



Financial Statements
June 30, 2021

Las Virgenes Unified School District

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Independent Auditor's Report

To the Governing Board
Las Virgenes Unified School District
Calabasas, 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 Las Virgenes Unified School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 15 to the financial statements, Las Virgenes Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

As discussed in Note 15, the District's prior-year governmental activities net position and fund balance for the Cafeteria Fund have been restated as of July 1, 2020 to reclassify the District's previously reported enterprise fund as governmental fund based on management's evaluation and assessment on the nature of the current and anticipated revenues. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, budgetary comparison information on page 66, schedule of changes in the District's total OPEB liability and related ratios on page 67, schedule of the District's proportionate share of the net OPEB liability – MPP program on page 68, schedule of the District's proportionate share of the net pension liability on page 69, and the schedule of District contributions on page 70, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Las Virgenes Unified School District's financial statements. The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2021 on our consideration of Las Virgenes Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Las Virgenes Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Las Virgenes Unified School District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 6, 2021

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

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

The Primary unit of the government is the Las Virgenes Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position.

THE DISTRICT AS A TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our funds for employee retiree benefits, and pensions. The District's fiduciary activities are reported in the Statements of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

The fiscal year 2020-21 focused on bringing students back to in-person learning in a safe and healthy manner. The District prudently budgeted costs surrounding COVID-19 safety and utilized all available grants to protect the General Fund.

THE DISTRICT'S GOVERNMENTAL ACTIVITIES

Net Position

The District's net position was \$(52,894,380) for the fiscal year ended June 30, 2021. Of this amount, \$(180,484,665) was unrestricted (deficit). 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 net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2021	2020 as Restated
Assets		
Current and other assets	\$ 95,915,263	\$ 77,948,960
Capital assets	194,328,909	202,526,281
Total assets	290,244,172	280,475,241
Deferred outflows of resources	41,478,039	35,419,759
Liabilities		
Current liabilities	19,627,190	12,138,507
Long-term liabilities	356,782,085	346,119,708
Total liabilities	376,409,275	358,258,215
Deferred inflows of resources	8,207,316	13,137,732
Net Position		
Net investment in capital assets	88,310,227	71,346,245
Restricted	39,280,058	34,732,945
Unrestricted	(180,484,665)	(161,580,137)
Total net position	\$ (52,894,380)	\$ (55,500,947)

The \$(180,484,665) in unrestricted net position (deficit) of governmental activities represents the accumulated results of all past years' operations. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased by 11.7% (\$(180,484,665) compared to \$(161,580,137)).

Changes in Net Position

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

Table 2

	Governmental Activities	
	2021	2020*
Revenues		
Program revenues		
Charges for services	\$ 536,393	\$ 1,900,466
Operating grants and contributions	37,661,141	8,899,855
General revenues		
Federal and State aid not restricted	38,047,037	44,919,348
Property taxes	76,862,211	76,273,894
Other general revenues	4,116,781	6,108,381
Total revenues	<u>157,223,563</u>	<u>138,101,944</u>
Expenses		
Instruction-related	110,598,514	99,546,451
Pupil services	10,467,127	9,486,221
Administration	9,853,049	10,407,870
Plant services	12,333,717	11,349,371
All other services	11,364,589	13,394,162
Total expenses	<u>154,616,996</u>	<u>144,184,075</u>
Change in net position	<u>\$ 2,606,567</u>	<u>\$ (6,082,131)</u>

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

Governmental Activities

As reported in the *Statement of Activities* on page 14, the cost of all of our governmental activities this year was \$154,616,996. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$76,862,211 because the cost was paid by those who benefited from the programs (\$536,393) or by other governments and organizations who subsidized certain programs with grants and contributions (\$37,661,141). We paid for the remaining "public benefit" portion of our governmental activities with \$38,047,037 in State funds, and with \$4,116,781 in other revenues, like interest and general entitlements.

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

Table 3

	Total Cost of Services		Net Cost of Services	
	2021	2020*	2021	2020*
Instruction-related	\$ 110,598,514	\$ 99,546,451	\$ (79,697,036)	\$ (95,765,463)
Pupil services	10,467,127	9,486,221	(6,627,852)	(8,461,662)
Administration	9,853,049	10,407,870	(8,698,826)	(9,576,845)
Plant services	12,333,717	11,349,371	(11,660,841)	(11,174,318)
All other services	11,364,589	13,394,162	(9,734,907)	(8,405,466)
Total	<u>\$ 154,616,996</u>	<u>\$ 144,184,075</u>	<u>\$ (116,419,462)</u>	<u>\$ (133,383,754)</u>

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

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$75,839,339, which is an increase of \$10,544,581 from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			
	June 30, 2020 as Restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2021
General	\$ 27,652,513	\$ 133,481,148	\$ 121,809,068	\$ 39,324,593
Building	5,344,054	156,879	192,341	5,308,592
Bond Interest and Redemption	21,137,009	18,428,027	19,689,811	19,875,225
Student Activity	1,292,734	549,353	542,860	1,299,227
Cafeteria	212,023	1,808,622	1,804,292	216,353
Deferred Maintenance	1,228,788	962,592	669,608	1,521,772
Capital Facilities	8,427,637	420,878	554,938	8,293,577
Total	<u>\$ 65,294,758</u>	<u>\$ 155,807,499</u>	<u>\$ 145,262,918</u>	<u>\$ 75,839,339</u>

The primary reasons for these increases are:

1. Our General Fund is our principal operating fund. The fund balance in the General Fund increased \$11.7 million to \$39.3 million. This increase was primarily due to vacancies associated with the timing of reopening school due to the COVID-19 pandemic. Restricted COVID-19 grant balances also contributed to the increase in ending fund balance.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 8, 2021. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 66).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had \$194,328,909 in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of just under \$8,197,372, or 4.0%, from last year (Table 5).

Table 5

	Governmental Activities	
	2021	2020 as Restated
Land and construction in progress	\$ 15,006,255	\$ 15,188,991
Buildings and improvements	177,821,909	185,542,284
Equipment	1,500,745	1,795,006
Total	<u>\$ 194,328,909</u>	<u>\$ 202,526,281</u>

This year's additions of \$1,384,672 included several vehicles, cafeteria equipment and classroom equipment such as computers, and renovation, modernization projects throughout the District. We present more detailed information about our capital assets in Note 4 to the financial statements.

Long-Term Liabilities

At the end of this year, the District had \$179,644,676 in long-term liabilities outstanding versus \$190,352,413 last year, a decrease of 5.6%. We present more detailed information about our long-term liabilities in Notes 8, 9, and 12 to the financial statements. Those long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
General obligation bonds	\$ 161,863,410	\$ 172,616,049
Premium on issuance	6,237,348	6,778,740
Certificates of participation	9,517,975	9,969,276
Supplemental early retirement plan (SERP)	837,367	20,508
Compensated absences	1,188,576	967,840
	<u>\$ 179,644,676</u>	<u>\$ 190,352,413</u>
Total		

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2020-2021 ARE NOTED BELOW:

In anticipation of lower student enrollment, the District offered a Supplemental Early Retirement Plan (SERP) to increase the number of retirees and avoid certificated layoffs. 26-unit members participated in the plan, which was nearly double the historic average number of certificated retirees. Benefits will be paid out over five years.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2021-2022 year, the governing board and management used the following criteria:

The Local Control Funding Formula (LCFF) gives local school districts the discretion to implement the programs and strategies that best support their educational program and needs of their community. The LCFF provides concentration and supplemental grants to further support economically disadvantaged, English learner and foster youth students. To ensure the funds are utilized effectively, the LCFF required the school district to prepare a Local Control Accountability Plan. This plan is a strategic planning and evaluation tool developed amongst the parent, community, and District stakeholders. It intends to increase public transparency and accountability for improving student achievement by utilizing dollars effectively.

The 2021-2022 fiscal year includes multiple COVID relief grants to continue safety protocols for staff and students, accelerate learning, and address social-emotional concerns.

The Las Virgenes Unified School District budget was adopted on June 22, 2021 for the 2021-2022 school year. Revenues were forecast with 5.07% adjustment for cost of living. Expenditures were modified to reflect the necessary costs of providing optional distance learning, as well as additional costs to prevent COVID-19 outbreaks during in-person instruction.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant Superintendent, Business Services, at Las Virgenes Unified School District, Calabasas, California.

Las Virgenes Unified School District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Deposits and investments	\$ 66,640,984
Receivables	28,935,407
Prepaid expense	39,297
Stores inventories	299,575
Capital assets not depreciated	15,006,255
Capital assets, net of accumulated depreciation	179,322,654
Total assets	290,244,172
Deferred Outflows of Resources	
Deferred charge on refunding	1,355,666
Deferred outflows of resources related to OPEB	11,215,661
Deferred outflows of resources related to pensions	28,906,712
Total deferred outflows of resources	41,478,039
Liabilities	
Accounts payable	7,768,585
Interest payable	1,218,257
Unearned revenue	10,640,348
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	15,376,047
Long-term liabilities other than OPEB and pensions due in more than one year	164,268,629
Other postemployment benefits liability (OPEB)	40,606,405
Aggregate net pension liability	136,531,004
Total liabilities	376,409,275
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	1,753,331
Deferred inflows of resources related to pensions	6,453,985
Total deferred inflows of resources	8,207,316
Net Position	
Net investment in capital assets	88,310,227
Restricted for	
Debt service	18,656,968
Capital projects	8,293,577
Educational programs	8,156,149
Other activities	4,173,364
Unrestricted	(180,484,665)
Total net position	\$ (52,894,380)

Las Virgenes Unified School District

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 97,997,991	\$ 85,458	\$ 25,604,771	\$ (72,307,762)
Instruction-related activities				
Supervision of instruction	3,187,943	4,558	3,991,284	807,899
Instructional library, media, and technology	771,461	-	262,295	(509,166)
School site administration	8,641,119	-	953,112	(7,688,007)
Pupil services				
Home-to-school transportation	519,994	2,314	175,756	(341,924)
Food services	1,879,546	8,140	1,483,538	(387,868)
All other pupil services	8,067,587	16,566	2,152,961	(5,898,060)
Administration				
Data processing	2,294,950	757	56,432	(2,237,761)
All other administration	7,558,099	8,295	1,088,739	(6,461,065)
Plant services	12,333,717	4,341	668,535	(11,660,841)
Ancillary services	863,639	-	549,353	(314,286)
Interest on long-term liabilities	8,995,731	-	-	(8,995,731)
Other outgo	1,505,219	405,964	674,365	(424,890)
Total governmental activities	<u>\$ 154,616,996</u>	<u>\$ 536,393</u>	<u>\$ 37,661,141</u>	<u>(116,419,462)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				58,627,511
Property taxes, levied for debt service				17,944,158
Taxes levied for other specific purposes				290,542
Federal and State aid not restricted to specific purposes				38,047,037
Interest and investment earnings				(11,514)
Miscellaneous				<u>4,128,295</u>
Subtotal, general revenues				<u>119,026,029</u>
Change in Net Position				2,606,567
Net Position - Beginning, as restated				<u>(55,500,947)</u>
Net Position - Ending				<u>\$ (52,894,380)</u>

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

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	\$ 28,544,382	\$ 5,358,919	\$ 19,875,225	\$ 11,616,795	\$ 65,395,321
Receivables	28,380,058	11,191	-	122,830	28,514,079
Prepaid expenditures	21,157	-	-	18,140	39,297
Stores inventories	209,444	-	-	90,131	299,575
Total assets	<u>\$ 57,155,041</u>	<u>\$ 5,370,110</u>	<u>\$ 19,875,225</u>	<u>\$ 11,847,896</u>	<u>\$ 94,248,272</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 7,360,018	\$ 61,518	\$ -	\$ 347,049	\$ 7,768,585
Unearned revenue	10,470,430	-	-	169,918	10,640,348
Total liabilities	<u>17,830,448</u>	<u>61,518</u>	<u>-</u>	<u>516,967</u>	<u>18,408,933</u>
Fund Balances					
Nonspendable	257,201	-	-	112,146	369,347
Restricted	8,156,149	5,308,592	19,875,225	11,218,783	44,558,749
Committed	5,349,748	-	-	-	5,349,748
Assigned	207,818	-	-	-	207,818
Unassigned	25,353,677	-	-	-	25,353,677
Total fund balances	<u>39,324,593</u>	<u>5,308,592</u>	<u>19,875,225</u>	<u>11,330,929</u>	<u>75,839,339</u>
Total liabilities and fund balances	<u>\$ 57,155,041</u>	<u>\$ 5,370,110</u>	<u>\$ 19,875,225</u>	<u>\$ 11,847,896</u>	<u>\$ 94,248,272</u>

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

Total Fund Balance - Governmental Funds \$ 75,839,339

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported as assets in
governmental funds.

The cost of capital assets is	\$ 334,642,436
Accumulated depreciation is	<u>(140,313,527)</u>

Net capital assets	194,328,909
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In governmental funds, interest subsidies received are recognized
in the period that they are received. In government-wide statements,
they are recognized in the period that they are earned. 418,833

In governmental funds, unmatured interest on long-term
liabilities is recognized in the period when it is due. On the
government-wide financial statements, unmatured interest on
long-term liabilities is recognized when it is incurred. (1,218,257)

An internal service fund is used by management to charge the costs
of the workers' compensation insurance program to the individual
funds. The assets and liabilities of the internal service fund are
included with governmental activities. 1,248,158

Deferred outflows of resources represent a consumption of net
position in a future period and is not reported in the governmental
funds. Deferred outflows of resources amounted to and related to

Debt refundings (deferred charge on refunding)	1,355,666
Net Other postemployment benefits (OPEB)	11,215,661
Net pension liability	<u>28,906,712</u>

Total deferred outflows of resources	41,478,039
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Las Virgenes Unified School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to

Net Other postemployment benefits (OPEB)	\$ (1,753,331)
Net pension liability	<u>(6,453,985)</u>

Total deferred inflows of resources		\$ (8,207,316)
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Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(136,531,004)
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The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(40,606,405)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of

General obligation bonds	(112,682,940)
Premium on issuance of general obligation bonds	(6,237,348)
Certificates of participation (private placement)	(9,517,975)
Supplemental early retirement plan (SERP)	(837,367)
Compensated absences (vacations)	(1,188,576)

In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is

(49,180,470)

Total long-term liabilities		<u>(179,644,676)</u>
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Total net position - governmental activities		<u><u>\$ (52,894,380)</u></u>
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Las Virgenes Unified School District

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

Year Ended June 30, 2021

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	\$ 94,637,299	\$ -	\$ -	\$ -	\$ 94,637,299
Federal sources	7,888,098	-	326,207	1,663,159	9,877,464
Other State sources	24,907,325	-	57,849	124,896	25,090,070
Other local sources	6,048,426	156,879	18,043,971	1,088,390	25,337,666
Total revenues	133,481,148	156,879	18,428,027	2,876,445	154,942,499
Expenditures					
Current					
Instruction	80,497,315	-	-	-	80,497,315
Instruction-related activities					
Supervision of instruction	2,946,184	-	-	-	2,946,184
Instructional library, media, and technology	672,115	-	-	-	672,115
School site administration	7,699,705	-	-	-	7,699,705
Pupil services					
Home-to-school transportation	516,169	-	-	-	516,169
Food services	1,804	-	-	1,732,175	1,733,979
All other pupil services	7,205,746	-	-	-	7,205,746
Administration					
Data processing	2,186,283	-	-	-	2,186,283
All other administration	5,783,652	-	-	100,431	5,884,083
Plant services	10,921,442	-	-	459,428	11,380,870
Ancillary services	298,787	-	-	542,860	841,647
Other outgo	640,219	-	-	-	640,219
Facility acquisition and construction	1,261,212	192,341	-	285,503	1,739,056
Debt service					
Principal	-	-	16,090,000	451,301	16,541,301
Interest and other	313,435	-	3,599,811	-	3,913,246
Total expenditures	120,944,068	192,341	19,689,811	3,571,698	144,397,918
Excess (Deficiency) of Revenues Over Expenditures	12,537,080	(35,462)	(1,261,784)	(695,253)	10,544,581
Other Financing Sources (Uses)					
Transfers in	-	-	-	865,000	865,000
Transfers out	(865,000)	-	-	-	(865,000)
Net Financing Sources (Uses)	(865,000)	-	-	865,000	-
Net Change in Fund Balances	11,672,080	(35,462)	(1,261,784)	169,747	10,544,581
Fund Balance - Beginning, as restated	27,652,513	5,344,054	21,137,009	11,161,182	65,294,758
Fund Balance - Ending	\$ 39,324,593	\$ 5,308,592	\$ 19,875,225	\$ 11,330,929	\$ 75,839,339

Las Virgenes Unified School District

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

Total Net Change in Fund Balances - Governmental Funds \$ 10,544,581

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

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

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

Depreciation expense	\$ (9,582,044)	
Capital outlays	<u>1,384,672</u>	
Net expense adjustment		(8,197,372)

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) and special termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, special termination benefits earned were more than the amount paid by \$816,859. Vacation earned was more than the amount used by \$220,736. (1,037,595)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. (7,631,857)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. (2,637,605)

In governmental funds, interest subsidies from Qualified School Construction Bonds are recognized in the period that they are received. In the Statement of Activities, interest is recognized when earned. (61,441)

Las Virgenes Unified School District

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

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

General obligation bonds	\$ 16,090,000
Certificates of participation	451,301

Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following balances:

Amortization of debt premium	541,392
Amortization deferred charge on refunding	(111,956)

Interest on long-term liabilities in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds and certificates of participation increased by \$113,119, and second, \$5,337,361 of accumulated interest was accreted on the District's capital appreciation general obligation bonds.

(5,450,480)

An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.

107,599

Change in net position of governmental activities

\$ 2,606,567

Las Virgenes Unified School District
Statement of Net Position – Proprietary Funds
June 30, 2021

	Governmental Activities <u>Internal Service Fund</u>
Assets	
Current assets	
Deposits and investments	\$ 1,245,663
Receivables	<u>2,495</u>
Total current assets	<u>1,248,158</u>
Total net position	<u><u>\$ 1,248,158</u></u>

Las Virgenes Unified School District
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended June 30, 2021

	Governmental Activities <u>Internal Service Fund</u>
Operating Revenues	
Other local revenues	<u>\$ 108,050</u>
Operating Income	<u>108,050</u>
Nonoperating Revenues (Expenses)	
Fair market value adjustments	(6,366)
Interest income	<u>5,915</u>
Total nonoperating expenses	<u>(451)</u>
Change in Net Position	107,599
Total Net Position - Beginning	<u>1,140,559</u>
Total Net Position - Ending	<u><u>\$ 1,248,158</u></u>

Las Virgenes Unified School District
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2021

	Governmental Activities <u>Internal Service Fund</u>
Operating Activities	
Other operating cash receipts	<u>\$ 108,549</u>
Investing Activities	
Net loss on investments	<u>(451)</u>
Net Change in Cash and Cash Equivalents	108,098
Cash and Cash Equivalents, Beginning	<u>1,137,565</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,245,663</u></u>
Reconciliation of Operating Income to Net Cash From Operating Activities	
Operating income	\$ 108,050
Changes in assets and liabilities	
Accounts receivable	<u>499</u>
Net Cash From Operating Activities	<u><u>\$ 108,549</u></u>

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Las Virgenes Unified School District (the District) was unified in 1962 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates eight elementary, one alternative K-8 school, three middle, and two comprehensive high schools.

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

Component Units

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

The Ventura County Schools Public Facilities Financing Corporation's (Corporation) financial activity is presented in the financial statements within the General Fund and Capital Facilities Fund. Certificates of Participation secured by the Corporation included as long-term liabilities in the government-wide financial statements.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

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

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

Non-Major Governmental Funds

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).
- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

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

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

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has no internal service funds. The District has the following proprietary fund:

- **Internal Service Fund** Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a workers' compensation insurance that is accounted for in an internal service fund.

Basis of Accounting - Measurement Focus

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

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

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

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

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

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

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

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

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

Prepaid Expenditures (Expenses)

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

Stores Inventories

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

Capital Assets and Depreciation

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

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

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the capital assets of governmental funds.

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums and Discounts

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

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items, and for OPEB related items.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Fund Balances - Governmental Funds

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

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

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

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

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses. If the fund balance drops below the three percent, the fund balance shall be restored at a rate of 0.5% minimally, each year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$39,280,058 of restricted net position which is restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

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

Estimates

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

Property Tax

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

Change in Accounting Principles

As of July 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of the District's student body activities from fiduciary to governmental. The effect of the implementation of this standard on beginning fund balance and net position is disclosed in Note 15.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

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

Governmental funds	\$ 65,395,321
Proprietary funds	<u>1,245,663</u>
Total deposits and investments	<u><u>\$ 66,640,984</u></u>

Deposits and investments as of June 30, 2021, consist of the following:

Cash on hand and in banks	\$ 1,403,267
Cash in revolving	30,475
Investments	<u>65,207,242</u>
Total deposits and investments	<u><u>\$ 66,640,984</u></u>

Policies and Practices

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

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

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the San Bernardino County Treasury Investment Pool. The Los Angeles County Treasury Investment Pool purchase a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Specific Identification

The District maintains an investment of \$65,207,242 with the Los Angeles County Treasury Investment Pool which has a weighted average maturity of 1,045 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Los Angeles County Treasury Investment Pool is not required to be rated, nor has it been rated as of June 30, 2021.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2021, the District's bank balance of \$904,166 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 3 - Receivables

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

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Federal Government					
Categorical aid	\$ 9,873,903	\$ -	\$ 84,348	\$ -	\$ 9,958,251
State Government					
LCFF apportionment	10,288,588	-	-	-	10,288,588
Categorical aid	4,935,596	-	7,344	-	4,942,940
Lottery	237,789	-	-	-	237,789
Local Government					
Interest	34,301	11,191	21,274	2,495	69,261
Due from SELPA	2,714,936	-	-	-	2,714,936
Other local sources	294,945	-	9,864	-	304,809
Total	<u>\$ 28,380,058</u>	<u>\$ 11,191</u>	<u>\$ 122,830</u>	<u>\$ 2,495</u>	<u>\$ 28,516,574</u>

Note 4 - Capital Assets

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

	Balance July, 2020 as restated	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 14,853,507	\$ -	\$ -	\$ 14,853,507
Construction in progress	335,484	152,748	(335,484)	152,748
Total capital assets not being depreciated	15,188,991	152,748	(335,484)	15,006,255
Capital assets being depreciated				
Land improvements	17,515,452	509,236	-	18,024,688
Buildings and improvements	291,656,745	786,638	-	292,443,383
Furniture and equipment	9,000,983	271,534	(104,407)	9,168,110
Total capital assets being depreciated	318,173,180	1,567,408	(104,407)	319,636,181
Total capital assets	333,362,171	1,720,156	(439,891)	334,642,436
Accumulated depreciation				
Land improvements	(13,751,423)	(589,178)	-	(14,340,601)
Buildings and improvements	(109,878,490)	(8,427,071)	-	(118,305,561)
Furniture and equipment	(7,205,977)	(565,795)	104,407	(7,667,365)
Total accumulated depreciation	(130,835,890)	(9,582,044)	104,407	(140,313,527)
Governmental activities capital assets, net	<u>\$ 202,526,281</u>	<u>\$ (7,861,888)</u>	<u>\$ (335,484)</u>	<u>\$ 194,328,909</u>

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

Governmental Activities	
Instruction	\$ 8,959,234
Food services	50,943
All other administration	524,210
Plant services	47,657
Total depreciation expenses governmental activities	<u>\$ 9,582,044</u>

Note 5 - Interfund Transactions**Operating Transfers**

Interfund transfers for the year ended June 30, 2021, consisted of the following:

The General Fund transferred to the Deferred Maintenance Non-Major Governmental Fund to set aside funds for future maintenance projects.	<u>\$ 865,000</u>
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Note 6 - Accounts Payable

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

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Salaries and benefits	\$ 4,366,618	\$ -	\$ 54,546	\$ 4,421,164
Supplies	2,993,400	-	1,495	2,994,895
Services	-	-	291,008	291,008
Capital outlay	-	61,518	-	61,518
Total	<u>\$ 7,360,018</u>	<u>\$ 61,518</u>	<u>\$ 347,049</u>	<u>\$ 7,768,585</u>

Note 7 - Unearned Revenue

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

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 7,137,265	\$ -	\$ 7,137,265
State categorical aid	1,877,716	-	1,877,716
Other local	1,455,449	169,918	1,625,367
Total	<u>\$ 10,470,430</u>	<u>\$ 169,918</u>	<u>\$ 10,640,348</u>

Note 8 - Long-Term Liabilities Other than OPEB and Pensions

Summary

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 172,616,049	\$ 5,337,361	\$ (16,090,000)	\$ 161,863,410	\$ 14,905,000
Premium on issuance	6,778,740	-	(541,392)	6,237,348	-
Certificates of participation	9,969,276	-	(451,301)	9,517,975	465,680
Supplemental early retirement plan (SERP)	20,508	1,040,959	(224,100)	837,367	5,367
Compensated absences	967,840	1,306,156	(1,085,420)	1,188,576	-
Total	<u>\$ 190,352,413</u>	<u>\$ 7,684,476</u>	<u>\$ (18,392,213)</u>	<u>\$ 179,644,676</u>	<u>\$ 15,376,047</u>

Payments on the general obligation bonds are made by the bond interest and redemption fund with local revenues. Payments on the certifications of participation are made by the General Fund and the Capital Facilities Fund. Payments for the supplemental early retirement plan are paid by the General Fund. The compensated absences will be paid by the General Fund, the Cafeteria Fund, and the Deferred Maintenance Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2020	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2021
2/24/1998	11/1/2022	3.65-5.15%	\$29,999,130	\$ 6,102,276	\$ -	\$ 264,388	\$ (2,195,000)	\$ 4,171,664
8/11/1999	11/1/2023	4.85-5.68%	11,999,387	8,532,018	-	440,930	(2,000,000)	6,972,948
3/21/2001	11/1/2025	4.05-5.44%	18,492,813	5,911,594	-	360,599	(1,205,000)	5,067,193
10/17/2002	9/1/2027	2.00-5.20%	32,627,309	39,940,075	-	2,023,950	(3,355,000)	38,609,025
8/4/2004	11/1/2021	1.50-5.18%	14,471,501	5,192,102	-	449,558	(2,900,000)	2,741,660
12/22/2009	8/1/2034	3.00-7.26%	42,996,222	8,164,438	-	937,603	(1,180,000)	7,922,041
5/19/2011	8/1/2033	5.00-6.75%	29,998,274	23,663,546	-	860,333	(2,040,000)	22,483,879
8/29/2018	8/1/2035	3.00-5.00%	10,435,000	10,435,000	-	-	(70,000)	10,365,000
10/29/2014	8/1/2031	3.00-5.00%	27,255,000	25,065,000	-	-	(1,065,000)	24,000,000
12/6/2016	8/1/2034	2.75-4.00%	39,610,000	39,610,000	-	-	(80,000)	39,530,000
				<u>\$ 172,616,049</u>	<u>\$ -</u>	<u>\$ 5,337,361</u>	<u>\$ (16,090,000)</u>	<u>\$ 161,863,410</u>

1997 General Obligation Bonds, Series A

On February 24, 1998, Las Virgenes Unified School District issued the 1997 General Obligation Bonds, Series A in the amount of \$29,999,130. The Series A bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting to \$15,080,870, and an aggregate principal debt service balance of \$45,080,000. The bonds were issued at an aggregate price of \$29,985,212 (representing the principal amount of \$29,992,130 plus an original issue premium of \$278,675 less cost of issuance of \$285,593). The bonds have a final maturity to occur on November 1, 2022 and interest rates of 3.65 to 5.15%. Proceeds from the sale of bonds were used to repair and construct school facilities. On August 11, 1999, outstanding current interest bonds were refunded by proceeds from the issuance of 1999 General Obligation Refunding Bonds. At June 30, 2021, the principal outstanding, including accreted interest, was \$4,171,664.

1997 General Obligation Bonds, Series B

On August 11, 1999, Las Virgenes Unified School District issued the 1997 General Obligation Bonds, Series B in the amount of \$11,999,387. The Series B bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting to \$16,015,613, and an aggregate principal debt service balance of \$28,015,000. The bonds were issued at an aggregate price of \$11,999,387 (representing the principal amount of \$11,999,387 plus an original issue premium of \$240,170 less cost of issuance of \$240,170). The bonds have a final maturity to occur on November 1, 2023 and interest rates of 4.85 to 5.68%. Proceeds from the sale of bonds were used to repair and construct school facilities. At June 30, 2021, the principal outstanding, including accreted interest, was \$6,972,948.

1997 General Obligation Bonds, Series C

On March 21, 2001, Las Virgenes Unified School District issued the 1997 General Obligation Bonds, Series C in the amount of \$18,492,813. The Series C bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting to \$9,452,187, and an aggregate principal debt service balance of \$27,945,000. The bonds were issued at an aggregate price of \$19,031,499 (representing the principal amount of \$18,492,813 plus an original issue premium of \$780,885 less cost of issuance of \$242,199). The bonds have a final maturity to occur on November 1, 2025 and interest rates of 4.05 to 5.44%. Proceeds from the sale of bonds were used to repair and construct school facilities. On August 4, 2004, outstanding current interest bonds were refunded by proceeds from the issuance of 2004 General Obligation Refunding Bonds. At June 30, 2021, the principal outstanding, including accreted interest, was \$5,067,193.

1997 General Obligation Bonds, Series D

On October 17, 2002, Las Virgenes Unified School District issued the 1997 General Obligation Bonds, Series D in the amount of \$32,627,309. The Series D bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting to \$41,117,689, and an aggregate principal debt service balance of \$73,745,000. The bonds were issued at an aggregate price of \$32,837,856 (representing the principal amount of \$32,627,309 plus an original issue premium of \$583,511 less cost of issuance of \$372,964). The bonds have a final maturity to occur on September 1, 2027 and interest rates of 2.00 to 5.20%. Proceeds from the sale of bonds were used to repair and construct school facilities. At June 30, 2021, the principal outstanding, including accreted interest, was \$38,609,026.

2004 General Obligation Refunding Bonds

On August 4, 2004, Las Virgenes Unified School District issued the 2004 General Obligation Refunding Bonds in the amount of \$14,471,501. The Refunding bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting to \$4,913,499, and an aggregate principal debt service balance of \$19,385,000. The bonds were issued at an aggregate price of \$16,218,533 (representing the principal amount of \$14,471,501 plus an original issue premium of \$2,002,621 less cost of issuance of \$255,589). The bonds have a final maturity to occur on November 1, 2021 and interest rates of 1.50 to 5.18%. Proceeds from the sale of bonds were used refund the District's outstanding current interest bonds of its 1997 General Obligation Bonds, Series C and to pay the cost of issuance. At June 30, 2021, the principal outstanding, including accreted interest, was \$2,741,660.

2006 General Obligation Bonds, Series B

On December 22, 2009, Las Virgenes Unified School District issued the 2006 General Obligation Bonds, Series B in the amount of \$42,996,222. The Series B bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting to \$12,663,778, and an aggregate principal debt service balance of \$55,660,000. The bonds were issued at an aggregate price of \$46,578,598 (representing the principal amount of \$42,996,222 plus an original issue premium of \$4,142,999 less cost of issuance of \$560,623). The bonds have a final maturity to occur on August 1, 2034 and interest rates of 3.00 to 7.26%. Proceeds from the sale of bonds were used to repair and construct school facilities. On December 6, 2016, outstanding current interest bonds were refunded by proceeds from the issuance of 2016 General Obligation Refunding Bonds. At June 30, 2021, the principal outstanding, including accreted interest, was \$7,922,041.

2006 General Obligation Bonds, Series C

On May 19, 2011, Las Virgenes Unified School District issued the 2006 General Obligation Bonds, Series C in the amount of \$29,998,274. The Series C bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting to \$13,816,726, and an aggregate principal debt service balance of \$43,815,000. The bonds were issued at an aggregate price of \$31,562,089 (representing the principal amount of \$29,998,274 plus an original issue premium of \$1,563,815). The bonds have a final maturity to occur on August 1, 2033 and interest rates of 5.00 to 6.75%. Proceeds from the sale of bonds were used to repair and construct school facilities. At June 30, 2021, the principal outstanding, including accreted interest, was \$22,483,879.

2006 General Obligation Bonds, Series D

On August 29, 2018, Las Virgenes Unified School District issued the 2006 General Obligation Bonds, Series D in the amount of \$10,435,000. The Series D bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$31,562,089 (representing the principal amount of \$10,870,051 plus an original issue premium of \$616,051 less costs of issuance of \$181,000). The bonds have a final maturity to occur on August 1, 2035 and interest rates of 3.00 to 5.00%. Proceeds from the sale of bonds were used to repair and construct school facilities. At June 30, 2021, the principal outstanding, including accreted interest, was \$10,365,000.

2014 General Obligation Refunding Bonds

On October 29, 2014, Las Virgenes Unified School District issued the 2014 General Obligation Refunding Bonds in the amount of \$27,255,000. The Refunding bonds were issued as current interest. The bonds were issued at an aggregate price of \$31,542,630 (representing the principal amount of \$27,255,000 plus an original issue premium of \$4,597,617 less cost of issuance of \$309,987). The bonds have a final maturity to occur on August 1, 2031 and interest rates of 3.00 to 5.00%. Proceeds from the sale of bonds were used to refund the District's outstanding current interest bonds of its 2006 General Obligation Bonds, Series A and to pay the cost of issuance. At June 30, 2021, the principal outstanding, including accreted interest, was \$24,000,000.

2016 General Obligation Refunding Bonds

On December 6, 2016, Las Virgenes Unified School District issued the 2016 General Obligation Refunding Bonds in the amount of \$39,610,000. The Refunding bonds were issued as current interest. The bonds were issued at an aggregate price of \$41,650,276 (representing the principal amount of \$39,610,000 plus an original issue premium of \$2,391,917 less cost of issuance of \$351,641). The bonds have a final maturity to occur on August 1, 2034 and interest rates of 2.75 to 4.00%. Proceeds from the sale of bonds were used to refund the District's outstanding current interest bonds of its 2006 General Obligation Bonds, Series B and to pay the cost of issuance. At June 30, 2021, the principal outstanding, including accreted interest, was \$39,530,000.

Debt Service Requirements to Maturity

The bonds mature through 2036 as follows:

<u>Fiscal Year</u>	<u>Principal Including Accreted Interest to Date</u>	<u>Accreted Interest</u>	<u>Interest to Maturity</u>	<u>Total</u>
2022	\$ 17,951,145	\$ 1,738,855	\$ 2,741,860	\$ 22,431,860
2023	15,117,523	2,182,477	2,612,249	19,912,249
2024	15,046,112	2,848,888	2,471,910	20,366,910
2025	10,380,306	2,374,694	2,325,409	15,080,409
2026	10,796,104	2,733,896	2,172,943	15,702,943
2027-2031	50,742,220	11,832,780	9,816,256	72,391,256
2032-2036	41,830,000	-	3,795,675	45,625,675
Total	<u>\$ 161,863,410</u>	<u>\$ 23,711,590</u>	<u>\$ 25,936,302</u>	<u>\$ 211,511,302</u>

2017 Refunding Certificates of Participation

On January 19, 2017, Ventura County Schools Facilities Financing Corporation issued the 2017 Refunding Certificates of Participation in the amount of \$11,685,780. The certificates were issued at an aggregate price of \$11,500,779 (representing the principal amount of \$11,685,780 less cost of issuance of \$185,001). The certificates have a final maturity to occur on November 1, 2036 and a fixed interest rate of 3.18%. Proceeds from the sale of certificates were used to refund the Corporation's outstanding certificates from 2008 Refunding Certificates of Participation and to pay the cost of issuance. At June 30, 2021, the principal outstanding, including accreted interest, was \$9,517,975.

The certificates through 2037 as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 465,680	\$ 298,969	\$ 764,649
2023	479,690	284,049	763,739
2024	493,207	268,688	761,895
2025	511,033	252,862	763,895
2026	528,523	236,472	764,995
2027-2031	2,897,514	917,549	3,815,063
2032-2036	3,388,755	422,771	3,811,526
2037	753,573	11,982	765,555
Total	<u>\$ 9,517,975</u>	<u>\$ 2,693,342</u>	<u>\$ 12,211,317</u>

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to \$1,188,576.

Supplemental Early Retirement Plan (SERP)

During the 2015-2016 fiscal year, the District offered a voluntary retirement incentive that was available to all certificated employees that have served the District for a minimum of 15 years, are at least age 60, and eligible to retire under STRS or PERS with an effective retirement date on or before June 30, 2016. Under the incentive, the District would provide an annual payment of \$4,600 and make minimum premium contribution towards health insurance to each eligible and participating employee.

During 2020-2021 fiscal year, the District adopted a supplemental early retirement plan whereby certain eligible employees were provided an annuity to supplement the retirement benefits they were entitled to through the California State Teachers' Retirement System and the California Public Employees' Retirement System. The annuities offered to the employees are to be paid over a five-year period. The annuities were purchased for 26 employees who retired during the 2020-2021 school year.

As of June 30, 2021, the total balance of outstanding obligations for the supplemental early retirement plan was \$837,367.

Future payments for the SERP are as follows:

Year Ending June 30,	Annual Payment
2022	\$ 5,367
2023	208,000
2024	208,000
2025	208,000
2026	208,000
Total	\$ 837,367

Note 9 - Other Postemployment Benefit (OPEB) Liability

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

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 39,887,943	\$ 11,215,661	\$ 1,753,331	\$ 3,266,338
Medicare Premium Payment (MPP) Program	718,462	-	-	161,679
Total	\$ 40,606,405	\$ 11,215,661	\$ 1,753,331	\$ 3,428,017

The details of each plan are as follows:

District Plan

Plan Administration

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

Plan Membership

At June 30, 2021, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	358
Active employees	839
Total	1,197

Benefits Provided

The postretirement health plan and the District's obligation vary by employee group as described below:

Retirees have access through the CALPERS health benefit program to the same medical plan as active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplemental plan, with Medicare becoming the primary payer.

Employees become eligible to retire and receive a contribution from the District towards their healthcare benefits upon attainment of age 50 and 5 years of covered PERS services (age 52 and 5 years for PEPRAs employees), or age 55 and 5 years of covered STRS service. Benefits are accessible for the lifetime of the retiree and spouse or surviving spouse (and dependent children up to the age of 26). The District uses a statutory schedule to determine if monthly contribution on behalf of all eligible retirees and surviving spouses, in addition to an administrative fee. This benefit is not contractual and only offered while the District uses CALPERS for medical benefits coverage.

Integrated medical/prescription drug cover is provided through CALPERS under the Public Employee' Medical and Hospice Care Act (PEMHACA). Employees can choose from a variety of HMO and PPO options providing comprehensive medical and prescription drug coverage.

For purposes of its contract with PEMHACA, the District uses a statutory schedule to determine its monthly contribution on behalf of each active employee. The statutory amount will be indexed by the Medical CPI each year thereafter. The District also pays an administrative fee.

Contributions

The contribution requirements of the Plan members and the District are established and may be amended by the District, the Las Virgenes Education Association (LVEA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contributions is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreement with the District, LVEA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2021, the District contributed \$790,410 to the Plan, of which the entire amount was used for current premiums.

Total OPEB Liability of the District

The District's total OPEB liability of \$39,887,943 was measured as of June 30, 2021, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 %
Salary increases	2.75 %, average, including inflation
Discount rate	2.16 %
Healthcare cost trend rates	4.00 %

The discount rate was based on the Bond Buyer 20 Bond Index.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actual experience study for the period July 1, 2020 to June 30, 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2020	\$ 27,015,439
Service cost	1,158,454
Interest	951,981
Differences between expected and actual experience in the measurement of the total OPEB liability	133,555
Changes of assumptions	11,418,924
Benefit payments	(790,410)
Net change in total OPEB liability	12,872,504
Balance, June 30, 2021	\$ 39,887,943

Changes of assumptions and other inputs reflect a change in the healthcare cost trend rate from 5.0% in 2020 to 4.0% in 2021, discount rate from 3.50% in 2020 to 2.16% in 2021, projected payroll growth rate from 3.00% in 2020 to 2.75% in 2021.

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

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

Discount Rate	Total OPEB Liability
1% decrease (2.5%)	\$ 46,622,868
Current discount rate (3.5%)	39,887,943
1% increase (4.5%)	34,477,009

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

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

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (3.0%)	\$ 33,236,346
Current healthcare cost trend rate (4.0%)	39,887,943
1% increase (5.0%)	48,565,797

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

At June 30, 2021, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total OPEB liability	\$ 125,233	\$ 1,297,898
Changes of assumptions	11,090,428	455,433
Total	<u>\$ 11,215,661</u>	<u>\$ 1,753,331</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 1,155,903
2022	1,155,903
2023	1,155,901
2024	1,305,370
2025	1,104,006
Thereafter	<u>3,585,247</u>
Total	<u>\$ 9,462,330</u>

Medicare Premium Payment (MPP) Program

Plan Description

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

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

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2021, the District reported a liability of \$718,462 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.1695%, and 0.1711%, resulting in a net decrease in the proportionate share of 0.0016%.

For the year ended June 30, 2021, the District recognized OPEB expense of \$161,679.

Actuarial Methods and Assumptions

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

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

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

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

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

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020, is 2.21%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.21%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29% from 3.50% as of June 30, 2019.

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

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

Discount Rate	Net OPEB Liability
1% decrease (1.21%)	\$ 794,460
Current discount rate (2.21%)	718,462
1% increase (3.21%)	653,793

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.5% Part A and 4.4% Part B)	\$ 651,454
Current Medicare costs trend rate (4.5% Part A and 5.4% Part B)	718,462
1% increase (5.5% Part A and 6.4% Part B)	795,601

Note 10 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	\$ 26,600	\$ -	\$ -	\$ 3,875	\$ 30,475
Stores inventories	209,444	-	-	90,131	299,575
Prepaid expenditures	21,157	-	-	18,140	39,297
Total nonspendable	257,201	-	-	112,146	369,347
Restricted					
Legally restricted programs	8,156,149	-	-	-	8,156,149
Student activity	-	-	-	1,235,720	1,235,720
Food service	-	-	-	167,714	167,714
Deferred maintenance	-	-	-	1,521,772	1,521,772
Capital projects	-	5,308,592	-	8,293,577	13,602,169
Debt services	-	-	19,875,225	-	19,875,225
Total restricted	8,156,149	5,308,592	19,875,225	11,218,783	44,558,749
Committed					
STRS/PERS retirement increase	3,270,556	-	-	-	3,270,556
Classified vacation	1,188,576	-	-	-	1,188,576
Early retirement incentive	855,508	-	-	-	855,508
Parcel tax	35,108	-	-	-	35,108
Total committed	5,349,748	-	-	-	5,349,748
Assigned					
Financial software upgrade	146,000	-	-	-	146,000
School site carryover	61,818	-	-	-	61,818
Total assigned	207,818	-	-	-	207,818
Unassigned					
Reserve for economic uncertainties	3,654,202	-	-	-	3,654,202
Remaining unassigned	21,699,475	-	-	-	21,699,475
Total unassigned	25,353,677	-	-	-	25,353,677
Total	\$ 39,324,593	\$ 5,308,592	\$ 19,875,225	\$ 11,330,929	\$ 75,839,339

Note 11 - Risk Management

The District's risk management activities are recorded in the General Fund. The District participates in various public entity risk pools (JPA's) for its health and welfare benefits, and property/liability insurance. Refer to Note 14 for additional information regarding the JPA's.

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2021, the District participated in Alliance of Schools for Cooperative Insurance Program (ASCIP) and Schools Excess Liability Fund (SELF), public entity risk pools for property and liability insurance coverage. Settled claims have not exceeded the insured coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2021, the District participated in the Schools Linked for Insurance Management (SLIM), a public entity risk pool for workers' compensation insurance coverage. The intent of the SLIM is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SLIM. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in SLIM. Each participant pays its workers' compensation premium based on its individual rate.

Employee Health and Welfare Benefits

For fiscal year 2021, the District participated in the Self-Insurance Schools of California III (SISC III), a public entity risk pool for its dental insurance coverage. In Addition, the District has contracted with various commercial insurance carriers to provide employee health benefits, including health and other miscellaneous insurance. The District pays a monthly premium based on the number of employees enrolled using pre-negotiated premium for each of the commercial insurance carriers.

Note 12 - Employee Retirement Systems

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

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 94,288,856	\$ 22,069,961	\$ 4,412,320	\$ 12,458,507
CalPERS	42,242,148	6,836,751	2,041,665	7,323,729
Total	<u>\$ 136,531,004</u>	<u>\$ 28,906,712</u>	<u>\$ 6,453,985</u>	<u>\$ 19,782,236</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

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

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

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

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

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were \$8,542,904.

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

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

Total net pension liability, including State share

Proportionate share of net pension liability	\$ 94,288,856
State's proportionate share of the net pension liability	<u>48,605,917</u>
Total	<u><u>\$ 142,894,773</u></u>

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively was 0.0973% and 0.0967%, resulting in a net increase in the proportionate share of 0.0006%.

For the year ended June 30, 2021, the District recognized pension expense of \$12,458,507. In addition, the District recognized pension expense and revenue of \$6,809,212 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 8,542,904	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,926,421	1,753,213
Differences between projected and actual earnings on pension plan investments	2,239,760	-
Differences between expected and actual experience in the measurement of the total pension liability	166,377	2,659,107
Changes of assumptions	<u>9,194,499</u>	<u>-</u>
Total	<u><u>\$ 22,069,961</u></u>	<u><u>\$ 4,412,320</u></u>

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ (1,366,689)
2022	763,128
2023	1,522,524
2024	1,320,797
Total	<u>\$ 2,239,760</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 2,207,065
2022	1,923,755
2023	2,936,099
2024	(44,116)
2025	(146,526)
Thereafter	(1,300)
Total	<u>\$ 6,874,977</u>

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 142,457,328
Current discount rate (7.10%)	94,288,856
1% increase (8.10%)	54,519,000

California Public Employees Retirement System (CalPERS)**Plan Description**

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

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

Benefits Provided

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

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

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.70%	20.70%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were \$3,607,475.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$42,242,148. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively was 0.1377% and 0.1401%, resulting in a net decrease in the proportionate share of 0.0024%.

For the year ended June 30, 2021, the District recognized pension expense of \$7,323,729. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,607,475	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	99,944	2,041,665
Differences between projected and actual earnings on pension plan investments	879,347	-
Differences between expected and actual experience in the measurement of the total pension liability	2,095,081	-
Changes of assumptions	154,904	-
Total	<u>\$ 6,836,751</u>	<u>\$ 2,041,665</u>

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ (329,070)
2022	293,519
2023	510,185
2024	404,713
Total	<u>\$ 879,347</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 758,821
2022	(133,761)
2023	(286,455)
2024	(30,341)
Total	<u>\$ 308,264</u>

Actuarial Methods and Assumptions

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

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

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

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 60,730,790
Current discount rate (7.15%)	42,242,148
1% increase (8.15%)	26,897,502

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$5,500,747 (10.328% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS.

Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 13 - Commitments and Contingencies**Grants**

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

Litigation

The District is not currently a party to any legal proceedings.

Construction Commitments

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

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Calabasas High Fencing	\$ 10,349	08/01/21
Willow Elementary Multi-purpose room roof replacement	47,863	08/06/21
All sites fire alarm update	16,225	09/01/21
Total	<u>\$ 74,437</u>	

Note 14 - Participation in Public Entity Risk Pools, Joint Powers Authorities

The District is a member of the Alliance of Schools for Cooperative Insurance Program (ASCIP), Schools Excess Liability Fund (SELF), Schools Linked for Insurance Management (SLIM), and Self-Insured Schools of California III (SISC III) public entity risk pools. The District pays an annual premium to the applicable entity for its workers' compensation, dental, and property liability coverage. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2021, the District made payments of \$1,001,028, \$96,341, \$2,645,030, and \$1,212,824 to ASCIP, SELF, SLIM, and SISC III, respectively.

Note 15 - Restatement of Prior Year Net Position and Fund Balance

As of July 1, 2020, the Las Virgenes Unified School District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, The District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund.

Additionally, the District's Food Services program has been facing regulatory restrictions limiting the amount of revenue it can generate. Moreover, the program has been experiencing a gradual decline in food sales which was drastically exacerbated in the past two years due to the onset of the pandemic. The District's Food Services program has been relying almost entirely on Federal and State revenue sources instead of revenues being generated by the program. Given the current operating circumstances, the District anticipate that the future revenue streams that are necessary to sustain the program will continue to be almost entirely supported by Federal and State revenue sources. As a result of the changes to current operations, the District has decided it would be more appropriate to reclassify its Food Services program from business-type to governmental activities. Accordingly, the District's prior year net position and fund balance for the Cafeteria Fund have been restated as of July 1, 2020 to reclassify the previously reported enterprise fund and Business-Type Activities as a governmental fund.

Las Virgenes Unified School District

Notes to Financial Statements

June 30, 2021

The following tables describes the effects of the restatements on beginning fund balance/net position.

	Non-Major Governmental Funds	Total Governmental Activities
Beginning Fund Balance previously reported at June 30, 2020	\$ 9,656,425	\$ 6,379,001
Reclassification of student activity funds from agency funds to a special revenue fund	1,292,734	1,292,734
Reclassification of cafeteria fund from enterprise fund to a special revenue fund	212,023	212,023
Fund Balance - Beginning, as Restated at July 1, 2020	<u>\$ 11,161,182</u>	<u>\$ 7,671,735</u>
Government-Wide Financial Statements		
Net Position - Beginning, previously reported at June 30, 2020 (Before GASB 84 Implementation)	\$ (57,121,650)	\$ (57,121,650)
Reclassified student body funds from fiduciary fund to special revenue fund	1,292,734	1,292,734
Net Position - Beginning, as Restated at July 1, 2020 (After GASB 84 Implementation)	<u>\$ (55,828,916)</u>	<u>\$ (55,828,916)</u>
	Business-Type Activities and Cafeteria Fund	Governmental Activities
Net Position - Beginning, as Restated at July 1, 2020 (After GASB 84 Implementation and Before Cafeteria Fund Reclassification)	\$ 327,969	\$ (55,828,916)
Increase (decrease) in deposits and investments	(336,395)	336,395
Increase (decrease) in accounts receivable	(69,962)	69,962
Increase (decrease) in stores/inventory	(46,768)	46,768
Increase (decrease) in capital assets	(578,724)	578,724
(Increase) Decreases in accumulated depreciation	462,778	(462,778)
(Increase) Decrease in accounts payable	241,102	(241,102)
Net Position - Beginning, as Restated at July 1, 2020 (After GASB 84 Implementation and After Cafeteria Fund Reclassification)	<u>\$ -</u>	<u>\$ (55,500,947)</u>



Required Supplementary Information
June 30, 2021

Las Virgenes Unified School District

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

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	\$ 87,144,762	\$ 94,587,165	\$ 94,637,299	\$ 50,134
Federal sources	3,061,635	14,394,353	7,888,098	(6,506,255)
Other State sources	11,339,064	19,279,272	24,907,325	5,628,053
Other local sources	9,257,163	5,542,356	6,048,426	506,070
Total revenues	<u>110,802,624</u>	<u>133,803,146</u>	<u>133,481,148</u>	<u>(321,998)</u>
Expenditures				
Current				
Certificated salaries	54,293,078	54,903,431	54,531,587	371,844
Classified salaries	21,245,522	19,086,313	17,495,144	1,591,169
Employee benefits	27,700,813	26,646,033	31,027,045	(4,381,012)
Books and supplies	3,881,223	5,632,639	4,116,776	1,515,863
Services and operating expenditures	14,765,985	13,209,502	11,464,080	1,745,422
Other outgo	565,000	737,651	568,102	169,549
Capital outlay	484,785	1,261,217	1,427,899	(166,682)
Debt service				
Debt service - interest and other	142,750	142,750	313,435	(170,685)
Total expenditures	<u>123,079,156</u>	<u>121,619,536</u>	<u>120,944,068</u>	<u>675,468</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,276,532)</u>	<u>12,183,610</u>	<u>12,537,080</u>	<u>353,470</u>
Other Financing Uses				
Transfers in	145,954	-	-	-
Transfers out	-	-	(865,000)	(865,000)
Net Change in Fund Balances	<u>(12,130,578)</u>	<u>12,183,610</u>	<u>11,672,080</u>	<u>(511,530)</u>
Fund Balance - Beginning	<u>27,652,513</u>	<u>27,652,513</u>	<u>27,652,513</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 15,521,935</u>	<u>\$ 39,836,123</u>	<u>\$ 39,324,593</u>	<u>\$ (511,530)</u>

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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 1,158,454	\$ 1,124,713	\$ 1,045,798	\$ 1,084,204
Interest	951,981	978,698	981,192	901,764
Differences between expected and actual experience in the measurement of the total OPEB liability	133,555	(1,773,623)	(54,296)	16,406
Changes of assumptions	11,418,924	206,537	1,463,872	(1,062,679)
Benefit payments	(790,410)	(717,926)	(759,316)	(753,003)
Net change in total OPEB liability	12,872,504	(181,601)	2,677,250	186,692
Total OPEB Liability - Beginning	27,015,439	27,197,040	24,519,790	24,333,098
Total OPEB Liability - Ending	<u>\$ 39,887,943</u>	<u>\$ 27,015,439</u>	<u>\$ 27,197,040</u>	<u>\$ 24,519,790</u>
Covered Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Total OPEB Liability as a Percentage of Covered Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

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

Las Virgenes Unified School District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2021

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.1695%	0.1711%	0.1508%	0.1513%
Proportionate share of the net OPEB liability	\$ 718,462	\$ 556,783	\$ 577,386	\$ 636,582
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

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

	2021	2020	2019	2018	2017	2016	2015
CalSTRS							
Proportion of the net pension liability	0.0000%	0.0967%	0.0959%	0.0951%	0.0940%	0.1000%	0.0970%
Proportionate share of the net pension liability	\$ 94,288,856	\$ 87,368,939	\$ 88,160,629	\$ 87,920,393	\$ 76,028,140	\$ 67,324,000	\$ 56,683,890
State's proportionate share of the net pension liability	261,236,921	47,665,589	50,476,083	52,012,962	43,287,836	35,606,879	34,228,524
Total	<u>\$ 355,525,777</u>	<u>\$ 135,034,528</u>	<u>\$ 138,636,712</u>	<u>\$ 139,933,355</u>	<u>\$ 119,315,976</u>	<u>\$ 102,930,879</u>	<u>\$ 90,912,414</u>
Covered payroll	<u>\$ 52,497,836</u>	<u>\$ 53,368,428</u>	<u>\$ 51,302,571</u>	<u>\$ 50,598,712</u>	<u>\$ 38,085,918</u>	<u>40,708,052</u>	<u>43,816,667</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>179.61%</u>	<u>163.71%</u>	<u>171.84%</u>	<u>173.76%</u>	<u>199.62%</u>	<u>165.38%</u>	<u>129.37%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>73%</u>	<u>71%</u>	<u>69%</u>	<u>70%</u>	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS							
Proportion of the net pension liability	0.0000%	0.1401%	0.1443%	0.1429%	0.1503%	0.1505%	0.1469%
Proportionate share of the net pension liability	\$ 42,242,148	\$ 40,826,134	\$ 38,476,047	\$ 34,114,106	\$ 29,684,343	\$ 22,183,849	\$ 16,676,727
Covered payroll	<u>\$ 19,842,265</u>	<u>\$ 19,445,643</u>	<u>\$ 19,093,664</u>	<u>\$ 18,223,618</u>	<u>\$ 16,558,335</u>	<u>14,983,774</u>	<u>15,414,613</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>212.89%</u>	<u>209.95%</u>	<u>201.51%</u>	<u>187.20%</u>	<u>179.27%</u>	<u>148.05%</u>	<u>108.19%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>70%</u>	<u>71%</u>	<u>72%</u>	<u>74%</u>	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

Las Virgenes Unified School District
Schedule of the District Contributions
Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
CalSTRS							
Contractually required contribution	\$ 8,542,904	\$ 8,977,130	\$ 8,688,380	\$ 7,402,961	\$ 6,365,318	\$ 4,086,619	\$ 3,614,875
Less contributions in relation to the contractually required contribution	8,542,904	8,977,130	8,688,380	7,402,961	6,365,318	4,086,619	3,614,875
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 52,897,238	\$ 52,497,836	\$ 53,368,428	\$ 51,302,571	\$ 50,598,712	\$ 38,085,918	\$ 40,708,052
Contributions as a percentage of covered payroll	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS							
Contractually required contribution	\$ 3,607,475	\$ 3,913,093	\$ 3,512,272	\$ 2,965,437	\$ 2,530,896	\$ 1,961,666	\$ 1,763,740
Less contributions in relation to the contractually required contribution	3,607,475	3,913,093	3,512,272	2,965,437	2,530,896	1,961,666	1,763,740
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 17,427,415	\$ 19,842,265	\$ 19,445,643	\$ 19,093,664	\$ 18,223,618	\$ 16,558,335	\$ 14,983,774
Contributions as a percentage of covered payroll	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

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

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* – The healthcare cost trend rate from 5.0% in 2020 to 4.0% in 2021, discount rate from 3.50% in 2020 to 2.16% in 2021, projected payroll growth rate from 3.00% 2020 to 2.75% in 2021

Schedule of District Contributions for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

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

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

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

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

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

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

Schedule of District Contributions

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



Supplementary Information
June 30, 2021

Las Virgenes Unified School District

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through Ventura County SELPA			
Special Education Cluster			
Special Education Grant to States - Basic			
Local Assistance	84.027	13379	\$ 2,201,099
Total Special Education Cluster			<u>2,201,099</u>
Passed Through California Department of Education (CDE)			
Education Stabilization Fund (ESF)			
COVID-19 Elementary and Secondary School			
Emergency Relief (ESSER) Fund	84.425D	15536	378,660
COVID-19 COVID CARES Act Supplemental Meal			
Reimbursement	84.425D	15535	41,957
COVID-19 Governor's Emergency Education Relief (GEER)			
Fund: Learning Loss Mitigation	84.425C	15517	541,893
Subtotal			<u>962,510</u>
Tital I Grants to Local Educational Agencies	84.010	14329	891,306
Supporting Effective Instruction State Grants	84.367	14341	108,867
English Language Acquisition State Grants	84.365	14346	72,027
Student Support and Academic Enrichment			
Program	84.424	15396	54,270
Career and Technical Education - Basic Grants			
to States	84.048	14894	46,642
Rehabilitation Services - Vocational Rehabilitation			
Grants to States	84.126	10006	148,290
Total U.S. Department of Education			<u>4,485,011</u>
U.S. Department of Treasury			
Passed Through CDE			
COVID-19 Coronavirus Relief Fund (CRF): Learning			
Loss Mitigation	21.019	25516	2,590,251
Total U.S. Department of Treasury			<u>2,590,251</u>
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program, Section 11	10.555	13524	873,787
National School Lunch Program, Section 4	10.555	13523	17,428
National Lunch Program, Commodities	10.555	13396	247,582
Subtotal			<u>1,138,797</u>
School Breakfast Program - Basic	10.553	13525	392,217
School Breakfast Program - Especially Needy	10.553	13526	90,188
Subtotal			<u>482,405</u>
Total Child Nutrition Cluster			<u>1,621,202</u>
Total U.S. Department of Agriculture			<u>1,621,202</u>
Total Expenditures of Federal Awards			<u>\$ 8,696,464</u>

ORGANIZATION

The Las Virgenes Unified School District (the District) was unified in 1962 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates eight elementary, one alternative K-8 school, three middle and two comprehensive high schools. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Angela Cutbill	President	2022
Dallas Lawrence	Vice President	2022
Linda Menges	Clerk	2024
Lesli Stein	Member	2022
Kate Vadehra, M.D.	Member	2024

ADMINISTRATION

Dan Stepenosky, Ed.D.	Superintendent
Clara Finneran, Ed.D.	Assistant Superintendent, Education
Karen Kimmel	Assistant Superintendent, Business Services
Steve Scifres, Ed.D	Assistant Superintendent, Personnel

Las Virgenes Unified School District

Schedule of Instructional Time

Year Ended June 30, 2021

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

Las Virgenes Unified School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2021

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2021.

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

	(Budget) 2022 ¹	2021	2020	2019
General Fund				
Revenues	\$ 121,977,427	\$ 133,481,149	\$ 120,940,545	\$ 124,212,123
Other sources	145,954	-	-	-
Total revenues and other sources	<u>122,123,381</u>	<u>133,481,149</u>	<u>120,940,545</u>	<u>124,212,123</u>
Expenditures	132,085,573	120,944,069	121,967,203	123,074,963
Other uses and transfers out	<u>930,000</u>	<u>865,000</u>	<u>1,000,000</u>	<u>893,752</u>
Total expenditures and other uses	<u>133,015,573</u>	<u>121,809,069</u>	<u>122,967,203</u>	<u>123,968,715</u>
Increase/(Decrease) in Fund Balance	<u>(10,892,192)</u>	<u>11,672,080</u>	<u>(2,026,658)</u>	<u>243,408</u>
Ending Fund Balance	<u>\$ 28,432,401</u>	<u>\$ 39,324,593</u>	<u>\$ 27,652,513</u>	<u>\$ 29,679,171</u>
Available Reserves ²	<u>\$ 21,957,786</u>	<u>\$ 25,353,678</u>	<u>\$ 22,490,094</u>	<u>\$ 21,085,023</u>
Available Reserves as a Percentage of Total Outgo	<u>16.51%</u>	<u>20.81%</u>	<u>18.30%</u>	<u>17.00%</u>
Long-Term Liabilities	<u>N/A</u>	<u>\$ 356,782,085</u>	<u>\$ 346,119,708</u>	<u>\$ 354,811,892</u>
K-12 Average Daily Attendance at P-2	<u>9,753</u>	<u>10,420</u>	<u>10,420</u>	<u>10,677</u>

The General Fund balance has increased by \$9,645,422 over the past two years. The fiscal year 2021-2022 budget projects a decrease of \$10,892,192 (27.7%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2021-2022 fiscal year. Total long-term liabilities have increased by \$1,970,193 over the past two years.

Average daily attendance has decreased by 257 over the past two years. Additional decline of 667 ADA is anticipated during fiscal year 2021-2022.

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

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

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

	Student Activity Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total Non-Major Governmental Funds
Assets					
Deposits and investments	\$ 1,225,856	\$ 280,262	\$ 1,832,901	\$ 8,277,776	\$ 11,616,795
Receivables	9,864	92,081	3,654	17,231	122,830
Prepaid expenditures	18,140	-	-	-	18,140
Stores inventories	45,367	44,764	-	-	90,131
Total assets	<u>\$ 1,299,227</u>	<u>\$ 417,107</u>	<u>\$ 1,836,555</u>	<u>\$ 8,295,007</u>	<u>\$ 11,847,896</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 30,836	\$ 314,783	\$ 1,430	\$ 347,049
Unearned revenue	-	169,918	-	-	169,918
Total liabilities	<u>-</u>	<u>200,754</u>	<u>314,783</u>	<u>1,430</u>	<u>516,967</u>
Fund Balances					
Nonspendable	63,507	48,639	-	-	112,146
Restricted	1,235,720	167,714	1,521,772	8,293,577	11,218,783
Total fund balances	<u>1,299,227</u>	<u>216,353</u>	<u>1,521,772</u>	<u>8,293,577</u>	<u>11,330,929</u>
Total liabilities and fund balances	<u>\$ 1,299,227</u>	<u>\$ 417,107</u>	<u>\$ 1,836,555</u>	<u>\$ 8,295,007</u>	<u>\$ 11,847,896</u>

Las Virgenes Unified School District

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

	Student Activity Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total Non-Major Governmental Funds
Revenues					
Federal sources	\$ -	\$ 1,663,159	\$ -	\$ -	\$ 1,663,159
Other State sources	-	124,896	-	-	124,896
Other local sources	549,353	20,567	97,592	420,878	1,088,390
Total revenues	549,353	1,808,622	97,592	420,878	2,876,445
Expenditures					
Current					
Pupil services					
Food services	-	1,732,175	-	-	1,732,175
Administration					
All other administration	-	72,117	-	28,314	100,431
Plant services	-	-	459,428	-	459,428
Ancillary services	542,860	-	-	-	542,860
Facility acquisition and construction	-	-	210,180	75,323	285,503
Debt service					
Principal	-	-	-	451,301	451,301
Total expenditures	542,860	1,804,292	669,608	554,938	3,571,698
Excess (Deficiency) of Revenues Over Expenditures	6,493	4,330	(572,016)	(134,060)	(695,253)
Other Financing Sources (Uses)					
Transfers in	-	-	865,000	-	865,000
Net Change in Fund Balances	6,493	4,330	292,984	(134,060)	169,747
Fund Balance - Beginning, as restated	1,292,734	212,023	1,228,788	8,427,637	11,161,182
Fund Balance - Ending	\$ 1,299,227	\$ 216,353	\$ 1,521,772	\$ 8,293,577	\$ 11,330,929

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Las Virgenes Unified School District (the District) under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Las Virgenes Unified School District, it is not intended to and does not present the financial position or changes in fund balance of Las Virgenes Unified School District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

The District does not draw for indirect administrative expenses and has not elected to use the ten percent de minimus cost rate.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District did not report any commodities inventory.

SEFA Reconciliation

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist District received Qualified School Construction Bonds – Interest Subsidy funds which are not required to be reported on the Schedule of Expenditure of Federal Awards. In addition, Elementary and Secondary Schools Emergency Relief (ESSER) Fund and Coronavirus Relief Fund (CRF) were recorded as expenditures in the previous period but recorded as revenues in the current period.

	Federal Financial Assistance Listing/Federal CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures, and Changes in Fund Balances		\$ 9,877,464
Federal interest subsidy	N/A	(326,207)
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	(163,615)
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	(691,178)
Total schedule of expenditures of federal awards		<u>\$ 8,696,464</u>

Local Education Agency Organization Structure

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

Schedule of Instructional Time

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

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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



Independent Auditor's Reports
June 30, 2021

Las Virgenes Unified School District



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

To the Board of Directors
Las Virgenes Unified School District
Calabasas, California

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

Emphasis of Matter – Change in Accounting Principles

As discussed in Notes 1 and 15 to the financial statements, Las Virgenes Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

As discussed in Note 15, the District's prior-year governmental activities net position and fund balance for the Cafeteria Fund have been restated as of July 1, 2020 to reclassify the District's previously reported enterprise fund as governmental fund based on management's evaluation and assessment on the nature of the current and anticipated revenues. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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.

Handwritten signature of Erik Bailly in cursive script.

Rancho Cucamonga, California
December 6, 2021



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

To the Board of Directors
Las Virgenes Unified School District
Calabasas, California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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



Rancho Cucamonga, California
December 6, 2021



Independent Auditor's Report on State Compliance

To the Board of Directors
Las Virgenes Unified School District
Calabasas, California

Report on State Compliance

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Compliance Requirements Tested

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

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

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

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

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

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

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

Unmodified Opinion

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

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

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

Rancho Cucamonga, California
December 6, 2021



Schedule of Findings and Questioned Costs
June 30, 2021

Las Virgenes Unified School District

Financial Statements

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

Federal Awards

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

Identification of major programs

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing/ Federal CFDA Number</u>
Education Stabilization Fund (ESF)	84.425, 84.425C & 84.425D
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019
Child Nutrition Cluster	10.555 & 10.553
Tital I Grants to Local Educational Agencies	84.010
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

State Compliance

Type of auditor's report issued on compliance for programs	Unmodified
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None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.