207 is due to the General Fund from the Capital Facilities Non-Major Governmental Fund for reimbursement of costs.

All remaining balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers for the year ended June 30, 2020, consisted of the following:

The General Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for reimbursement of equipment purchases for new building.	$ 1,050,432
The Building Fund transferred to the General Fund for reimbursement of costs.	1,101,475
The Special Reserve Non-Major Governmental Fund Fund for Capital Outlay Projects transferred to the Building Fund for reimbursement of capital project costs.	4,604,268
The Special Reserve Non-Major Governmental Fund Fund for Capital Outlay Projects transferred to the Capital Projects Non-Major Governmental Fund for Blended Component Units for debt service payments	1,508,032
Total	$ 8,264,207

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7 - Accounts Payable

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

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Total	Fiduciary Funds
Vendor payables	$ 2,499,977	$ 221,786	$ 879,484	$ 45,764	$ 3,647,011	$ 114,723
State LCFF apportionment	10,877,060	-	-	-	10,877,060	-
Salaries and benefits	4,375,169	-	226,418	-	4,601,587	-
Capital outlay	-	3,603,971	1,237,478	-	4,841,449	-
Total	$ 17,752,206	$ 3,825,757	$ 2,343,380	$ 45,764	$ 23,967,107	$ 114,723

Note 8 - Unearned Revenue

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

	General Fund
Federal financial assistance	$ 79,645
State categorical aid	255,478
Total	$ 335,123

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

Summary

The changes in the District's long-term liabilities during the year consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Long-Term Liabilities					
Governmental Activities					
General obligation bonds	$ 258,303,055	$ 3,094,555	$ (10,170,000)	$ 251,227,610	$ 10,455,000
Certificates of participation	5,740,000	-	(1,270,000)	4,470,000	1,340,000
Unamortized debt premiums	22,443,552	-	(1,410,718)	21,032,834	-
Unamortized debt discounts	(17,875)	-	3,575	(14,300)	-
Capital leases	410,957	-	(142,543)	268,414	132,519
Compensated absences	675,368	201,305	-	876,673	-
Claims liability	8,250,339	435,438	(1,419,000)	7,266,777	1,155,266
Total	$ 295,805,396	$ 3,731,298	$ (14,408,686)	$ 285,128,008	$ 13,082,785

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund. Payments for the certificates of participation are made by the Capital Projects Fund for Blended Component Units. Payments for the capital leases are made by the Building Fund and the General Fund. The accrued vacation will be paid by the fund for which the employee worked.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2019	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2020
06/03/04	06/01/29	5.92%	$ 944,969	$ 3,015,997	$ -	$ 241,280	$ -	$ 3,257,277
10/18/07	08/01/32	4.63% - 4.79%	34,080,619	59,147,058	-	2,853,275	-	62,000,333
05/21/13	08/01/24	2.00% - 5.00%	8,740,000	7,835,000	-	-	(905,000)	6,930,000
05/04/17	08/01/27	2.00% - 4.00%	4,565,000	4,240,000	-	-	(320,000)	3,920,000
05/04/17	08/01/27	5.00%	65,515,000	61,165,000	-	-	(4,375,000)	56,790,000
06/29/17	08/01/46	2.00% - 5.00%	70,000,000	62,900,000	-	-	(4,570,000)	58,330,000
06/13/19	08/01/48	3.00% - 5.00%	60,000,000	60,000,000	-	-	-	60,000,000
				$ 258,303,055	$ -	$ 3,094,555	$ (10,170,000)	$ 251,227,610

The outstanding certificates of participation debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Certificates of Participation Outstanding July 1, 2019	Issued	Redeemed	Certificates of Participation Outstanding June 30, 2020
08/01/92	08/01/22	3.75% - 5.15%	$ 15,310,000	$ 5,740,000	$ -	$ (1,270,000)	$ 4,470,000

Debt Service Requirements to Maturity

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Accreted Obligation	Unaccreted Interest	Maturity Value
2021	$ -	$ -	$ -	$ -	$ -
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026-2030	15,566,614	13,932,771	29,499,385	15,125,615	44,625,000
2031-2035	19,458,974	16,299,251	35,758,225	26,041,775	61,800,000
Total	$ 35,025,588	$ 30,232,022	$ 65,257,610	$ 41,167,390	$ 106,425,000

The current interest bonds mature as follows:

Fiscal Year	General Obligation Bonds Principal	Interest to Maturity	Total
2021	$ 10,455,000	$ 7,954,288	$ 18,409,288
2022	11,990,000	7,453,538	19,443,538
2023	8,665,000	6,982,688	15,647,688
2024	8,905,000	6,559,363	15,464,363
2025	9,945,000	6,094,888	16,039,888
2026-2030	32,895,000	24,031,363	56,926,363
2031-2035	12,735,000	20,081,600	32,816,600
2036-2040	22,130,000	16,843,788	38,973,788
2041-2045	35,580,000	10,672,369	46,252,369
2046-2049	32,670,000	2,424,600	35,094,600
Total	$ 185,970,000	$ 109,098,485	$ 295,068,485

The current interest certificates of participation mature as follows:

Fiscal Year	Certificates of Participation Principal	Interest to Maturity	Total
2021	$ 1,340,000	$ 199,500	$ 1,539,500
2022	1,420,000	127,050	1,547,050
2023	1,710,000	44,888	1,754,888
Total	$ 4,470,000	$ 371,438	$ 4,841,438

Capital Leases

The District has entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

	Copier Machines	School Buses	Total
Balance, July 1, 2019	$ 13,319	$ 418,092	$ 431,411
Additions	-	-	-
Payments	(13,319)	(139,364)	(152,683)
Balance, June 30, 2020	$ -	$ 278,728	$ 278,728

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2021	$ 139,364
2022	139,364
Total	278,728
Less amount representing interest	(10,314)
Present value of minimum lease payments	$ 268,414

Equipment under capital leases in capital assets at June 30, 2020, include the following:

Equipment	$ 1,261,151
Less accumulated depreciation	(992,737)
Total	$ 268,414

Amortization of equipment under capital assets is included with depreciation expense.

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2020, amounted to $876,673. Accumulated vacation will be paid by the fund for which the employee worked.

Claims Liability

The District has an outstanding long-term liability for claims for the District's Workers' Compensation Insurance Program in the amount of $7,266,777.

Note 10 - Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2020, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 23,178,630	$ 701,855	$ 192,830	$ 1,161,869
Medicare Premium Payment (MPP) Program	936,643	-	-	(8,656)
Total	$ 24,115,273	$ 701,855	$ 192,830	$ 1,153,213

The details of each plan are as follows:

District Plan

Plan Administration

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

Plan Membership

At June 30, 2020, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	95
Active employees	1,879
Total	1,974

Benefits Provided

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

The benefit payment requirements of Plan members and the District are established and may be amended by the District, the Simi Educators Association (SEA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, SEA, CSEA, and the unrepresented groups. For fiscal year 2019-2020, the District paid $1,206,907 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $23,178,630 was measured as of June 30, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75	percent
Salary increases	3.00	percent, average, including inflation
Discount rate	2.66	percent
Healthcare cost trend rates	6.00	percent for 2020

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality rates were based on the 2015 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actual experience study for the period July 1, 2019 to June 30, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2019	$ 22,016,761
Service cost	1,385,140
Interest	718,298
Differences between expected and actual experience	(128,117)
Changes of assumptions	393,455
Benefit payments	(1,206,907)
Net change in total OPEB liability	1,161,869
Balance, June 30, 2020	$ 23,178,630

No changes to benefits noted from the prior evaluation.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.15 percent in 2019 to 2.66 percent in 2020.

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

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

Discount Rate	Total OPEB Liability
1% decrease (1.66%)	$ 24,879,005
Current discount rate (2.66%)	23,178,630
1% increase (3.66%)	21,592,236

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

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

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (6.00%)	$ 21,276,053
Current heathcare cost trent rate (5.00%)	23,178,630
1% increase (7.00%)	25,379,157

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

For the year ended June 30, 2020, the District recognized OPEB expense of $1,161,869. At June 30, 2020, District reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 109,815
Changes of assumptions	701,855	83,015
Total	$ 701,855	$ 192,830

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 90,074
2022	90,074
2023	90,074
2024	90,074
2025	110,826
Thereafter	37,903
Total	$ 509,025

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2020, the District reported a liability of $936,643 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, was 0.2515 percent and 0.2470, respectively, resulting in a net increase in the proportionate share of 0.0045 percent.

For the year ended June 30, 2020, the District recognized OPEB expense of $(8,656).

Actuarial Methods and Assumptions

The total OPEB liability for the MPP Program as of June 30, 2019, was determined based on a financial reporting actuarial valuation that used the June 30, 2017 assumptions presented in the table below. The June 30, 2019 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2019
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2016	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, 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 2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23 percent of the potentially eligible population (165,422).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37 percent from 3.87 percent as of June 30, 2018.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.50%)	$ 1,022,092
Current discount rate (3.50%)	936,643
1% increase (4.50%)	858,077

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 877,915
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	936,643
1% increase (4.7% Part A and 5.1% Part B)	1,053,952

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	$ 82,548	$ -	$ 800	$ 83,348
Stores inventories	277,375	-	110,193	387,568
Prepaid expenditures	1,805,776	-	-	1,805,776
Total nonspendable	2,165,699	-	110,993	2,276,692
Restricted				
Legally restricted programs	2,497,406	-	6,911,167	9,408,573
Capital projects	-	85,146,566	15,004,238	100,150,804
Debt services	-	-	20,173,161	20,173,161
Total restricted	2,497,406	85,146,566	42,088,566	129,732,538
Committed				
Deferred maintenance program	-	-	6,180	6,180
Assigned				
Capital Projects	-	-	278,508	278,508
Unassigned	29,392,117	-	-	29,392,117
Total	$ 34,055,222	$ 85,146,566	$ 42,484,247	$ 161,686,035

Note 12 - Lease Revenues

Lease agreements have been entered into with various lessors for terms that exceed one year. None of the agreements contain purchase options. All of the agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but is unlikely that the District will cancel any of the agreements prior to their expiration date. The lease payments received under these agreements totaled $1,021,651.

Year Ending June 30,	
2021	$ 761,570
2022	761,570
2023	761,570
2024	761,570
2025	234,000
Thereafter	3,274,000
Total	$ 6,554,280

Note 13 - Risk Management

Description

The District's risk management activities are recorded in the General and Self-Insurance Funds. Employee life, health, vision, dental, disability, and workers' compensation programs are administered by the District. The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The District purchases commercial insurance through Southern California Regional Liability Excess Fund Joint Powers Authority for first party damage with coverage up to a maximum of $250 million, subject to Member Retained Limits ranging from $250 to $5,000 per occurrence. The District also purchases commercial insurance for general liability claims with coverage up to $1 million per occurrence with excess liability coverage up to $24 million per occurrence and $52 million aggregate, all subject to a $5,000 Member Retained Limit per occurrence.

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2020, the District contracted with Ventura County Schools Self-Funding Authority (VCSSFA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Medical

As part of the benefits package the District offers a fully funded benefits package. Certificated and management employees may choose to enroll in the District's own self-insured plans. All other employees may enroll in a HMO. The District's plans cover medical, dental, vision, and prescription claims. The District operates a Self-Insurance Fund (an Internal Service Fund) to account for and finance its self-insured risk of loss. Under this program, the Self-Insurance Fund provides coverage up to an individual lifetime maximum of $1 million for certain benefits, as described in the plan document paid to each person covered under the plan. The District purchases commercial insurance for claims in excess of $150,000 per year. Settled claims have exceeded this commercial coverage within the past three fiscal years.

All funds with payroll costs participate in the program and make payments to the Medical Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve. Changes in the fund's claims liability, including incurred but not reported amounts in fiscal years 2020 and 2019 are reported in this note.

Workers' Compensation

The District is exposed to various risks of loss related to injuries to employees. During fiscal year June 30, 2020, the District operated a Workers' Compensation Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. The District purchases excess insurance coverage self-insured workers' compensation program with a $500,000 Self-Insured Retention (SIR) and a statutory limit per occurrence for employer's liability. Settled claims have not exceeded coverage provided by the Southern California Schools Risk Management JPAs in any of the past three fiscal years.

Funding of the Internal Service Fund is based on estimates of the amounts needed to pay prior and current year claims. The claims liability of $7,266,777 reported in the fund at June 30, 2020, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Claims Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses.
The following represents the changes in approximate aggregate liabilities for the District from July 1, 2018 to June 30, 2020:

	Workers' Compensation	Medical	Total
Liability Balance, July 1, 2018	$ 9,673,432	$ -	$ 9,673,432
Claims and changes in estimates	157,667	2,281,075	2,438,742
Claims payments	(1,580,760)	(2,281,075)	(3,861,835)
Liability Balance, June 30, 2019	8,250,339	-	8,250,339
Claims and changes in estimates	435,438	2,105,443	2,540,881
Claims payments	(1,419,000)	(2,105,443)	(3,524,443)
Liability Balance, June 30, 2020	$ 7,266,777	$ -	$ 7,266,777
Assets available to pay claims at June 30, 2020	$ 13,995,197	$ 1,827,738	$ 15,822,935

Note 14 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2020, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 128,410,827	$ 34,963,192	$ 12,705,168	$ 14,725,477
CalPERS	58,328,014	12,470,992	2,492,927	8,818,288
Total	$ 186,738,841	$ 47,434,184	$ 15,198,095	$ 23,543,765

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required state contribution rate	10.328%	10.328%

Contributions

Required member District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the District's total contributions were $13,755,605.

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

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

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 128,410,827
State’s proportionate share of the net pension liability	70,056,679
Total	$ 198,467,506

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, was 0.1422 percent and 0.1376 percent, respectively, resulting in a net increase in the proportionate share of 0.0046 percent.

For the year ended June 30, 2020, the District recognized pension expense of $14,725,477. In addition, the District recognized pension expense and revenue of $10,432,950 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 13,755,605	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	4,642,255	4,140,275
Differences between projected and actual earnings on pension plan investments	-	4,946,425
Differences between expected and actual experience in the measurement of the total pension liability	324,169	3,618,468
Changes of assumptions	16,241,163	-
Total	$ 34,963,192	$ 12,705,168

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ (498,932)
2022	(3,926,879)
2023	(815,281)
2024	294,667
Total	$ (4,946,425)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 3,497,887
2022	3,497,889
2023	2,754,777
2024	3,683,354
2025	(46,618)
Thereafter	61,555
Total	$ 13,448,844

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, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.8%
Fixed income	12%	1.3%
Real estate	13%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	9%	1.8%
Inflation sensitive	4%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 191,214,350
Current discount rate (7.10%)	128,410,827
1% increase (8.10%)	76,334,746

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	19.721%	19.721%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are 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 calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the total District contributions were $5,457,442.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $58,328,014. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, was 0.2001 percent and 0.2060 percent, respectively, resulting in a net decrease in the proportionate share of 0.0059 percent.

For the year ended June 30, 2020, the District recognized pension expense of $8,818,288. At June 30, 2020, 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	$ 5,457,442	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	1,951,923
Differences between projected and actual earnings on pension plan investments	-	541,004
Differences between expected and actual experience in the measurement of the total pension liability	4,236,956	-
Changes of assumptions	2,776,594	-
Total	$ 12,470,992	$ 2,492,927

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 534,030
2022	(1,066,708)
2023	(161,646)
2024	153,320
Total	$ (541,004)

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

Year Ended June 30,	Deferred Outflows of Resources
2021	$ 3,564,603
2022	1,180,483
2023	287,764
2024	28,777
Total	$ 5,061,627

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 84,075,997
Current discount rate (7.15%)	58,328,014
1% increase (8.15%)	36,968,284

Social Security

As established by Federal law, all public sector employees who are not members of their employers' existing system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. Part-time employees hired prior to November 1, 1997; buy an alternative retirement plan with Zahoric Company, Inc. New employees hired subsequent to that date are enrolled in social security.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $7,317,643 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of $1.1 billion for CalSTRS. A proportionate share of these contribution has been recorded in the amount of 2,454,584 in these financial statements. On behalf payments related to these additional contributions have been excluded from the calculation of available reserves and have not been included in the budgeted amounts reported in the General Fund – Budgetary Comparison Schedule and Major Special Revenue Fund – Budgetary Comparison Schedule.

Note 15 - Commitments and Contingencies

Grants

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

Litigation

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

Construction Commitments

As of June 30, 2020, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Modernization, Health & Safety, Technology, Building and Land Improvement projects at various sites:		
Elementary Schools:		
Arroyo Elementary School	$ 4,630	September 30, 2021
Berylwood Elementary School	1,677	September 30, 2021
Big Springs Elementary School	24,205	December 31, 2020
Crestview Elementary School	372,846	January 31, 2021
Garden Grove Elementary School	2,747,840	Auguust 31, 2021
Hollow Hills Elementary School	142,523	August 31, 2021
Katherine Elementary School	245,665	January 31, 2021
Knolls Elementary School	50,841	September 30, 2021
Madera Elementary School	325,836	January 31, 2021
Mountain View Elementary School	289,362	December 31, 2020
Park View Elementary School	189,529	December 31, 2020
Santa Susana Elementary School	7,186	October 31, 2020
Sycamore Elementary School	211,488	October 31, 2020
Township Elementary School	7,932	October 31, 2020
White Oak Elementary School	191,958	September 30, 2020
Wood Ranch Elementary School	19,820	December 31, 2020
Middle Schools:		
Hillside Middle School	205,054	December 31, 2022
Sinaloa Middle School	337,251	December 31, 2020
Valley View Middle School	1,471,190	December 31, 2020
High Schools:		
Royal High School	10,533,372	August 31, 2021
Santa Susana High School	355,077	December 31, 2023
Simi Valley High School	7,884,020	December 31, 2020
Apollo Continuation School	20,269	December 31, 2020
Others:		
Adult Education	203,097	December 31, 2020
Monte Vista Independent Study	187	October 31, 2020
	$ 25,842,855	

Note 16 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Ventura County Schools Self-Funding Authority (VCSSFA) public entity risk pool. The District pays an annual premium to the VCSSFA for property liability coverage. The District also belongs to the York Risk Services Group (YRSG) and the Ventura County Fast Action School Transit Authority (VCFAST) joint powers authorities (JPAs). The relationship between the District, the pool, and the JPAs is such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2020, the District made payments of $1,754,834, $243,837, and $2,676,466 to VCSSFA, YRSG, and VCFAST, respectively, for services received.

Note 17 - Subsequent Events

Subsequent to year-end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.

2016 General Obligation Bonds, Series C
On November 3, 2020, the District issued $60,000,000 in current interest bonds of the Election of 2016 General Obligation Bonds, Series C. The principal payments of the Series C general obligation bonds will begin in 2021, and are to be made annually thereafter, and interest payments are made semi-annually and will begin in 2020. The proceeds from the sale of the bonds will be used to finance the renovation, construction, and improvement of school facilities. Interest rates on the bond range between 0.25 percent and 4.00 percent.

Required Supplementary Information
June 30, 2020

Simi Valley Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 148,742,732	$ 148,747,916	$ 148,620,373	$ (127,543)
Federal sources	5,567,947	6,682,449	5,750,161	(932,288)
Other State sources	12,712,119	16,126,487	17,702,002	1,575,515
Other local sources	9,994,355	14,699,998	15,004,621	304,623
Total revenues [1]	177,017,153	186,256,850	187,077,157	820,307
Expenditures				
Current				
Certificated salaries	79,401,639	80,896,021	80,458,624	437,397
Classified salaries	29,222,842	30,529,002	28,470,573	2,058,429
Employee benefits	53,837,756	55,181,225	56,628,802	(1,447,577)
Books and supplies	5,904,074	6,582,506	4,279,795	2,302,711
Services and operating expenditures	15,956,611	18,752,838	20,311,990	(1,559,152)
Other outgo	198,442	205,884	147,268	58,616
Capital outlay	772,750	1,782,529	1,831,168	(48,639)
Debt service				
Debt service - interest and other	-	10,140	10,140	-
Total expenditures [1]	185,294,114	193,940,145	192,138,360	1,801,785
Excess (Deficiency) of Revenues Over Expenditures	(8,276,961)	(7,683,295)	(5,061,203)	2,622,092
Other Financing Uses				
Transfers in	400,908	1,112,288	1,101,475	(10,813)
Transfers out	(850,000)	(875,000)	(1,050,432)	(175,432)
Net financing (sources) uses	(449,092)	237,288	51,043	(186,245)
Net Change in Fund Balances	(8,726,053)	(7,446,007)	(5,010,160)	2,435,847
Fund Balance - Beginning	39,065,382	39,065,382	39,065,382	-
Fund Balance - Ending	$ 30,339,329	$ 31,619,375	$ 34,055,222	$ 2,435,847

[1] On behalf payments of $7,317,643 are included in the actual revenues and expenditures but have not been included in the budgeted amounts. In addition, on behalf payments of $2,454,584 relating to Senate Bill 90 are included in the actual revenues and expenditures but have not been included in the budgeted amounts.

Simi Valley Unified School District

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

Year Ended June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 1,385,140	$ 1,241,650	$ 1,227,595
Interest	718,298	710,269	652,752
Changes of benefit terms	-	948,771	-
Difference between expected and actual experience	(128,117)	-	-
Changes of assumptions	393,455	510,452	(145,277)
Benefit payments	(1,206,907)	(892,262)	(708,279)
Net change in total OPEB liability	1,161,869	2,518,880	1,026,791
Total OPEB Liability - Beginning	22,016,761	19,497,881	18,471,090
Total OPEB Liability - Ending	$ 23,178,630	$ 22,016,761	$ 19,497,881
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

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

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

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.2515%	0.2470%	0.2505%
Proportionate share of the net OPEB liability	$ 936,643	$ 945,299	$ 1,053,974
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Simi Valley Unified School District

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

Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
CalSTRS						
Proportion of the net pension liability	0.1422%	0.1376%	0.1384%	0.1421%	0.1486%	0.1389%
Proportionate share of the net pension liability	$ 128,410,827	$ 126,456,689	$ 127,972,293	$ 114,969,377	$ 100,055,525	$ 81,168,535
State's proportionate share of the net pension liability	70,056,679	72,402,369	75,707,328	65,450,016	52,918,343	49,013,066
Total	$ 198,467,506	$ 198,859,058	$ 203,679,621	$ 180,419,393	$ 152,973,868	$ 130,181,601
Covered payroll	$ 72,030,233	$ 80,062,086	$ 71,907,878	$ 70,728,602	$ 66,992,950	$ 72,108,776
Proportionate share of the net pension liability as a percentage of its covered payroll	178.27%	157.95%	177.97%	162.55%	149.35%	112.56%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS						
Proportion of the net pension liability	0.2001%	0.2060%	0.2114%	0.2166%	0.2152%	0.2327%
Proportionate share of the net pension liability	$ 58,328,014	$ 54,918,180	$ 50,475,965	$ 42,769,086	$ 31,724,966	$ 28,938,222
Covered payroll	$ 25,871,614	$ 29,337,100	$ 26,987,198	$ 25,960,218	$ 23,772,832	$ 24,456,389
Proportionate share of the net pension liability as a percentage of its covered payroll	225.45%	187.20%	187.04%	164.75%	133.45%	118.33%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	$ 13,755,605	$ 11,726,522	$ 11,552,959	$ 9,046,011	$ 7,589,179	$ 5,948,974
Less contributions in relation to the contractually required contribution	13,755,605	11,726,522	11,552,959	9,046,011	7,589,179	5,948,974
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 80,442,135	$ 72,030,233	$ 80,062,086	$ 71,907,878	$ 70,728,602	$ 66,992,950
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	$ 5,457,442	$ 4,672,931	$ 4,556,345	$ 3,747,982	$ 3,075,507	$ 2,798,300
Less contributions in relation to the contractually required contribution	5,457,442	4,672,931	4,556,345	3,747,982	3,075,507	2,798,300
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 27,673,252	$ 25,871,614	$ 29,337,100	$ 26,987,198	$ 25,960,218	$ 23,772,832
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the average working life. The discount rate assumption changed from 3.15 percent to 2.66 percent since the previous valuation.

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.87 percent to 3.50 percent since the previous valuation.

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

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

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

Schedule of District Contributions

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

Supplementary Information
June 30, 2020

Simi Valley Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Breakfast	10.553	13525	$ 3,913
School Breakfast Needy	10.553	13526	459,294
Summer Food Service	10.559	13004	426,046
National School Lunch	10.555	13523	1,525,733
Food Distribution	10.555	13524	368,420
Total Child Nutrition Cluster			2,783,406
Total U.S. Department of Agriculture			2,783,406
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Adult Basic Education & ELA	84.002A	14508	128,715
Adult Secondary Education	84.002	13978	62,150
Adult Education - Basic Grants to States	84.002	14109	64,110
Subtotal			254,975
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	1,784,920
School Improvement Funding for LEAs	84.010	15438	35,438
Subtotal			1,820,358
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	379,906
Title III, Immigrant Student Program	84.365	15146	26,366
Title III, English Learner Student Program	84.365	14346	240,409
Subtotal			266,775
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	83,856
Passed Through Riverside County Special Education Local Plan Area			
Special Education Cluster			
Basic Local Assistance	84.027	13379	3,073,859
Special Education Grants to States - Private Schools ISPs	84.027	10115	41,012
Preschool Grants	84.173	13430	84,395
Total Special Education Cluster			3,199,266
Total U.S. Department of Education			6,005,136
Total Expenditures of Federal Awards			$ 8,788,542

See Notes to Supplementary Information

ORGANIZATION

The Simi Valley Unified School District was established in 1936 and consists of an area comprising approximately 90 square miles. The District operates twenty-one elementary schools, three middle schools, three high schools, one continuation high school, one alternative education program, and one adult school. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Dawn Smollen	President	2022
Kareem Jubran	Clerk	2022
Scott Blough	Member	2022
Bob LaBelle	Member	2020
Dan White	Member	2020

ADMINISTRATION

NAME	TITLE
Dr. Jason Peplinski, Ed.D.	Superintendent
Ron Todo	Associate Superintendent, Business and Facilities
Daniel Houghton	Assistant Superintendent, Personnel Services
Dr. Hani Youssef	Assistant Superintendent, Educational Services

	Final Report	
	Second Period Report 7EE30DA3	Annual Report BAE67029
Regular ADA		
Transitional kindergarten through third	4,599.57	4,599.57
Fourth through sixth	3,322.78	3,322.78
Seventh and eighth	2,465.49	2,465.49
Ninth through twelfth	5,279.78	5,279.78
Total Regular ADA	15,667.62	15,667.62
Extended Year Special Education		
Transitional kindergarten through third	8.29	8.29
Fourth through sixth	5.76	5.76
Seventh and eighth	2.75	2.75
Ninth through twelfth	7.80	7.80
Total Extended Year Special Education	24.60	24.60
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	1.85	1.85
Seventh and eighth	5.33	5.33
Ninth through twelfth	16.76	16.76
Total Special Education, Nonpublic, Nonsectarian Schools	23.94	23.94
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.26	0.26
Seventh and eighth	0.49	0.49
Ninth through twelfth	1.62	1.62
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	2.37	2.37
Total ADA	15,718.53	15,718.53

Simi Valley Unified School District
Schedule of Instructional Time
Year Ended June 30, 2020

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	54,589	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		54,589	180	N/A	Complied
Grade 2		54,589	180	N/A	Complied
Grade 3		54,589	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		54,589	180	N/A	Complied
Grade 5		54,589	180	N/A	Complied
Grade 6		54,589	180	N/A	Complied
Grade 7		64,000	180	N/A	Complied
Grade 8		64,000	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		64,938	180	N/A	Complied
Grade 10		64,938	180	N/A	Complied
Grade 11		64,938	180	N/A	Complied
Grade 12		64,938	180	N/A	Complied

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2020.

	(Budget) 2021 [1]	2020	2019	2018
General Fund [3]				
Revenues	$ 168,741,802	$ 187,077,157	$ 191,562,573	$ 175,423,204
Other sources	446,583	1,101,475	202,837	83,782
Total Revenues and Other Sources	169,188,385	188,178,632	191,765,410	175,506,986
Expenditures	181,911,268	191,459,318	187,212,019	171,357,691
Other uses and transfers out	1,010,000	1,729,474	1,001,152	954,379
Total Expenditures and Other Uses	182,921,268	193,188,792	188,213,171	172,312,070
Increase/(Decrease) in Fund Balance	(13,732,883)	(5,010,160)	3,552,239	3,194,916
Ending Fund Balance	$ 20,322,339	$ 34,055,222	$ 39,065,382	$ 35,513,143
Available Reserves [2]	$ 8,714,916	$ 29,392,117	$ 35,892,875	$ 23,294,201
Available Reserves as a Percentage of Total Outgo	4.76%	15.41%	19.07%	13.52%
Long-Term Liabilities	N/A	$ 495,982,122	$ 500,142,325	$ 442,361,691
K-12 Average Daily Attendance at P-2	15,729	15,719	15,772	16,037

The General Fund balance has decreased by $1,457,921 over the past two years. The fiscal year 2019-2020 budget projects a further decrease of $13,732,883 (35.15 percent). For a district this size, the State recommends available reserves of at least four percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating deficit during the 2020-2021 fiscal year. Total long-term liabilities have increased by $53,620,431 over the past two years.

Average daily attendance has decreased by 318 over the past two years. Additional growth of 10 ADA is anticipated during fiscal year 2019-2020.

[1] Budget 2021 is included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.
[3] On behalf payments of $2,454,584 relating to Senate Bill 90 have been excluded from the calculation of available reserves for the fiscal year(s) ending June 30, 2020.

Simi Valley Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2020

	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets									
Deposits and investments	$ 4,660,195	$ 1,681,591	$ 6,127	$ 9,842,899	$ 6,745,179	$ 277,820	$ 1,503,244	$ 18,575,628	$ 43,292,683
Receivables	911,201	394,608	53	69,041	44,593	688	-	94,289	1,514,473
Due from other funds	31,532	10,628	-	-	-	-	-	-	42,160
Stores inventories	-	110,193	-	-	-	-	-	-	110,193
Total assets	$ 5,602,928	$ 2,197,020	$ 6,180	$ 9,911,940	$ 6,789,772	$ 278,508	$ 1,503,244	$ 18,669,917	$ 44,959,509
Liabilities and Fund Balances									
Liabilities									
Accounts payable	$ 158,466	$ 582,647	$ -	$ 1,237,478	$ 364,789	$ -	$ -	$ -	$ 2,343,380
Due to other funds	6,328	30,347	-	95,207	-	-	-	-	131,882
Total liabilities	164,794	612,994	-	1,332,685	364,789	-	-	-	2,475,262
Fund Balances									
Nonspendable	800	110,193	-	-	-	-	-	-	110,993
Restricted	5,437,334	1,473,833	-	8,579,255	6,424,983	-	1,503,244	18,669,917	42,088,566
Committed	-	-	6,180	-	-	-	-	-	6,180
Assigned	-	-	-	-	-	278,508	-	-	278,508
Total fund balances	5,438,134	1,584,026	6,180	8,579,255	6,424,983	278,508	1,503,244	18,669,917	42,484,247
Total liabilities and fund balances	$ 5,602,928	$ 2,197,020	$ 6,180	$ 9,911,940	$ 6,789,772	$ 278,508	$ 1,503,244	$ 18,669,917	$ 44,959,509

See Notes to Supplementary Information

Simi Valley Unified School District

Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Non-Major Governmental Funds

June 30, 2020

	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues									
Federal sources	$ 254,975	$ 2,783,406	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,038,381
Other State sources	5,303,373	180,871	-	-	1,996,455	-	-	99,643	7,580,342
Other local sources	2,150,911	1,673,931	368	1,116,475	115,702	31,601	19,785	13,618,698	18,727,471
Total revenues	7,709,259	4,638,208	368	1,116,475	2,112,157	31,601	19,785	13,718,341	29,346,194
Expenditures									
Current									
Instruction	3,440,169	-	-	-	-	-	-	-	3,440,169
Instruction-related activities									
Supervision of instruction	28,023	-	-	-	-	-	-	-	28,023
School site administration	2,051,560	-	-	-	-	-	-	-	2,051,560
Pupil services									
Food services	-	4,492,933	-	-	-	-	-	-	4,492,933
All other pupil services	447,770	-	-	-	-	-	-	-	447,770
Administration									
All other administration	302,455	229,320	-	95,207	-	-	-	-	626,982
Plant services	514,335	30,151	-	-	-	-	-	-	544,486
Community services	62,745	-	-	-	-	-	-	-	62,745
Facility acquisition and construction	157,746	-	19,135	3,506,104	535,472	3,249	-	-	4,221,706
Debt service									
Principal	-	-	-	-	-	-	1,270,000	10,170,000	11,440,000
Interest and other	-	-	-	-	-	-	268,013	7,480,521	7,748,534
Total expenditures	7,004,803	4,752,404	19,135	3,601,311	535,472	3,249	1,538,013	17,650,521	35,104,908
Excess (Deficiency) of Revenues Over Expenditures	704,456	(114,196)	(18,767)	(2,484,836)	1,576,685	28,352	(1,518,228)	(3,932,180)	(5,758,714)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	1,050,432	1,508,032	-	2,558,464
Transfers out	-	-	-	-	-	(6,112,300)	-	-	(6,112,300)
Net Financing Sources (Uses)	-	-	-	-	-	(5,061,868)	1,508,032	-	(3,553,836)
Net Change in Fund Balances	704,456	(114,196)	(18,767)	(2,484,836)	1,576,685	(5,033,516)	(10,196)	(3,932,180)	(9,312,550)
Fund Balance - Beginning	4,733,678	1,698,222	24,947	11,064,091	4,848,298	5,312,024	1,513,440	22,602,097	51,796,797
Fund Balance - Ending	$ 5,438,134	$ 1,584,026	$ 6,180	$ 8,579,255	$ 6,424,983	$ 278,508	$ 1,503,244	$ 18,669,917	$ 42,484,247

See Notes to Supplementary Information

Note 1 - Purpose of Schedules

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, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in fund balance of the District.

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

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

Local Education Agency Organization Structure

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

Districts must maintain their instructional minutes at the 1986-1987 requirements, as required by *Education Code* Section 46201.

Due to school closures caused by COVID-19, the District filed the COVID-19 School Closure Certification certifying that schools were closed for 52 days due to the pandemic. As a result, the District received credit for these 52 days in meeting the annual instructional days requirement. In addition, planned minutes covered by the COVID-19 School Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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

Independent Auditor's Reports
June 30, 2020

Simi Valley Unified School District

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

To the Board of Directors
Simi Valley Unified School District
Simi Valley, 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 Simi Valley Unified School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Simi Valley Unified School District's basic financial statements and have issued our report thereon dated January 29, 2021

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Simi Valley Unified School District's internal control over financial reporting (internal control) as a basis for determining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Simi Valley Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Simi Valley Unified School District 's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Rancho Cucamonga, California
January 29, 2021

EideBailly

CPAs & BUSINESS ADVISORS

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

To the Board of Directors
Simi Valley Unified School District
Simi Valley, California

Report on Compliance for the Major Federal Program

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

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

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

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

Opinion on the Major Federal Program
In our opinion, Simi Valley Unified School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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



Rancho Cucamonga, California
January 29, 2021

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

To the Board of Directors
Simi Valley Unified School District
Simi Valley, California

We have audited Simi Valley Unified School District's (the District) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* applicable to the state laws and regulations listed in the table below for' the year ended June 30, 2020.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance 'with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's 'compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's 'compliance.

Compliance Requirements Tested

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

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

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

The District does not have any Juvenile Court Schools; therefore, we did not perform procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform procedures related to Middle or Early College High Schools.

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

We did not perform District of Choice procedures because the program is not offered by the District.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety Program.

The District does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

The District does not operate any Charter Schools; therefore, we did not perform procedures for Charter School Programs.

Unmodified Opinion

In our opinion, Simi Valley Unified School District complied with the laws and regulations of the state programs referred to above for the year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
January 29, 2021

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

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

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Title I, Part A - Basic Grants Low Income and Neglected	84.010

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

Type of auditor's report issued on compliance for programs:	Unmodified

None reported.

None reported.

None reported.

Financial Statement Findings

None reported

Federal Awards Findings

None reported

State Compliance Findings

2019-001 40000 - After School Education and Safety Program

Criteria or Specific Requirements

In accordance with Education Code Sections 8483.7(6) states the District shall provide an amount of cash or in-kind local funds equal to not less than one-third of the total grant from the school district, governmental agencies, community organizations, or the private sector. Facilities or space usage may fulfill not more than 25 percent of the required local contribution.

Condition

The District is required to provide cash or in-kind local funds equal to not less than one-third of the total grant of $338,731. The District only provided cash or in-kind local funds totaling $34,359 in 2018-2019 fiscal year.

Questioned Costs

The question cost identified with this condition is $77,422.

Context

The District did not meet the cash or in-kind local contribution requirement in 2018-2019 fiscal year.

Effect

As a result of our testing, the District was not compliant with Education Code section 8483.7(6) for the 2018-2019 fiscal year.

Cause

The District did not monitor the cash in-kind local contribution to ensure it was performed within the 2018-2019 fiscal year.

Repeat Finding

No.

Recommendation

It is recommended that the District implement procedures to ensure that After School Education and Safety Program cash or local in-kind contribution is met as noted in the above referenced Education Code.

Current Status

Implemented.

2019-002 40000 - Unduplicated Local Control Funding Formula Pupil Counts

Criteria or Specific Requirements

In accordance with Education Code Sections 2574(b)(3)(c), 42238.02(b)(3)(B), and 41020, the District is required to maintain supporting documentation of students who had a designation of "Free" or "Reduced" and students who had a designation of "English Learner" on the "1.18 – FRPM/English Learner/Foster Youth - Student List" CALPADS report that indicates the student was eligible for the designation reported on the California Longitudinal Pupil Achievement Data System (CALPADS).

Condition

The Unduplicated Local Control Funding Formula Pupil Counts submitted to the California Department of Education was inaccurate. It appears that the District inaccurately reported eligibility for a total of 178 students for Free and Reduce students.

Questioned Costs

The District over claimed the total eligible pupils by 178, resulting in a decrease of approximately $96,646 in LCFF funding.

Context

The condition was identified through a selection of students from Form 1.18, based on the criteria as stated on the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, we selected a representative sample, to achieve a high level of assurance, from the students indicated as only free or reduced priced meal eligible (FRPM) identified under the "NSLP Program" column and students that are only English Learner (EL) eligible as identified under the "ELAS Designation" column and verify there is supporting documentation that indicates the student was eligible for the designation.

Effect

As a result of testing, it appears that the District did not update the "1.18 – FRPM/English Learner/Foster Youth – Student List" CALPADS report due to the following events occurring: CALPADS was not being updated due to students not turning in their lunch applications by October 3 resulting in the District using prior year designation, the District has a policy that allows a ten day grace period before the student's new status is put in effect, and when the "1.18 – FRPM/English Learner/Foster Youth – Student List" was amended the District only updated pupils who changed to free and reduced, which did not take into consideration the pupils who changed their status to paid.

Enrollment Count	Certified Total Unduplicated Count	Adjustment to Total Enrollment Count	Adjustment Based on Eligibility for RFPM	Adjusted Total Enrollment	Adjusted Total Unduplicated Pupil Count
16,451	6,014	0	-178	16,451	5,836

Cause

It appears that the condition identified has materialized as a result of the CALPADS system not being updated properly to reflect the change in designation of Free and Reduced and English Learner students.

Repeat Finding

No.

Recommendation

The District should ensure that students classified as Free and Reduced and students classified as English Learners properly reflect their designation in CALPADS by updating the students who have changed designations throughout the year.

Current Status

Implemented.