OROVILLE UNION HIGH SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2021

OROVILLE UNION HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2021

FINANCIAL SECTION

Independent Auditors' Report 1
Management's Discussion and Analysis 4
Basic Financial Statements
  Government-wide Financial Statements
    Statement of Net Position 11
    Statement of Activities 12
  Fund Financial Statements
    Governmental Funds – Balance Sheet 13
    Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 14
    Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances 15
    Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities 16
Notes to Financial Statements 18

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Budgetary Comparison Schedule 49
Schedule of Changes in Total OPEB Liability and Related Ratios 50
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS 51
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS 52
Schedule of District Contributions - CalSTRS 53
Schedule of District Contributions - CalPERS 54
Notes to Required Supplementary Information 55

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards 57
Schedule of Instructional Time 58
Schedule of Financial Trends and Analysis 59
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements 60
Schedule of Charter Schools 61
Combining Statements – Non-Major Governmental Funds
  Combining Balance Sheet 62
  Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 63
Local Education Agency Organization Structure 64
Notes to Supplementary Information 65

OROVILLE UNION HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2021

OTHER INDEPENDENT AUDITORS' REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 66
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by the Uniform Guidance 68
Report on State Compliance 70

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results 72
Financial Statement Findings 73
Federal Award Findings and Questioned Costs 74
State Award Findings and Questioned Costs 75
Summary Schedule of Prior Audit Findings 76

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
Oroville Union High School District
Oroville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oroville Union High School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Oroville Union High School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Oroville Union High School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

Change in Accounting Principle

As described in Note 15 to the basic financial statements, the Oroville Union High School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which established accounting and financial reporting standards for the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oroville Union High School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022 on our consideration of Oroville Union High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oroville Union High 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 Oroville Union High School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
January 10, 2022

OROVILLE UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

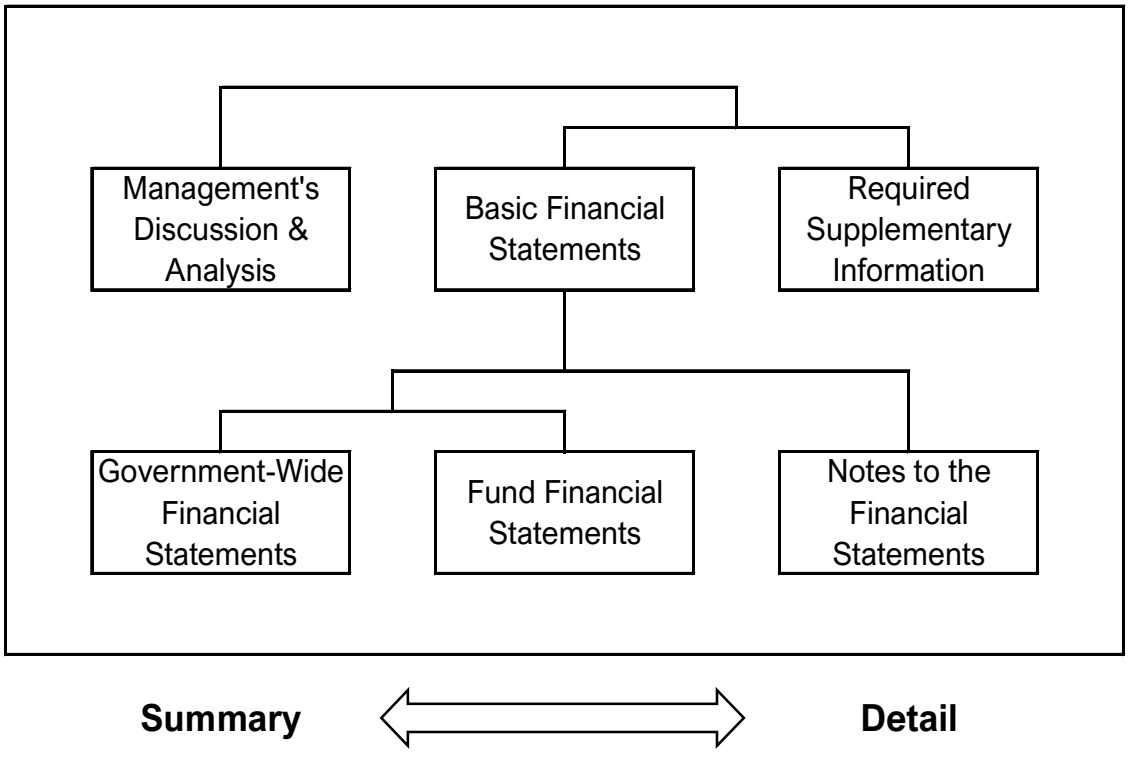
Our discussion and analysis of Oroville Union High School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was $12,802,486 at June 30, 2021. This was an increase of $5,423,573 from the prior year after restatement.
- Overall revenues were $44,078,139 which were exceeded by expenses of $38,654,566.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

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

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

- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.

    - **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

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

Government-Wide Statements

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

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

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was $12,802,486 at June 30, 2021, as reflected in the table below. Of this amount, $(31,064,359) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2021	2020	Net Change
ASSETS			
Current and other assets	$ 21,644,571	$ 14,140,742	$ 7,503,829
Capital assets	47,763,297	47,943,883	(180,586)
Total Assets	69,407,868	62,084,625	7,323,243
DEFERRED OUTFLOWS OF RESOURCES	9,745,088	8,421,653	1,323,435
LIABILITIES			
Current liabilities	4,867,521	4,833,732	33,789
Long-term liabilities	59,643,891	57,370,361	2,273,530
Total Liabilities	64,511,412	62,204,093	2,307,319
DEFERRED INFLOWS OF RESOURCES	1,839,058	2,703,322	(864,264)
NET POSITION			
Net investment in capital assets	37,438,182	43,314,774	(5,876,592)
Restricted	6,428,663	4,193,025	2,235,638
Unrestricted	(31,064,359)	(41,908,936)	10,844,577
Total Net Position	$ 12,802,486	$ 5,598,863	$ 7,203,623

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

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

	Governmental Activities		
	2021	2020	Net Change
REVENUES			
Program revenues			
Charges for services	$ 2,066,008	$ 1,756,620	$ 309,388
Operating grants and contributions	11,986,289	4,092,684	7,893,605
General revenues			
Property taxes	10,537,644	9,949,822	587,822
Unrestricted federal and state aid	18,445,568	18,068,342	377,226
Other	1,042,630	1,034,634	7,996
Total Revenues	44,078,139	34,902,102	9,176,037
EXPENSES			
Instruction	20,848,506	19,102,245	1,746,261
Instruction-related services	4,339,289	3,480,701	858,588
Pupil services	8,040,305	6,156,622	1,883,683
General administration	1,949,459	1,802,469	146,990
Plant services	701,871	2,757,248	(2,055,377)
Ancillary and community services	1,202,826	1,033,264	169,562
Debt service	821,352	963,657	(142,305)
Other outgo	750,958	1,395,685	(644,727)
Total Expenses	38,654,566	36,691,891	1,962,675
Change in net position	5,423,573	(1,789,789)	7,213,362
Net Position - Beginning, as Restated*	7,378,913	7,388,652	(9,739)
Net Position - Ending	$ 12,802,486	$ 5,598,863	$ 7,203,623

**Beginning net position was restated for the 2021 year only.*

The cost of all our governmental activities this year was $38,654,566 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only $10,537,644 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District's functions. 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.

	Net Cost of Services	
	2021	2020
Instruction	$ 13,817,781	$ 16,218,137
Instruction-related services	2,602,465	2,899,055
Pupil services	4,484,118	5,107,238
General administration	1,666,837	1,623,853
Plant services	323,925	2,630,128
Ancillary and community services	899,433	1,028,302
Debt service	821,352	963,657
Transfers to other agencies	(13,642)	372,217
Total Expenses	$ 24,602,269	$ 30,842,587

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $18,612,040, which is more than this year's restated beginning fund balance of $12,970,869. The District's General Fund had $4,811,313 more in operating revenues than expenditures for the year ended June 30, 2021. The District's Bond Interest and Redemption Fund had $112,843 more in operating revenues than expenditures for the year ended June 30, 2021.

CURRENT YEAR BUDGET 2020-2021

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

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2020-2021 the District had invested $47,763,297 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2021	2020	Net Change
CAPITAL ASSETS			
Land	$ 406,123	$ 406,123	$ -
Construction in progress	127,215	61,589	65,626
Land improvements	39,402,739	39,402,739	-
Buildings & improvements	37,025,943	37,025,943	-
Furniture & equipment	7,162,059	5,405,369	1,756,690
Accumulated depreciation	(36,360,782)	(34,357,880)	(2,002,902)
Total Capital Assets	$ 47,763,297	$ 47,943,883	$ (180,586)

Long-Term Liabilities

At year-end, the District had $59,643,891 in long-term liabilities, an increase of 3.96% from last year – as shown in the table below. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

	Governmental Activities		
	2021	2020	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	$ 16,319,260	$ 17,344,782	$ (1,025,522)
Note payable	1,915,789	2,210,526	(294,737)
Compensated absences	209,294	237,618	(28,324)
Total OPEB liability	13,072,466	12,727,925	344,541
Net pension liability	29,497,077	26,299,158	3,197,919
Less: current portion of long-term liabilities	(1,369,995)	(1,449,648)	79,653
Total Long-term Liabilities	$ 59,643,891	$ 57,370,361	$ 2,273,530

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

In its March 2021 and June 2021 quarterly reports, the UCLA Anderson Forecast anticipated a robust recovery from the COVID-19–induced recession that began in March 2020. However, in its September 2021 quarterly report, hopes for blockbuster economic growth have been tempered by the spread of the COVID-19 delta variant and stagnating vaccination rates, which in turn have led to consumer caution and supply constraints. As a result, what could have been a couple of years of blockbuster economic performance will now likely feature solid but unspectacular growth. The economy is currently down 5.3 million payroll jobs from its pre-COVID peak, and there is little evidence to suggest that the expiration of enhanced unemployment benefits will lead to a surge in job applications.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. Governor Gavin Newsom's "California Comeback Plan" includes a mix of ongoing and one-time investments of $100 billion made possible by an unanticipated surge in state revenues and robust federal stimulus funding.

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

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

The May 2021 Budget Revision provides additional funding to further reduce the funding deferrals that were included in the 2020-21 Enacted Budget. The Governor's Budget in January proposed paying down $9.2 billion of the K–12 deferrals. The May 2021 Budget Revision proposes paying down an additional $1.1 billion, leaving a balance of $2.6 billion at the end of the 2021–22 fiscal year.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2021. The amount of the liability is material to the financial position of the District. Beginning in 2021-22, the CalSTRS Board has limited authority to increase or decrease rates by a maximum of 1% annually (not to exceed 20.25% of creditable compensation), the projected employer contribution rate for 2021-22 is 16.92%. The CalPERS Board adopted an employer contribution rate of 22.91% for 2021-22. The projected increased pension costs to school employers remain a significant fiscal factor.

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

All of these factors were considered in preparing the District's budget for the 2021-22 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Susan Watts, CMA, CPA, Assistant Superintendent of Business (CBO) located at 2211 Washington Avenue, Oroville, California, 95966.

OROVILLE UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	$ 16,434,810
Accounts receivable	5,127,829
Inventory	32,381
Prepaid expenses	49,551
Capital assets, not depreciated	533,338
Capital assets, net of accumulated depreciation	47,229,959
Total Assets	69,407,868
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	7,570,163
Deferred outflows related to OPEB	2,174,925
Total Deferred Outflows of Resources	9,745,088
LIABILITIES	
Accrued liabilities	3,019,881
Unearned revenue	477,645
Long-term liabilities, current portion	1,369,995
Long-term liabilities, non-current portion	59,643,891
Total Liabilities	64,511,412
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,350,158
Deferred inflows related to OPEB	285,447
Deferred amount on refunding	203,453
Total Deferred Inflows of Resources	1,839,058
NET POSITION	
Net investment in capital assets	37,438,182
Restricted:	
Capital projects	2,153,348
Debt service	2,713,933
Educational programs	1,259,007
Food service	17,291
Associated student body	285,084
Unrestricted	(31,064,359)
Total Net Position	$ 12,802,486

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

OROVILLE UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	$ 20,848,506	$ 823,412	$ 6,207,313	$ (13,817,781)
Instruction-related services				
Instructional supervision and administration	246,361	1,512	101,319	(143,530)
Instructional library, media, and technology	1,561,947	5,833	855,977	(700,137)
School site administration	2,530,981	447,752	324,431	(1,758,798)
Pupil services				
Home-to-school transportation	3,867,736	-	2,054,017	(1,813,719)
Food services	1,081,148	6,190	914,937	(160,021)
All other pupil services	3,091,421	-	581,043	(2,510,378)
General administration				
All other general administration	1,949,459	52,646	229,976	(1,666,837)
Plant services	701,871	156,682	221,264	(323,925)
Ancillary services	1,155,171	-	303,393	(851,778)
Community services	47,655	-	-	(47,655)
Interest on long-term debt	821,352	-	-	(821,352)
Other outgo	750,958	571,981	192,619	13,642
Total Governmental Activities	$ 38,654,566	$ 2,066,008	$ 11,986,289	(24,602,269)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				8,341,888
Property taxes, levied for debt service				1,944,443
Property taxes, levied for other specific purposes				251,313
Federal and state aid not restricted for specific purposes				18,445,568
Interagency revenues				699,595
Miscellaneous				343,035
Subtotal, General Revenue				30,025,842
CHANGE IN NET POSITION				5,423,573
Net Position - Beginning, as Restated				7,378,913
Net Position - Ending				$ 12,802,486

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

OROVILLE UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 9,763,522	$ 3,178,928	$ 3,492,360	$ 16,434,810
Accounts receivable	5,054,303	-	73,526	5,127,829
Due from other funds	305,567	-	-	305,567
Stores inventory	-	-	32,381	32,381
Prepaid expenditures	49,551	-	-	49,551
Total Assets	$ 15,172,943	$ 3,178,928	$ 3,598,267	$ 21,950,138
LIABILITIES				
Accrued liabilities	$ 2,500,325	$ -	$ 54,561	$ 2,554,886
Due to other funds	-	-	305,567	305,567
Unearned revenue	477,645	-	-	477,645
Total Liabilities	2,977,970	-	360,128	3,338,098
FUND BALANCES				
Nonspendable	50,601	-	32,581	83,182
Restricted	1,122,416	3,178,928	2,584,412	6,885,756
Committed	-	-	621,146	621,146
Assigned	2,028,499	-	-	2,028,499
Unassigned	8,993,457	-	-	8,993,457
Total Fund Balances	12,194,973	3,178,928	3,238,139	18,612,040
Total Liabilities and Fund Balances	$ 15,172,943	$ 3,178,928	$ 3,598,267	$ 21,950,138

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

OROVILLE UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balance - Governmental Funds		$ 18,612,040
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets:		
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:		
Capital assets	$ 84,124,079	
Accumulated depreciation	(36,360,782)	47,763,297
Deferred amount on refunding:		
In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:		(203,453)
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(464,995)
Long-term liabilities:		
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
Total general obligation bonds	$ 16,319,260	
Note payable	1,915,789	
Compensated absences	209,294	
Total OPEB liability	13,072,466	
Net pension liability	29,497,077	(61,013,886)
Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred outflows of resources related to pensions	$ 7,570,163	
Deferred inflows of resources related to pensions	(1,350,158)	6,220,005
Deferred outflows and inflows of resources relating to OPEB:		
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources related to OPEB	$ 2,174,925	
Deferred inflows of resources related to OPEB	(285,447)	1,889,478
Total Net Position - Governmental Activities		$ 12,802,486

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

OROVILLE UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	$ 26,276,538	$ -	$ -	$ 26,276,538
Federal sources	5,194,077	-	675,055	5,869,132
Other state sources	5,914,109	26,515	168,938	6,109,562
Other local sources	2,373,407	1,897,938	2,397,002	6,668,347
Total Revenues	39,758,131	1,924,453	3,240,995	44,923,579
EXPENDITURES				
Current				
Instruction	18,308,670	-	896,089	19,204,759
Instruction-related services				
Instructional supervision and administration	248,522	-	-	248,522
Instructional library, media, and technology	1,485,729	-	5,580	1,491,309
School site administration	2,034,463	-	427,368	2,461,831
Pupil services				
Home-to-school transportation	3,358,261	-	-	3,358,261
Food services	206,633	-	811,498	1,018,131
All other pupil services	2,998,584	-	-	2,998,584
General administration				
All other general administration	1,746,834	-	103,581	1,850,415
Plant services	2,560,782	-	149,898	2,710,680
Facilities acquisition and maintenance	64,295	-	1,331	65,626
Ancillary services	768,448	-	128,635	897,083
Community services	47,655	-	-	47,655
Transfers to other agencies	823,205	-	-	823,205
Debt service				
Principal	294,737	1,150,481	-	1,445,218
Interest and other	-	661,129	-	661,129
Total Expenditures	34,946,818	1,811,610	2,523,980	39,282,408
Excess (Deficiency) of Revenues Over Expenditures	4,811,313	112,843	717,015	5,641,171
Other Financing Sources (Uses)				
Transfers in	-	-	233,311	233,311
Transfers out	(233,311)	-	-	(233,311)
Net Financing Sources (Uses)	(233,311)	-	233,311	-
NET CHANGE IN FUND BALANCE	4,578,002	112,843	950,326	5,641,171
Fund Balance - Beginning, as Restated	7,616,971	3,066,085	2,287,813	12,970,869
Fund Balance - Ending	$ 12,194,973	$ 3,178,928	$ 3,238,139	$ 18,612,040

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

OROVILLE UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Governmental Funds		$ 5,641,171
Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Capital outlay:		
In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:		
Expenditures for capital outlay:	$ 2,249,482	
Depreciation expense:	(2,427,552)	(178,070)
Debt service:		
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		1,445,218
Deferred amounts on refunding:		
In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:		67,817
Gain or loss from the disposal of capital assets:		
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:		(2,516)
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:		(30,834)
Accreted interest on long-term debt:		
In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.		(129,389)

(continued on following page)

Compensated absences:		
In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:		28,324
Postemployment benefits other than pensions (OPEB):		
In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:		265,298
Pensions:		
In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:		(1,687,876)
Amortization of debt issuance premium or discount:		
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:		4,430
Change in Net Position of Governmental Activities	$	5,423,573

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

The District operates under a locally elected Board form of government and provides educational services to grades 9-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

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

C. Basis of Presentation

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

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

Fund Financial Statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Major Governmental Funds

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

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

Non-Major Governmental Funds

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

Student Activity Fund: This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

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

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

Capital Project Funds: Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by trust funds).

Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections* 17620–17626). The authority for these levies may be county/city ordinances (*Government Code Sections* 65970–65981) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section* 66006).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Unearned Revenue
Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

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

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

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

Cash and Cash Equivalents
The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of $5,000 for all items with the exception of buildings and improvements for which a higher capitalization threshold of $25,000 and $10,000 is used, respectively. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings	50 years
Portable Classrooms	25 years
Site Improvements	10-25 years
Equipment	5-20 years
Vehicles	8 years

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 - June 30, 2021

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Activity

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

G. Estimates

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

H. Budgetary Data

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

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

I. Property Tax

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard's primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2019. The District has implemented this Statement as of June 30, 2021.

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

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

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

GASB Statement No. 97 – In June 2020, 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. This standard's primary objectives are to increase consistency and comparability related to reporting 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; to 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 to 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 statement is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities
Investment in county treasury	$ 15,159,615
Fair market value adjustment	74,684
Cash on hand and in banks	323,107
Cash in revolving fund	1,250
Cash collections awaiting deposit	154,092
Scholarship investments	722,062
Total	$ 16,434,810

B. Policies and Practices

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

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

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a book value of $15,234,299 which equaled its fair value. The average weighted maturity for this pool is 651 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2021, the pooled investments in the County Treasury were not rated.

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits As of June 30, 2021, the District's bank balance was exposed to custodial credit risk amounting to $69,395 because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

G. Fair Value

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

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

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

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

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

The District's fair value measurements at June 30, 2021 were as follows:

	Observable Inputs Level 2	Uncategorized	Total
Investment in county treasury	$ -	$ 15,234,299	$ 15,234,299
Scholarship investments	722,062	-	722,062
Total	$ 722,062	$ 15,234,299	$ 15,956,361

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government			
Categorical aid	$ 1,210,777	$ 73,526	$ 1,284,303
State Government			
Apportionment	2,820,549	-	2,820,549
Categorical aid	814,847	-	814,847
Lottery	141,668	-	141,668
Local Government			
Other local sources	66,462	-	66,462
Total	$ 5,054,303	$ 73,526	$ 5,127,829

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	$ 406,123	$ -	$ -	$ 406,123
Construction in progress	61,589	65,626	-	127,215
Total Capital Assets not Being Depreciated	467,712	65,626	-	533,338
Capital assets being depreciated				
Land improvements	39,402,739	-	-	39,402,739
Buildings & improvements	37,025,943	-	-	37,025,943
Furniture & equipment	5,405,369	2,183,856	427,166	7,162,059
Total Capital Assets Being Depreciated	81,834,051	2,183,856	427,166	83,590,741
Less Accumulated Depreciation				
Land improvements	13,949,622	1,220,604	-	15,170,226
Buildings & improvements	16,501,840	723,524	-	17,225,364
Furniture & equipment	3,906,418	483,424	424,650	3,965,192
Total Accumulated Depreciation	34,357,880	2,427,552	424,650	36,360,782
Governmental Activities				
Capital Assets, net	$ 47,943,883	$ (178,070)	$ 2,516	$ 47,763,297

Depreciation expense was charged to governmental activities as follows:

Governmental Activities	
Instruction	$ 1,688,336
Instructional library, media, and technology	33,488
School site administration	2,537
Home-to-school transportation	387,419
Food services	10,702
All other pupil services	3,588
All other general administration	9,078
Plant services	26,459
Ancillary services	265,945
Total	$ 2,427,552

NOTE 5 – INTERFUND TRANSACTIONS

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

Individual interfund receivable and payable balances at June 30, 2021 were as follows:

	Due From Other Funds	
Due To Other Funds	**General Fund**	**Total**
Non-Major Governmental Funds	$ 305,567	$ 305,567
Total	$ 305,567	$ 305,567

Due from the Cafeteria Fund to the General Fund to repay short-term borrowing.	$ 267,673
Due from the Adult Education Fund to the General Fund for indirect costs.	37,894
Total	$ 305,567

B. Operating Transfers

During the year ended June 30, 2021, the General Fund transferred $233,311 to the Cafeteria Fund to cover food service deficit.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2021 consisted of the following:

	General Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	$ 896,652	$ 42,064	$ -	$ 938,716
Vendors payable	397,902	12,497	-	410,399
Unmatured interest	-	-	464,995	464,995
Due to grantor government	1,205,771	-	-	1,205,771
Total	$ 2,500,325	$ 54,561	$ 464,995	$ 3,019,881

NOTE 7 – UNEARNED REVENUE

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

	General Fund
Federal sources	$ 71,913
State categorical sources	405,732
Total	$ 477,645

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2021 consisted of the following:

	Balance July 01, 2020	Additions	Deductions	Balance June 30, 2021	Balance Due In One Year
Governmental Activities					
General obligation bonds	$ 4,300,249	$ -	$ 349,007	$ 3,951,242	$ 337,006
Unamortized premium	57,590	-	4,430	53,160	4,430
Accreted interest	6,068,209	650,382	520,993	6,197,598	-
Subtotal general obligation bonds	10,426,048	650,382	874,430	10,202,000	341,436
Direct placement general obligation bonds	6,918,734	-	801,474	6,117,260	733,822
Subtotal direct placement general obligation bonds	6,918,734	-	801,474	6,117,260	733,822
Total general obligation bonds	17,344,782	650,382	1,675,904	16,319,260	1,075,258
Note payable	2,210,526	-	294,737	1,915,789	294,737
Compensated absences	237,618	-	28,324	209,294	-
Total OPEB liability	12,727,925	344,541	-	13,072,466	-
Net pension liability	26,299,158	3,197,919	-	29,497,077	-
Total	$ 58,820,009	$ 4,192,842	$ 1,998,965	$ 61,013,886	$ 1,369,995

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for the note payable are made in the General Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2021 amounted to $209,294. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. Other Postemployment Benefits

The District's beginning total OPEB liability was $12,727,925 and increased by $344,541 during the year ended June 30, 2021. The ending total OPEB liability at June 30, 2021 was $13,072,466. See Note 10 for additional information regarding the total OPEB liability.

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Net Pension Liability

The District's beginning net pension liability was $26,299,158 and increased by $3,197,919 during the year ended June 30, 2021. The ending net pension liability at June 30, 2021 was $29,497,077. See Note 11 for additional information regarding the net pension liability.

D. General Obligation Bonds

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

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2020	Additions	Deductions	Bonds Outstanding June 30, 2021
Election 2002, Series A	2004	8/1/2028	4.00% - 5.62%	$ 5,997,444	$ 1,619,053	$ -	$ 205,865	$ 1,413,188
Election 2002, Series B	2005	8/1/2029	4.00% - 6.00%	4,398,987	1,401,232	-	143,142	1,258,090
Election 2008, Series 2009	2009	8/1/2033	2.00% - 12.00%	11,999,964	1,279,964	-	-	1,279,964
Direct Placement: 2019 Refunding	2020	8/1/2027	2.15%	6,918,734	6,918,734	-	801,474	6,117,260
					$ 11,218,983	$ -	$ 1,150,481	$ 10,068,502

The annual requirements to amortize these bonds and the remaining outstanding balance are as follows:

Year Ended June 30,	General Obligation Bonds*			Direct Placement General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 337,006	$ 557,994	$ 895,000	$ 733,822	$ 123,633	$ 857,455
2023	325,576	594,424	920,000	778,011	107,380	885,391
2024	314,448	630,552	945,000	825,697	90,140	915,837
2025	312,894	662,106	975,000	869,191	71,920	941,111
2026	301,818	703,182	1,005,000	916,280	52,727	969,007
2027 - 2031	2,094,730	5,760,264	7,854,994	1,994,259	43,457	2,037,716
2032 - 2034	264,770	3,770,230	4,035,000	-	-	-
Total	$ 3,951,242	$ 12,678,752	$ 16,629,994	$ 6,117,260	$ 489,257	$ 6,606,517

**Does not include accreted interest of $6,197,598 as of June 30, 2021*

E. Note Payable

The District entered into an agreement with the California Energy Resources Conservation and Development Commission for a loan of $2,800,000 to install solar photovoltaic panels. The project was completed during the fiscal year ending June 30, 2017. The loan bears no interest and is payable in semi-annual installments of $147,368 beginning in December 2018. The principal payments are as follows:

Year Ended June 30,	Lease Payment
2022	$ 294,737
2023	294,737
2024	294,737
2025	294,737
2026	294,737
2027 - 2028	442,104
Total	$ 1,915,789

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2021:

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	$ 1,050	$ -	$ 200	$ 1,250
Stores inventory	-	-	32,381	32,381
Prepaid expenditures	49,551	-	-	49,551
Total non-spendable	50,601	-	32,581	83,182
Restricted				
Educational programs	1,122,416	-	128,689	1,251,105
Food service	-	-	17,291	17,291
Associated student body	-	-	285,084	285,084
Capital projects	-	-	2,153,348	2,153,348
Debt service	-	3,178,928	-	3,178,928
Total restricted	1,122,416	3,178,928	2,584,412	6,885,756
Committed				
Other commitments	-	-	621,146	621,146
Total committed	-	-	621,146	621,146
Assigned				
Other assignments	2,028,499	-	-	2,028,499
Total assigned	2,028,499	-	-	2,028,499
Unassigned	8,993,457	-	-	8,993,457
Total Fund Balance	$ 12,194,973	$ 3,178,928	$ 3,238,139	$ 18,612,040

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

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

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

B. Benefits Provided

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

Employees from all groups including Certificated, Classified, Administrators, and Confidential may retire with District-paid healthcare benefits after the later of age 55 and 10 years of service. District-paid benefits end at retiree's age 65.

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

B. Benefits Provided (continued)

The District contributes up to a negotiated dollar cap for retirees in groups other than Certificated. The cap is currently $12,840 per year for all groups except Certificated. Retirees are responsible for paying any additional premium required over and above the cap, which is frozen in year of retirement. Certificated retirees do not have a cap for medical benefits but must make the same contribution towards dental coverage as active employees, currently $22.02 per month for single coverage and $39.89 for two-party coverage.

These benefits are offered as a package through the Butte Schools Self-Funded Program ("BSSP") JPA for Confidential and Administrative employees and retirees, and through California's Valued Trust ("CVT") for Certificated and Classified employees and retirees.

C. Contributions

For fiscal year 2020-21, the District contributed $718,591 to the Plan, all of which was used for current premiums.

D. Plan Membership

	Number of participants
Inactive employees receiving benefits	25
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	244
Total number of participants**	269

*Information not provided

**As of the June, 2020 valuation date

E. Total OPEB Liability

The Oroville Union High School District's total OPEB liability of $13,072,466 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Economic assumptions:

Inflation	2.25%
Salary increases	3.00%
Discount rate	2.16%
Healthcare cost trend rates	6.00% decreasing to 4.50%

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

F. Actuarial Assumptions and Other Inputs (continued)

Non-economic assumptions:

Mortality:
Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for Males or Females, as appropriate, projected using a generational projection based on 100% of scale MP-2016 for years 2014 through 2029, 50% of MP-2016 for years 2030 through 2049, and 20% of MP-2016 for 2050 and thereafter.

Retirement rates:
Retirement rates are based on recent District retirement patterns.

Turnover rates:
Turnover rates are based on a standard actuarial table, the Crocker-Sarason Table T-5.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed nineteen years.

G. Changes in Total OPEB Liability

	June 30, 2021
Total OPEB Liability	
Service cost	$ 738,586
Interest on total OPEB liability	288,359
Changes of assumptions	36,187
Benefits payments	(718,591)
Net change in total OPEB liability	344,541
Total OPEB liability - beginning	12,727,925
Total OPEB liability - ending	$ 13,072,466
Covered-employee payroll	$ 15,256,327
District's total OPEB liability as a percentage of covered-employee payroll	85.69%

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

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

	1% Decrease (1.16%)	Valuation Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	$ 14,000,482	$ 13,072,466	$ 12,191,448

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

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

The following presents the total OPEB liability of the Oroville Union High School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (5.00% decreasing to 3.50%)	Valuation Trend Rate (6.00% decreasing to 4.50%)	1% Increase (7.00% decreasing to 5.50%)
Total OPEB liability	$ 11,933,332	$ 13,072,466	$ 14,407,401

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

For the fiscal year ended June 30, 2021, the Oroville Union High School District recognized OPEB expense of $1,187,591. At June 30, 2021, the Oroville Union High School District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 285,447
Changes in assumptions	1,440,627	-
District contributions subsequent to the measurement date	734,298	-
Total	$ 2,174,925	$ 285,447

The $734,298 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 201,424	$ 40,778
2023	201,424	40,778
2024	201,424	40,778
2025	201,424	40,778
2026	201,424	40,778
Thereafter	433,507	81,557
Total	$ 1,440,627	$ 285,447

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	$ 19,964,460	$ 5,903,374	$ 1,234,118	$ 2,639,693
PERS Pension	9,532,617	1,666,789	116,040	1,691,086
Total	$ 29,497,077	$ 7,570,163	$ 1,350,158	$ 4,330,779

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

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

2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

NOTE 11 – PENSION PLANS (continued)

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

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2021, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2021 was 19.10% of annual payroll reduced to 16.15% pursuant to California Senate Bill 90 (SB 90). The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were $1,887,917 for the year ended June 30, 2021.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately $1,164,706 to CalSTRS.

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

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

District's proportionate share of the net pension liability	$	19,964,460
State's proportionate share of the net pension liability associated with the District		10,291,599
Total	$	30,256,059

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.021 percent, which was an increase of 0.002 percent from its proportion measured as of June 30, 2019.

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2021, the District recognized pension expense of $2,639,693. In addition, the District recognized pension expense and revenue of $321,782 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 474,241	$ -
Differences between expected and actual experience	35,228	563,032
Changes in assumptions	1,946,818	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,559,170	671,086
District contributions subsequent to the measurement date	1,887,917	-
Total	$ 5,903,374	$ 1,234,118

The $1,887,917 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 613,764	$ 359,263
2023	1,064,932	319,708
2024	1,226,445	273,282
2025	583,481	171,442
2026	303,511	82,611
2027	223,324	27,812
Total	$ 4,015,457	$ 1,234,118

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015−June 30, 2018.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	42%	4.80%
Real Estate	15%	3.60%
Private Equity	13%	6.30%
Fixed Income	12%	1.30%
Risk Mitigating Strategies	10%	1.80%
Inflation Sensitive	6%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

*20-year geometric average

NOTE 11 – PENSION PLANS (continued)

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

Discount Rate

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

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 30,163,519	$ 19,964,460	$ 11,543,702

Pension Plan Fiduciary Net Position

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

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description
The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

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

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

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2021 was 22.68% of annual payroll reduced to 20.70% pursuant to California Senate Bill 90 (SB 90). Contributions to the plan from the District were $960,605 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2021, the District reported a liability of $9,532,617 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.031 percent, which was a decrease of 0.001 from its proportion measured as of June 30, 2019.

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2021, the District recognized pension expense of $1,691,086. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 198,439	$ -
Differences between expected and actual experience	472,789	-
Changes in assumptions	34,956	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	116,040
District contributions subsequent to the measurement date	960,605	-
Total	$ 1,666,789	$ 116,040

The $960,605 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 244,891	$ 75,033
2023	206,517	21,583
2024	160,016	19,424
2025	94,760	-
Total	$ 706,184	$ 116,040

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

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

NOTE 11 – PENSION PLANS (continued)

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

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

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

*An expected inflation of 2.00% used for this period.
**An expected inflation of 2.92% used for this period.

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 13,704,876	$ 9,532,617	$ 6,069,852

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Construction Commitments

As of June 30, 2021, the District had commitments with respect to unfinished capital projects of $490,000.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in four joint ventures under joint powers authorities (JPAs), the Butte Schools Self-Funded Program (BSSP), North Valley Schools Insurance Group (NVSIG), Bay Area Schools Insurance Cooperative (BASIC) and a jointly managed health and welfare benefit trust with California Valued Trust (CVT). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs 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 JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred inflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred inflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2021, the deferred amount on refunding was $203,453.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (continued)

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2021, total deferred outflows related to pensions was $7,570,163 and total deferred inflows related to pensions was $1,350,158.

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2021, total deferred outflows related to other postemployment benefits was $2,174,925 and total deferred inflows related to other postemployment benefits was $285,447.

NOTE 15 – RESTATEMENT OF NET POSITION AND FUND BALANCE

The beginning net position for Governmental Activities and Private-Purpose Trust Fund, and the beginning fund balance for the General Fund and Student Activity Fund have been restated due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. Based on the clarifications provided by GASB Statement No. 84 and California Education Code, it has been determined that the District's ASB and scholarship accounts are not considered fiduciary because they do not meet the criteria established by GASB Statement No. 84, paragraph 11(c) and paragraph 11(b), respectively. The effect on beginning balances is presented as follows:

	Governmental Activities	Private-Purpose Trust Fund
Net Position - Beginning, as Previously Reported	$ 5,598,863	$ 1,518,153
Restatement	1,780,050	(1,518,153)
Net Position - Beginning, as Restated	$ 7,378,913	$ -

	General Fund	Student Activity Fund
Fund Balance - Beginning, as Previously Reported	$ 6,098,818	$ -
Restatement	1,518,153	261,897
Fund Balance - Beginning, as Restated	$ 7,616,971	$ 261,897

REQUIRED SUPPLEMENTARY INFORMATION

OROVILLE UNION HIGH SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 22,929,916	$ 26,276,652	$ 26,276,538	$ (114)
Federal sources	2,126,151	5,081,925	5,194,077	112,152
Other state sources	3,695,796	4,520,919	5,914,109	1,393,190
Other local sources	1,467,163	2,537,547	2,373,407	(164,140)
Total Revenues	30,219,026	38,417,043	39,758,131	1,341,088
EXPENDITURES				
Certificated salaries	11,430,548	12,183,119	11,994,428	188,691
Classified salaries	4,822,443	4,851,872	4,848,569	3,303
Employee benefits	9,452,014	9,453,572	9,450,609	2,963
Books and supplies	1,873,959	2,253,828	1,804,702	449,126
Services and other operating expenditures	2,930,043	3,762,860	3,570,677	192,183
Capital outlay	130,326	2,225,280	2,221,580	3,700
Other outgo				
Excluding transfers of indirect costs	1,028,021	1,197,848	1,117,942	79,906
Transfers of indirect costs	(77,639)	(60,960)	(61,689)	729
Total Expenditures	31,589,715	35,867,419	34,946,818	920,601
Excess (Deficiency) of Revenues Over Expenditures	(1,370,689)	2,549,624	4,811,313	2,261,689
Other Financing Sources (Uses)				
Transfers in	16,000	16,000	-	(16,000)
Transfers out	(224,078)	(413,224)	(233,311)	179,913
Net Financing Sources (Uses)	(208,078)	(397,224)	(233,311)	163,913
NET CHANGE IN FUND BALANCE	(1,578,767)	2,152,400	4,578,002	2,425,602
Fund Balance - Beginning, as Restated	7,616,971	7,616,971	7,616,971	-
Fund Balance - Ending	$ 6,038,204	$ 9,769,371	$ 12,194,973	$ 2,425,602

See accompanying note to required supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service cost	$ 738,586	$ 717,074	$ 843,186	$ 820,619
Interest on total OPEB liability	288,359	400,331	365,474	378,442
Difference between expected and actual experience	-	(367,003)	-	-
Changes of assumptions	36,187	1,605,311	216,991	-
Benefits payments	(718,591)	(697,478)	(752,992)	(724,031)
Net change in total OPEB liability	344,541	1,658,235	672,659	475,030
Total OPEB liability - beginning	12,727,925	11,069,690	10,397,031	9,922,001
Total OPEB liability - ending	$ 13,072,466	$ 12,727,925	$ 11,069,690	$ 10,397,031
Covered-employee payroll	$ 15,256,327	$ 14,811,968	$ 14,379,989	$ 13,406,438
District's total OPEB liability as a percentage of covered-employee payroll	85.69%	85.93%	76.98%	77.55%

See accompanying note to required supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.021%	0.019%	0.018%	0.019%	0.020%	0.020%	0.020%
District's proportionate share of the net pension liability	$ 19,964,460	$ 17,113,903	$ 16,765,706	$ 17,619,782	$ 16,176,200	$ 13,464,800	$ 11,687,400
State's proportionate share of the net pension liability associated with the District	10,291,599	9,336,852	9,599,198	10,423,799	8,927,028	7,121,376	7,057,428
Total	$ 30,256,059	$ 26,450,755	$ 26,364,904	$ 28,043,581	$ 25,103,228	$ 20,586,176	$ 18,744,828
District's covered payroll	$ 11,259,807	$ 10,393,685	$ 9,594,243	$ 10,390,571	$ 10,088,653	$ 9,373,559	$ 8,806,521
District's proportionate share of the net pension liability as a percentage of its covered payroll	177.31%	164.66%	174.75%	169.57%	160.34%	143.65%	132.71%
Plan fiduciary net position as a percentage of the total pension liability	71.80%	72.60%	71.00%	69.50%	70.00%	74.00%	76.50%

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

See accompanying note to required supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.031%	0.032%	0.031%	0.032%	0.031%	0.032%	0.032%
District's proportionate share of the net pension liability	$ 9,532,617	$ 9,185,255	$ 8,303,833	$ 7,726,216	$ 6,102,769	$ 4,687,351	$ 3,610,074
District's covered payroll	$ 4,677,626	$ 4,366,264	$ 4,054,676	$ 4,728,723	$ 4,215,957	$ 3,998,190	$ 3,341,697
District's proportionate share of the net pension liability as a percentage of its covered payroll	203.79%	210.37%	204.80%	163.39%	144.75%	117.24%	108.03%
Plan fiduciary net position as a percentage of the total pension liability	70.00%	70.00%	70.80%	71.90%	73.90%	79.40%	83.40%

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

See accompanying note to required supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 1,887,917	$ 1,893,181	$ 1,638,348	$ 1,441,601	$ 1,280,840	$ 1,057,385	$ 813,784
Contributions in relation to the contractually required contribution*	(1,887,917)	(1,893,181)	(1,638,348)	(1,441,601)	(1,280,840)	(1,057,385)	(813,784)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,949,726	$ 11,259,807	$ 10,393,685	$ 9,594,243	$ 10,390,571	$ 10,088,653	$ 9,373,559
Contributions as a percentage of covered payroll	15.80%	16.81%	15.76%	15.03%	12.33%	10.48%	8.68%

*Amounts do not include on-behalf contributions

See accompanying note to required supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 960,605	$ 914,598	$ 789,376	$ 638,148	$ 577,929	$ 439,552	$ 414,467
Contributions in relation to the contractually required contribution*	(960,605)	(914,598)	(789,376)	(638,148)	(577,929)	(439,552)	(414,467)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,639,210	$ 4,677,626	$ 4,366,264	$ 4,054,676	$ 4,728,723	$ 4,215,957	$ 3,998,190
Contributions as a percentage of covered payroll	20.71%	19.55%	18.08%	15.74%	12.22%	10.43%	10.37%

*Amounts do not include on-behalf contributions

See accompanying note to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

Schedule of Changes in Total OPEB Liability and Related Ratios

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

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for OPEB.

Changes in Assumptions

The discount rate has changed from 2.20% to 2.16% since the prior measurement date.

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

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

Changes in Benefit Terms

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

Changes in Assumptions

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

Schedule of District Contributions

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2021, the District incurred no excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code.

SUPPLEMENTARY INFORMATION

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 582,425
Adult Education			
Adult Education: Adult Basic Education & ESL	84.002A	14508	41,640
Adult Education: Adult Secondary Education	84.002	13978	120,049
Subtotal Adult Education			161,689
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	33,107
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	15,622
Title VI, Part B, Rural & Low Income School Program	84.358B	14356	10,859
Indian Education	84.060	10011	77,286
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	333,552
Vocational Programs: Voc & Appl Tech Secondary II C, Sec 131 (Carl Perkins Act)	84.048	14894	74,156
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: **[1]**			
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	138,972
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	92,574
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	1,119,406
Child Nutrition: COVID CARES Act Supplemental Meal Reimbursement	84.425	15535	1,137
Subtotal Education Stabilization Fund Discretionary Grants			1,352,089
Total U. S. Department of Education			2,640,785
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through California Department of Education:			
COVID-19 Emergency Acts Funding/Extending Summer Food Service Program and SSO:			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	190,021
National School Lunch Program	10.555	13391	229,122
USDA Commodities **[2]**	10.555	*	70,267
Subtotal Child Nutrition Cluster			489,410
CACFP Claims - Centers and Family Day Care	10.558	13393	22,819
Forest Reserve Funds	10.665	10044	13,102
Total U. S. Department of Agriculture			525,331
U. S. DEPARTMENT OF THE TREASURY:			
Passed through California Department of Education:			
COVID-19 Emergency Acts Funding:			
Coronavirus Relief Fund (CRF): Learning Loss Mitigation **[1]**	21.019	25516	2,025,767
Total U. S. Department of the Treasury			2,025,767
Total Federal Expenditures			$ 5,191,883

[1] - Major Program
[2] - In-Kind Contribution
* - Pass-Through Entity Identifying Number not available or not applicable

See accompanying note to supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2021

Grade Level	2020-21 Number of Days	Status
Grade 9	180	Complied
Grade 10	180	Complied
Grade 11	180	Complied
Grade 12	180	Complied

See accompanying note to supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

	2022 (Budget)	2021	2020	2019
General Fund - Budgetary Basis				
Revenues And Other Financing Sources	$ 40,329,100	$ 39,758,131	$ 30,895,642	$ 31,043,850
Expenditures And Other Financing Uses	35,929,405	35,180,129	30,773,591	30,620,872
Net change in Fund Balance	$ 4,399,695	$ 4,578,002	$ 122,051	$ 422,978
Ending Fund Balance	$ 16,594,668	$ 10,676,820	$ 6,098,819	$ 5,976,768
Available Reserves*	$ 13,257,596	$ 8,993,457	$ 5,357,426	$ 4,258,656
Available Reserves As A Percentage Of Outgo	36.90%	25.56%	17.41%	13.91%
Long-term Liabilities	$ 59,643,891	$ 61,013,886	$ 58,820,009	$ 57,812,976
Average Daily Attendance At P-2**	2,143	2,048	2,048	2,016

The General Fund ending fund balance has increased by $4,700,052 over the past two years. The fiscal year 2021-22 budget projects a further increase of $4,399,695. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating surplus during the 2021-22 fiscal year. Total long-term obligations have increased by $3,200,910 over the past two years.

Average daily attendance has increased by 33 ADA over the past two years. ADA is anticipated to increase by 95 during the 2021-22 fiscal year.

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

**Due to the COVID-19 pandemic, Average Daily Attendance at P-2 was not reported in 2021. Funding was based on Average Daily Attendance at P-2 as reported in 2020.

See accompanying note to supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

There were no adjustments necessary to reconcile fund balances between the Annual Financial and Budget Report with the Audited Financial Statements.

See accompanying note to supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2021

The District is not the sponsoring local educational agency for any charter schools.

See accompanying note to supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2021

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	Non-Major Governmental Funds
ASSETS					
Cash and investments	$ 290,748	$ 761,374	$ 285,559	$ 2,154,679	$ 3,492,360
Accounts receivable	-	72,384	1,142	-	73,526
Stores inventory	24,479	-	7,902	-	32,381
Total Assets	$ 315,227	$ 833,758	$ 294,603	$ 2,154,679	$ 3,598,267
LIABILITIES					
Accrued liabilities	$ 5,664	$ 45,829	$ 1,737	$ 1,331	$ 54,561
Due to other funds	-	37,894	267,673	-	305,567
Total Liabilities	5,664	83,723	269,410	1,331	360,128
FUND BALANCES					
Non-spendable	24,479	200	7,902	-	32,581
Restricted	285,084	128,689	17,291	2,153,348	2,584,412
Committed	-	621,146	-	-	621,146
Total Fund Balances	309,563	750,035	25,193	2,153,348	3,238,139
Total Liabilities and Fund Balance	$ 315,227	$ 833,758	$ 294,603	$ 2,154,679	$ 3,598,267

See accompanying note to supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	Non-Major Governmental Funds
REVENUES					
Federal sources	$ -	$ 161,689	$ 513,366	$ -	$ 675,055
Other state sources	-	88,794	80,144	-	168,938
Other local sources	176,301	1,377,300	3,400	840,001	2,397,002
Total Revenues	176,301	1,627,783	596,910	840,001	3,240,995
EXPENDITURES					
Current					
Instruction	-	896,089	-	-	896,089
Instruction-related services					
Instructional library, media, and technology	-	5,580	-	-	5,580
School site administration	-	427,368	-	-	427,368
Pupil services					
Food services	-	-	811,498	-	811,498
General administration					
All other general administration	-	36,704	24,985	41,892	103,581
Plant services	-	149,898	-	-	149,898
Facilities acquisition and maintenance	-	-	-	1,331	1,331
Ancillary services	128,635	-	-	-	128,635
Total Expenditures	128,635	1,515,639	836,483	43,223	2,523,980
Excess (Deficiency) of Revenues Over Expenditures	47,666	112,144	(239,573)	796,778	717,015
Other Financing Sources (Uses)					
Transfers in	-	-	233,311	-	233,311
Net Financing Sources (Uses)	-	-	233,311	-	233,311
NET CHANGE IN FUND BALANCE	47,666	112,144	(6,262)	796,778	950,326
Fund Balance - Beginning, as Restated	261,897	637,891	31,455	1,356,570	2,287,813
Fund Balance - Ending	$ 309,563	$ 750,035	$ 25,193	$ 2,153,348	$ 3,238,139

See accompanying note to supplementary information.

OROVILLE UNION HIGH SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2021

The Oroville Union High School District was established in 1892. There were no changes in the boundaries of the District during the current year. The District is currently operating two high schools, one continuation school, one community day school and one adult education program.

GOVERNING BOARD

Member	Office	Term Expires
Scott Damon	President	2024
Amber Englund	Vice President	2022
Ray Sehorn	Clerk	2024
Bonnie King	Trustee	2022
Nannette Walker	Trustee	2022

DISTRICT ADMINISTRATORS

Dr. Corey Willenberg
Superintendent

Susan Watts, CMA, CPA
Assistant Superintendent/CBO

See accompanying note to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

	AL Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		$ 5,869,132
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	(517,981)
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	(41,964)
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	(88,926)
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	(28,378)
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		$ 5,191,883

The District has not elected to use the 10 percent de minimis indirect cost rate.

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

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

Combining Statements – Non-Major Funds

These statements provide information on the District’s non-major funds.

Local Education Agency Organization Structure

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

OTHER INDEPENDENT AUDITORS' REPORTS

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

Independent Auditors' Report

Governing Board
Oroville Union High School District
Oroville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oroville Union High School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Oroville Union High School District's basic financial statements, and have issued our report thereon dated January10, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oroville Union High School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oroville Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Oroville Union High 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 Oroville Union High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

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

Christy White, Inc.

San Diego, California
January 10, 2022

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditors' Report

Governing Board
Oroville Union High School District
Oroville, California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Oroville Union High 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 Oroville Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

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Report on Internal Control Over Compliance

Management of Oroville Union High 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 Oroville Union High 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 Oroville Union High School District's internal control over compliance.

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

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

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

Christy White, Inc.

San Diego, California
January 10, 2022

REPORT ON STATE COMPLIANCE

Independent Auditors' Report

Governing Board
Oroville Union High School District
Oroville, California

Report on State Compliance

We have audited Oroville Union High School District's compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810 that could have a direct and material effect on each of Oroville Union High School District's state programs for the fiscal year ended June 30, 2021, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Oroville Union High School District's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Oroville Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on State Compliance

In our opinion, Oroville Union High School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2021.

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Procedures Performed

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

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Not Applicable
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools	
Independent Study-Course Based; for charter schools	Not Applicable
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Charter School Facility Grant Program	Not Applicable

Christy White, Inc.

San Diego, California
January 10, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OROVILLE UNION HIGH SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

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

AL Number(s)	Name of Federal Program or Cluster
84.425, 84.425C, 84.425D	Education Stabilization Fund Discretionary Grants
21.019	Coronavirus Relief Fund (CRF): Learning Loss Mitigation

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

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

OROVILLE UNION HIGH SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

There were no financial statement findings or questioned costs for the year ended June 30, 2021.

OROVILLE UNION HIGH SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

FIVE DIGIT CODE	AB 3627 FINDING TYPE
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2021.

OROVILLE UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2021.

OROVILLE UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

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