

WISEBURN UNIFIED SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2021



WISEBURN UNIFIED SCHOOL DISTRICT
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JUNE 30, 2021

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
Wiseburn Unified School District
El Segundo, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wiseburn 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 described in Note 15 to the basic financial statements, the Wiseburn Unified School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which established accounting and financial reporting standards for the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2022 on our consideration of Wiseburn Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wiseburn 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 Wiseburn Unified School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
January 5, 2022

WISEBURN UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

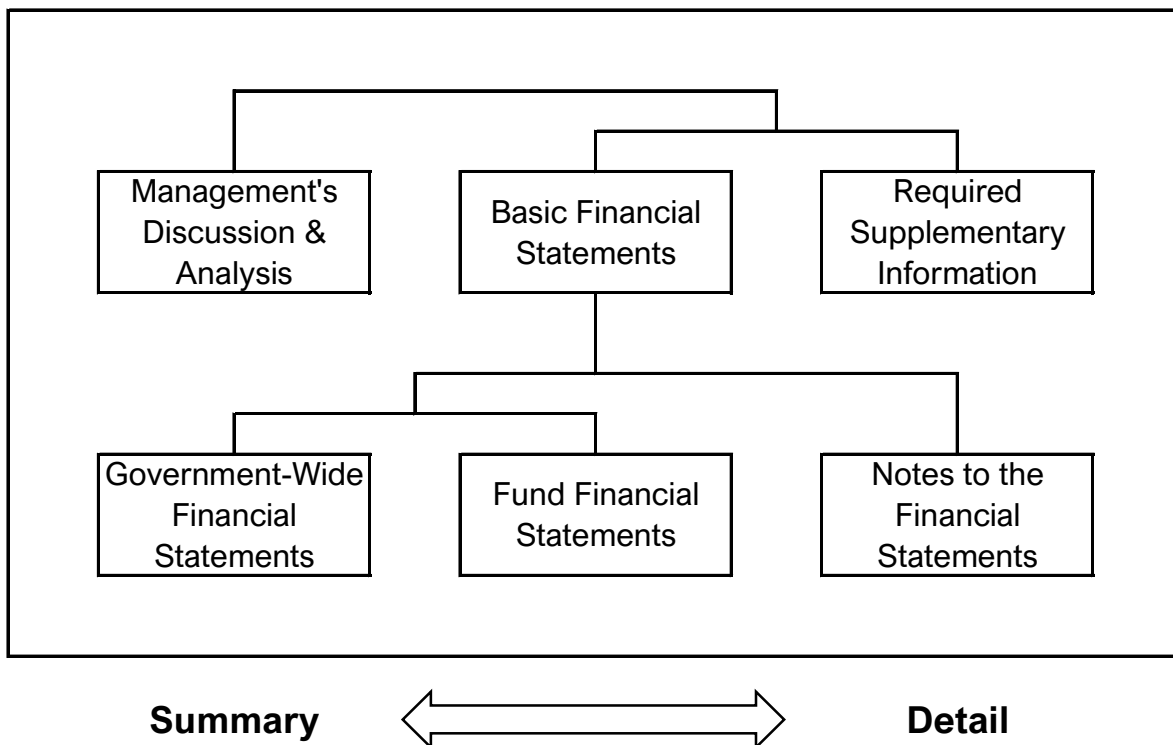
Our discussion and analysis of Wiseburn Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2021, total net position was \$29,538,672 for governmental activities and \$(2,475,624) for business-type activities. This was a decrease of \$18,107,401 from the prior year, after restatement for governmental activities and a decrease of \$35,057 from the prior year for business-type activities.
- For governmental activities, expenses were \$61,112,064, which exceeded revenues of \$43,004,663.
- The District accounts for the Wiseburn Child Development Center within business-type activities. Overall expenses for business-type activities were \$39,741, which exceeded total revenues of \$4,684.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**WISEBURN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

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

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
 - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

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

Government-Wide Statements

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

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

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

**WISEBURN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was \$27,063,048 at June 30, 2021, as reflected separately among governmental and business-type activities in the table below. Of this amount, \$(84,483,802) was unrestricted for governmental activities and \$(2,475,624) was unrestricted for business-type activities. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities			Business-Type Activities		
	2021	2020	Net Change	2021	2020	Net Change
ASSETS						
Current and other assets	\$ 32,225,981	\$ 27,770,879	\$ 4,455,102	\$ 84,429	\$ 258,655	\$ (174,226)
Capital assets	217,492,204	232,571,359	(15,079,155)	-	-	-
Total Assets	249,718,185	260,342,238	(10,624,053)	84,429	258,655	(174,226)
DEFERRED OUTFLOWS OF RESOURCES						
	18,323,547	19,064,102	(740,555)	357,960	355,737	2,223
LIABILITIES						
Current liabilities	19,666,245	16,304,333	3,361,912	62,795	210,275	(147,480)
Long-term liabilities	217,739,112	213,822,406	3,916,706	2,835,654	2,824,920	10,734
Total Liabilities	237,405,357	230,126,739	7,278,618	2,898,449	3,035,195	(136,746)
DEFERRED INFLOWS OF RESOURCES						
	1,097,703	1,672,575	(574,872)	19,564	19,754	(190)
NET POSITION						
Net investment in capital assets	102,298,747	111,335,940	(9,037,193)	-	-	-
Restricted	11,723,727	11,764,009	(40,282)	-	-	-
Unrestricted	(84,483,802)	(75,492,923)	(8,990,879)	(2,475,624)	(2,440,567)	(35,057)
Total Net Position	\$ 29,538,672	\$ 47,607,026	\$(18,068,354)	\$ (2,475,624)	\$ (2,440,567)	\$ (35,057)

**WISEBURN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

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

As shown separately among governmental and business-type activities in the table below, the District's total combined revenues were \$43,009,347. Program revenues from grants and contributions were approximately 17% of the District's total revenues for 2020-21. Revenues from local control funding formula state aid and property taxes were 81% and miscellaneous local sources were 1%. Charges for services accounted for the remaining 1%.

	Governmental Activities			Business-Type Activities		
	2021	2020	Net Change	2021	2020	Net Change
REVENUES						
Program revenues						
Charges for services	\$ 439,665	\$ 27,869	\$ 411,796	\$ 3,701	\$ 1,732,497	\$ (1,728,796)
Operating grants and contributions	7,475,961	5,638,401	1,837,560	-	2,831	(2,831)
General revenues						
Property taxes	28,283,741	28,043,840	239,901	-	-	-
Unrestricted federal and state aid	6,306,719	8,953,512	(2,646,793)	-	-	-
Other	498,577	1,066,309	(567,732)	983	4,351	(3,368)
Total Revenues	43,004,663	43,729,931	(725,268)	4,684	1,739,679	(1,734,995)
EXPENSES						
Instruction	19,682,746	18,692,656	990,090	-	-	-
Instruction-related services	4,086,934	3,302,380	784,554	-	-	-
Pupil services	3,807,810	3,274,452	533,358	-	-	-
General administration	3,896,315	3,035,255	861,060	-	-	-
Plant services	3,152,951	2,357,025	795,926	-	-	-
Ancillary and community services	42,199	55,663	(13,464)	-	-	-
Debt service	10,494,170	8,900,013	1,594,157	-	-	-
Other outgo	162,311	1,936,187	(1,773,876)	-	-	-
Depreciation	15,786,628	4,852,521	10,934,107	-	-	-
Other	-	2,338	(2,338)	39,741	2,378,180	(2,338,439)
Total Expenses	61,112,064	46,408,490	14,703,574	39,741	2,378,180	(2,338,439)
Transfers & special items	-	(315,000)	315,000	-	315,000	(315,000)
Change in net position	(18,107,401)	(2,993,559)	(15,113,842)	(35,057)	(323,501)	288,444
Net Position - Beginning, as Restated*	47,646,073	50,600,585	(2,954,512)	(2,440,567)	(2,117,066)	(323,501)
Net Position - Ending	\$ 29,538,672	\$ 47,607,026	\$(18,068,354)	\$ (2,475,624)	\$ (2,440,567)	\$ (35,057)

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

The total cost of all programs and services was \$61,151,805, as shown separately among governmental and business-type activities in the table above. The District's expenses are predominately related to educating and caring for students 39%. The costs associated with debt services, such as interest on long-term liabilities, accounted for 17%. Pupil services (including transportation and food) account for 6% of total expenses. Administrative activities accounted for another 6% of total expenses. Plant services, which represent the facilities maintenance and operations costs, account for 5% of the District's total expenses. The remaining expenses were for enterprise activities, ancillary, and community services, and other outgo 27%.

**WISEBURN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

The cost of all our governmental activities this year was \$61,112,064. The net cost of those services was \$53,196,438. The cost paid by other governments and organizations who subsidized certain programs with grants and contributions was \$7,475,961. In addition, the District also recognized \$439,665 in program revenue from charges for services. The table below presents the net cost of services for each of the District's functions. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2021	2020
Instruction	\$ 14,700,068	\$ 15,957,804
Instruction-related services	3,540,016	3,070,707
Pupil services	1,642,371	2,351,593
General administration	3,847,374	3,034,563
Plant services	3,036,477	2,308,772
Ancillary and community services	42,199	55,602
Debt service	10,494,170	7,173,860
Transfers to other agencies	107,135	1,936,187
Depreciation	15,786,628	4,852,521
Enterprise activities	-	611
Total Expenses	\$ 53,196,438	\$ 40,742,220

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$21,465,243, which is more than this year's restated beginning fund balance of \$19,884,567. The District's General Fund had \$1,813,333 more in operating revenues than expenditures for the year ended June 30, 2021. The District's Bond Interest and Redemption Fund had \$616,488 less in operating revenues than expenditures for the year ended June 30, 2021.

CURRENT YEAR BUDGET 2020-2021

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

**WISEBURN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2020-2021, the District had invested \$217,492,204 in capital assets, net of accumulated depreciation. Capital assets for governmental activities included land improvements, buildings, and as well as non-depreciable assets such as land and construction in progress. There were no capital assets for business-type activities as of June 30, 2021. Total depreciation expense for the year was \$15,786,628.

	Governmental Activities		
	2021	2020	Net Change
CAPITAL ASSETS			
Land	\$ 27,335,988	\$ 27,335,988	\$ -
Construction in progress	333,040	239,580	93,460
Land improvements	6,697,334	6,440,828	256,506
Buildings & improvements	228,941,663	228,867,363	74,300
Furniture & equipment	2,110,404	1,827,197	283,207
Accumulated depreciation	(47,926,225)	(32,139,597)	(15,786,628)
Total Capital Assets	\$ 217,492,204	\$ 232,571,359	\$(15,079,155)

Long-Term Liabilities

At the end of 2020-2021, the District had \$220,574,766 in combined long-term liabilities as shown separately among governmental and business-type activities in the table below. This was an increase of roughly 1.81% from last year that is mainly attributed to the total OPEB liability. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

	Governmental Activities			Business-Type Activities		
	2021	2020	Net Change	2021	2020	Net Change
LONG-TERM LIABILITIES						
Total general obligation bonds	\$ 176,911,142	\$ 178,449,119	\$ (1,537,977)	\$ -	\$ -	\$ -
Compensated absences	179,980	179,630	350	-	-	-
Total OPEB liability	10,968,891	10,396,665	572,226	-	-	-
Net pension liability	35,960,890	31,224,218	4,736,672	2,835,654	2,824,930	10,724
Less: current portion of long-term liabilities	(6,281,791)	(6,427,226)	145,435	-	-	-
Total Long-term Liabilities	\$ 217,739,112	\$ 213,822,406	\$ 3,916,706	\$ 2,835,654	\$ 2,824,930	\$ 10,724

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

**WISEBURN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

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

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

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

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

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

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District's business office at (310) 725-2101 or 201 North Douglas Street, El Segundo, CA 90245.

WISEBURN UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 26,996,896	\$ 83,676	\$ 27,080,572
Accounts receivable	5,113,139	753	5,113,892
Inventory	25,115	-	25,115
Other current assets	90,831	-	90,831
Capital assets, not depreciated	27,669,028	-	27,669,028
Capital assets, net of accumulated depreciation	189,823,176	-	189,823,176
Total Assets	249,718,185	84,429	249,802,614
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	8,402,248	357,960	8,760,208
Deferred outflows related to OPEB	4,183,024	-	4,183,024
Deferred amount on refunding	5,738,275	-	5,738,275
Total Deferred Outflows of Resources	18,323,547	357,960	18,681,507
LIABILITIES			
Accrued liabilities	8,019,224	1,370	8,020,594
Current loans	5,000,000	-	5,000,000
Unearned revenue	365,230	61,425	426,655
Long-term liabilities, current portion	6,281,791	-	6,281,791
Long-term liabilities, non-current portion	217,739,112	2,835,654	220,574,766
Total Liabilities	237,405,357	2,898,449	240,303,806
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,097,703	19,564	1,117,267
Total Deferred Inflows of Resources	1,097,703	19,564	1,117,267
NET POSITION			
Net investment in capital assets	102,298,747	-	102,298,747
Restricted:			
Capital projects	630,297	-	630,297
Debt service	8,002,505	-	8,002,505
Educational programs	2,927,123	-	2,927,123
Food service	110,748	-	110,748
Associated student body	53,054	-	53,054
Unrestricted	(84,483,802)	(2,475,624)	(86,959,426)
Total Net Position	\$ 29,538,672	\$ (2,475,624)	\$ 27,063,048

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

**WISEBURN UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 19,682,746	\$ 277,882	\$ 4,704,796	\$ (14,700,068)	
Instruction-related services					
Instructional supervision and administration	1,046,076	56,390	218,053	(771,633)	
Instructional library, media, and technology	768,138	343	28,640	(739,155)	
School site administration	2,272,720	22,262	221,230	(2,029,228)	
Pupil services					
Home-to-school transportation	18,476	3,128	4,547	(10,801)	
Food services	823,583	42,240	855,906	74,563	
All other pupil services	2,965,751	24,042	1,235,576	(1,706,133)	
General administration					
Centralized data processing	55,904	-	-	(55,904)	
All other general administration	3,840,411	5,408	43,533	(3,791,470)	
Plant services	3,152,951	7,970	108,504	(3,036,477)	
Community services	42,199	-	-	(42,199)	
Interest on long-term debt	10,494,170	-	-	(10,494,170)	
Other outgo	162,311	-	55,176	(107,135)	
Depreciation (unallocated)	15,786,628	-	-	(15,786,628)	
Total Governmental Activities	\$ 61,112,064	\$ 439,665	\$ 7,475,961	(53,196,438)	
BUSINESS-TYPE ACTIVITIES					
Enterprise activities	39,741	3,701	-		\$ (36,040)
Total Business-Type Activities	39,741	3,701	-		(36,040)
Total School District	\$ 61,151,805	\$ 443,366	\$ 7,475,961		\$ (53,232,478)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes				15,540,973	- 15,540,973
Property taxes, levied for debt service				10,313,600	- 10,313,600
Property taxes, levied for other specific purposes				2,429,168	- 2,429,168
Federal and state aid not restricted for specific purposes				6,306,719	- 6,306,719
Interest and investment earnings				175,291	983 176,274
Interagency revenues				307,129	- 307,129
Miscellaneous				16,157	- 16,157
Subtotal, General Revenue				35,089,037	983 35,090,020
CHANGE IN NET POSITION				(18,107,401)	(35,057) (18,142,458)
Net Position - Beginning, as Restated				47,646,073	(2,440,567) 45,205,506
Net Position - Ending				\$ 29,538,672	\$ (2,475,624) \$ 27,063,048

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

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

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 15,239,387	\$ 10,626,221	\$ 1,131,288	\$ 26,996,896
Accounts receivable	5,034,049	-	79,090	5,113,139
Stores inventory	25,115	-	-	25,115
Other current assets	90,831	-	-	90,831
Total Assets	\$ 20,389,382	\$ 10,626,221	\$ 1,210,378	\$ 32,225,981
LIABILITIES				
Accrued liabilities	\$ 5,326,923	\$ -	\$ 68,585	\$ 5,395,508
Current loans	5,000,000	-	-	5,000,000
Unearned revenue	365,230	-	-	365,230
Total Liabilities	10,692,153	-	68,585	10,760,738
FUND BALANCES				
Nonspendable	32,615	-	-	32,615
Restricted	3,033,231	10,626,221	1,141,793	14,801,245
Assigned	3,158,934	-	-	3,158,934
Unassigned	3,472,449	-	-	3,472,449
Total Fund Balances	9,697,229	10,626,221	1,141,793	21,465,243
Total Liabilities and Fund Balances	\$ 20,389,382	\$ 10,626,221	\$ 1,210,378	\$ 32,225,981

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

WISEBURN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2021

Total Fund Balance - Governmental Funds **\$ 21,465,243**

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 265,418,429	
Accumulated depreciation	<u>(47,926,225)</u>	217,492,204

Deferred amount on refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:

5,738,275

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatrued interest owing at the end of the period was:

(2,623,716)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Total general obligation bonds	\$ 176,911,142	
Compensated absences	179,980	
Total OPEB liability	10,968,891	
Net pension liability	<u>35,960,890</u>	(224,020,903)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources related to pensions	\$ 8,402,248	
Deferred inflows of resources related to pensions	<u>(1,097,703)</u>	7,304,545

Deferred outflows of resources relating to OPEB:

In governmental funds, deferred outflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows of resources relating to OPEB are reported.

Deferred outflows of resources related to OPEB	4,183,024
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Total Net Position - Governmental Activities

\$ 29,538,672

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

**WISEBURN UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	\$ 21,340,100	\$ -	\$ -	\$ 21,340,100
Federal sources	3,056,427	-	703,502	3,759,929
Other state sources	4,602,962	14,648	58,634	4,676,244
Other local sources	3,542,888	10,352,908	402,166	14,297,962
Total Revenues	32,542,377	10,367,556	1,164,302	44,074,235
EXPENDITURES				
Current				
Instruction	18,672,967	-	-	18,672,967
Instruction-related services				
Instructional supervision and administration	947,415	-	-	947,415
Instructional library, media, and technology	520,518	-	-	520,518
School site administration	1,922,622	-	-	1,922,622
Pupil services				
Home-to-school transportation	18,476	-	-	18,476
Food services	134,987	-	675,697	810,684
All other pupil services	2,661,623	-	-	2,661,623
General administration				
Centralized data processing	55,904	-	-	55,904
All other general administration	2,592,193	-	-	2,592,193
Plant services	2,348,420	-	24,131	2,372,551
Facilities acquisition and maintenance	649,916	-	80,643	730,559
Community services	41,692	-	-	41,692
Transfers to other agencies	139,766	-	-	139,766
Debt service				
Principal	-	5,726,404	-	5,726,404
Interest and other	22,545	5,257,640	-	5,280,185
Total Expenditures	30,729,044	10,984,044	780,471	42,493,559
NET CHANGE IN FUND BALANCE	1,813,333	(616,488)	383,831	1,580,676
Fund Balance - Beginning, as Restated	7,883,896	11,242,709	757,962	19,884,567
Fund Balance - Ending	\$ 9,697,229	\$ 10,626,221	\$ 1,141,793	\$ 21,465,243

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

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

Net Change in Fund Balances - Governmental Funds **\$ 1,580,676**

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

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$	707,473	
Depreciation expense:		(15,786,628)	(15,079,155)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

5,726,404

Deferred amounts on refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:

(376,135)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

(671,968)

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(4,889,250)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(350)

(Continued on the following page)

**WISEBURN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2021**

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: (907,249)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: (4,191,197)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 700,823

Change in Net Position of Governmental Activities

\$ (18,107,401)

**WISEBURN UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

	Business-Type Activities
	Wiseburn Child Development Center
ASSETS	
Current assets	
Cash and investments	\$ 83,676
Accounts receivable	753
Total current assets	84,429
Total Assets	84,429
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	357,960
Total Deferred Outflows of Resources	357,960
LIABILITIES	
Current liabilities	
Accrued liabilities	1,370
Unearned revenue	61,425
Total current liabilities	62,795
Non-current liabilities	
Net pension liability	2,835,654
Total non-current liabilities	2,835,654
Total Liabilities	2,898,449
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	19,564
Total Deferred Inflows of Resources	19,564
NET POSITION	
Unrestricted	(2,475,624)
Total Net Position	\$ (2,475,624)

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

**WISEBURN UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities
	Wiseburn Child Development Center
OPERATING REVENUES	
Charges for services	\$ 3,701
Total operating revenues	<u>3,701</u>
OPERATING EXPENSES	
Salaries and benefits	38,968
Supplies and materials	262
Professional services	511
Total operating expenses	<u>39,741</u>
Operating income/(loss)	<u>(36,040)</u>
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	983
Total non-operating revenues/(expenses)	<u>983</u>
CHANGE IN NET POSITION	(35,057)
Net Position - Beginning	<u>(2,440,567)</u>
Net Position - Ending	<u>\$ (2,475,624)</u>

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

**WISEBURN UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities
	Wiseburn Child Development Center
Cash flows from operating activities	
Cash received from user charges	\$ 3,701
Cash received (paid) from assessments made to (from) other funds	(107,042)
Cash payments for payroll, insurance, and operating costs	(60,960)
Net cash provided by (used for) operating activities	(164,301)
Cash flows from investing activities	
Interest received	983
Net cash provided by (used for) investing activities	983
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(163,318)
CASH AND CASH EQUIVALENTS	
Beginning of year	246,993
End of year	\$ 83,676
Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	\$ (36,040)
Changes in assets and liabilities:	
(Increase) decrease in accounts receivables	10,908
(Increase) decrease in deferred outflows related to pensions	(2,223)
Increase (decrease) in accrued liabilities	(29,530)
Increase (decrease) in unearned revenue	(117,950)
Increase (decrease) in net pension liability	10,724
Increase (decrease) in deferred inflows related to pensions	(190)
Net cash provided by (used for) operating activities	\$ (164,301)

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

During a local election on November 5, 2013, Measure W was proposed by the Wiseburn School District and the District voters approved the formation of the Wiseburn Unified School District, whereas the District was reorganized to form a unified school district covering territory formerly covered by the Centinela Valley Union High School District. Following the unification, effective July 1, 2014, the Wiseburn School District began operation as the Wiseburn Unified School District.

The District operates under a locally elected Board form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

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

C. Other Related Entities

Education Foundation

The District receives local contributions from the Wiseburn Education Foundation (the “Foundation”). The Foundation is a tax-exempt organization under IRS code section 501(c)(3) with the primary exempt purpose to provide additional financial support to the Wiseburn Unified School District. The relationship between the District and the Foundation is such that the Foundation is not a component unit of the District for financial reporting purposes. The Foundation is governed by a five-member board comprised of parents and other individual supporters of the District whom do not currently serve on the District governing board.

Joint Power Authority (JPA)

The District is exposed to various loss related: torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District participates in JPAs to manage these risks. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs are governed by boards consisting of representatives from the member agencies. These boards control the operations of the JPAs, including selection of management and approval of budgets, independent of any influence by the member agencies beyond their representation on the board. Each district pays premiums commensurate with the level of coverage or service requested, and shares surpluses and deficits proportionate to its participation in the JPAs.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation

Government-Wide Statements

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

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

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its proprietary funds. Separate statements for each fund category – governmental and proprietary– are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

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 District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Major Governmental Funds

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

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation (continued)

Non-Major Governmental Funds

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

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

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

Building Fund: This 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. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

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

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

Proprietary Funds

Enterprise Funds: Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Wiseburn Child Development Fund: The childcare and preschool program may be accounted for using an enterprise fund rather than a special revenue child development fund, because the primary source of financing comes from local fees and contracts rather than federal and state program revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting – Measurement Focus

Government-Wide and Proprietary Fund Financial Statements

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

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

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

Governmental Funds

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

Revenues – Exchange and Non-Exchange Transactions

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting – Measurement Focus (continued)

Unearned Revenue

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

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

Expenses/Expenditures

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

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

Cash and Cash Equivalents

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

Inventories

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	25-50 years
Furniture and Equipment	15-20 years
Vehicles	8 years

Compensated Absences

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

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

Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Postemployment Benefits Other Than Pensions (OPEB) (continued)

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

Interfund Balances

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

Premiums and Discounts

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

Deferred Outflows/Deferred Inflows of Resources

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

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

Pensions

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance

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

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

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

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

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

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

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. 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. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

H. 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.

I. Budgetary Data

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

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

J. Property Tax

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. New Accounting Pronouncements

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

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

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

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

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This standard's primary objectives are to increase consistency and comparability related to reporting fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The statement is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

Cash and cash equivalents at June 30, 2021 consisted of the following:

	Governmental Activities	Business-Type Activities
Investment in county treasury	\$ 26,924,014	\$ 74,070
Cash on hand and in banks	65,382	9,606
Cash in revolving fund	7,500	-
Total	\$ 26,996,896	\$ 83,676

B. Policies and Practices

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

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

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

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$26,846,609 and an amortized book value of \$26,998,084 for governmental and business-type activities. The average weighted maturity for this pool is 1,045 days.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS (continued)

D. Credit Risk

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

E. General Authorizations

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

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

F. Custodial Credit Risk – Deposits

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS (continued)

G. Fair Value

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

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

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

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

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

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

	Uncategorized
Investment in county treasury	\$ 26,846,609
Total	\$ 26,846,609

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund	Non-Major Governmental Funds	Governmental Activities	Business-Type Activities
Federal Government				
Categorical aid	\$ 1,403,127	\$ 69,042	\$ 1,472,169	\$ -
State Government				
Apportionment	2,227,122	-	2,227,122	-
Categorical aid	618,332	5,687	624,019	-
Lottery	167,750	-	167,750	-
Local Government				
Other local sources	617,718	4,361	622,079	753
Total	\$ 5,034,049	\$ 79,090	\$ 5,113,139	\$ 753

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 27,335,988	\$ -	\$ -	\$ 27,335,988
Construction in progress	239,580	93,460	-	333,040
Total Capital Assets not Being Depreciated	27,575,568	93,460	-	27,669,028
Capital assets being depreciated				
Land improvements	6,440,828	256,506	-	6,697,334
Buildings & improvements	228,867,363	74,300	-	228,941,663
Furniture & equipment	1,827,197	283,207	-	2,110,404
Total Capital Assets Being Depreciated	237,135,388	614,013	-	237,749,401
Less Accumulated Depreciation				
Land improvements	2,690,501	7,177,485	-	9,867,986
Buildings & improvements	28,193,033	8,489,663	-	36,682,696
Furniture & equipment	1,256,063	119,480	-	1,375,543
Total Accumulated Depreciation	32,139,597	15,786,628	-	47,926,225
Governmental Activities				
Capital Assets, net	\$ 232,571,359	\$ (15,079,155)	\$ -	\$ 217,492,204

Total depreciation for the year ended June 30, 2021 amounted to \$15,786,628 and remains unallocated among any function or program within the Change in Net Position of Governmental Activities.

NOTE 5 – ACCRUED LIABILITIES

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

	General Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities	Business-Type Activities
Payroll	\$ 667,575	\$ 3,146	\$ -	\$ 670,721	\$ 1,370
Vendors payable	4,659,348	65,439	-	4,724,787	-
Unmatured interest	-	-	2,623,716	2,623,716	-
Total	\$ 5,326,923	\$ 68,585	\$ 2,623,716	\$ 8,019,224	\$ 1,370

NOTE 6 – UNEARNED REVENUE

Unearned revenue for business-type activities of \$61,425 consisted of prepaid tuition fees for childcare services from the Wiseburn Child Development Center. Unearned revenues for governmental activities consisted of \$365,230 in the General Fund, of which \$15,530 was related to federal sources and \$349,700 to state categorical sources.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 7 – TAX AND REVENUE ANTICIPATION NOTES (TRAN)

In February 2021, the District issued \$5,000,000 of Tax and Revenue Anticipation Notes bearing interest at two percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on December 30, 2021.

NOTE 8 – LONG-TERM LIABILITIES

For governmental activities, a schedule of changes in long-term liabilities for the year ended June 30, 2021 consisted of the following:

	Balance July 01, 2020	Additions	Deductions	Balance June 30, 2021	Balance Due In One Year
Governmental Activities					
General obligation bonds	\$ 121,494,190	\$ -	\$ 5,726,404	\$ 115,767,786	\$ 5,580,968
Unamortized premium	6,265,517	-	700,823	5,564,694	700,823
Accreted interest	50,689,412	7,017,846	2,128,596	55,578,662	-
Total general obligation bonds	178,449,119	7,017,846	8,555,823	176,911,142	6,281,791
Compensated absences	179,630	350	-	179,980	-
Total OPEB liability	10,396,665	572,226	-	10,968,891	-
Net pension liability	31,224,218	4,736,672	-	35,960,890	-
Total	\$ 220,249,632	\$ 12,327,094	\$ 8,555,823	\$ 224,020,903	\$ 6,281,791

Additionally, long-term debt activity related to business-type activities for the year ended June 30, 2021 is as follows:

	Balance July 01, 2020	Additions	Deductions	Balance June 30, 2021	Balance Due In One Year
Business-Type Activities					
Net pension liability	\$ 2,824,930	\$ 10,724	\$ -	\$ 2,835,654	\$ -
Total	\$ 2,824,930	\$ 10,724	\$ -	\$ 2,835,654	\$ -

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2021 amounted to \$179,980. This amount is included as part of long-term liabilities in the government-wide financial statements. Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

B. Net Pension Liability

The ending combined net pension liability at June 30, 2021 was \$38,796,544 for the District, which includes \$35,960,890 attributed to governmental activities and \$2,835,654 for business-type activities. See Note 11 for additional information regarding the net pension liability.

C. Other Postemployment Benefits

The District's beginning total OPEB liability was \$10,396,665 and increased by \$572,226 during the year ended June 30, 2021. The ending total OPEB liability at June 30, 2021 was \$10,968,891. See Note 10 for additional information regarding the total OPEB liability.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 8 – LONG-TERM LIABILITIES (continued)

D. General Obligation Bonds

Payments for bonds associated with general obligation bonds are made in the Bond Interest and Redemption Fund. The outstanding bonded debt of Wiseburn Unified School District at June 30, 2021 is as follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds	
					Outstanding July 01, 2020	Additions	Deductions	Outstanding June 30, 2021	
1997A	8/1/1997	8/1/2022	4.5 - 6.875%	\$ 10,996,021	\$ 2,621,057	\$ 1,106,146	\$ 960,000	\$ 2,767,203	
1999A	8/1/1999	8/1/2024	3.8 - 6.0%	3,103,182	3,837,668	220,862	425,000	3,633,530	
2000A	11/15/2000	8/1/2025	3.75 - 5.25%	23,817,574	3,872,993	354,392	-	4,227,385	
2001	11/14/2001	8/1/2026	3.75 - 5.25%	11,181,598	11,555,414	622,083	965,000	11,212,497	
2007A	8/23/2007	8/1/2032	4.0 - 5.0%	20,056,687	26,270,707	1,405,808	-	27,676,515	
2008A	9/4/2008	8/1/2033	3.0 - 4.5%	12,540,713	13,630,781	840,091	-	14,470,872	
2010A	12/29/2010	8/1/2025	5.75%	10,942,983	1,571,986	159,691	280,000	1,451,677	
2011B	5/4/2011	8/1/2036	5.25 - 5.625%	33,440,410	25,377,456	1,857,537	470,000	26,764,993	
2012C	12/27/2012	8/1/2038	3.0 - 5.0%	37,605,135	34,245,540	451,236	1,310,000	33,386,776	
2013D	12/20/2013	8/1/2033	2.0 - 5.0%	5,325,000	4,700,000	-	170,000	4,530,000	
2015A Refunding	2/25/2015	8/1/2026	2.0 - 5.0%	5,590,000	5,065,000	-	175,000	4,890,000	
2015B Refunding	5/5/2015	8/1/2021	2.0 - 5.0%	14,585,000	3,955,000	-	2,265,000	1,690,000	
2016 Refunding	5/31/2016	8/1/2041	2.0 - 5.0%	37,280,000	35,480,000	-	835,000	34,645,000	
General obligation bonds					172,183,602	7,017,846	7,855,000	171,346,448	
Unamortized premium					6,265,517	-	700,823	5,564,694	
Total					\$ 172,183,602	\$ 7,017,846	\$ 7,855,000	\$ 176,911,142	

Election of 1997

On March 4, 1997, the District voters authorized \$14.1 million in General Obligation Bonds under Measure W for the remodeling, new construction and renovations detailed in the facilities plan. On August 1, 1997, the District issued Series 1997A General Obligation Bonds in the amount of \$10,996,021. The issue consists of serial bonds with a stated interest rate ranging between 4.5% and 6.875% and fully maturing on August 1, 2022. At June 30, 2021, the principal balance outstanding was \$2,767,203, which includes \$2,247,336 of accreted interest on the capital appreciation bonds.

On August 1, 1999, the District issued Series 1999A General Obligation Bonds in the amount of \$3,103,182. The issue consists of serial bonds with a stated interest rate ranging between 3.8% and 6.0% and fully maturing on August 1, 2024. At June 30, 2021, the principal balance outstanding was \$3,633,530 which includes \$2,788,259 of accreted interest on the capital appreciation bonds.

Election of 2000

On June 6, 2000, the District voters authorized \$35 million in General Obligation Bonds under Measure E for the remodeling, new construction and renovations detailed in the facilities plan. On November 15, 2000, the District issued 2000 Series A General Obligation Bonds in the amount of \$23,817,574. The issue consists of serial bonds with a stated interest rate ranging between 3.75% and 5.25% and fully maturing on August 1, 2025. At June 30, 2021, the principal balance outstanding was \$4,227,385, which includes \$3,474,811 of accreted interest on the capital appreciation bonds.

On November 14, 2001, the District issued Series 2001 General Obligation Bonds in the amount of \$11,181,598. The issue consists of serial bonds with a stated interest rate ranging between 3.75% and 5.25% and fully maturing on August 1, 2026. At June 30, 2021, the principal balance outstanding was \$11,212,497 which includes \$7,573,202 of accreted interest on the capital appreciation bonds.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 8 – LONG-TERM LIABILITIES (continued)

D. General Obligation Bonds (continued)

Election of 2007

Under a special election on June 12, 2007, the District voters authorized \$32.6 million in General Obligation Bonds under Measure A to construct, acquire, and improve District facilities. On August 23, 2007, the District issued 2007 Series A General Obligation Bonds in the amount of \$20,056,687. The issue consists of serial bonds with a stated interest rate ranging between 4.0% and 5.0% and fully maturing on August 1, 2032. A portion of this bond was defeased during 2014-15 (refer to comments on Refunding 2015A & B). At June 30, 2021, the principal balance outstanding was \$27,676,515, which includes \$13,939,828 of accreted interest on the capital appreciation bonds.

On September 4, 2008, the District issued 2008 Series A General Obligation Bonds in the amount of \$12,540,713. The issue consists of serial bonds with a stated interest rate ranging between 3.0% and 4.5% and fully maturing on August 1, 2033. A portion of this bond was defeased during 2015-16 (refer to comments on Refunding 2016). At June 30, 2021, the principal balance outstanding was \$14,470,872, which includes \$7,580,159 of accreted interest on the capital appreciation bonds.

Election of 2010

On November 2, 2010, the District voters authorized \$87 million in General Obligation Bonds under Measure AA to finance the construction and improvement of District facilities and to build a new high school. On December 29, 2010, the District issued 2010 Series A General Obligation Bonds in the amount of \$10,942,983. The issue consists of serial bonds with a stated interest rate of 5.75% and fully maturing on August 1, 2040. A portion of this bond was defeased during 2015-16 (refer to comments on Refunding 2016), which accelerated the maturity date to August 1, 2025. At June 30, 2021, the principal balance outstanding was \$1,451,677, which includes accreted interest of \$1,029,068.

On May 4, 2011, the District issued 2011 Series B General Obligation Bonds in the amount of \$33,440,410. The issue consists of serial bonds with a stated interest rate ranging between 5.25% and 5.625% and fully maturing on August 1, 2041. A portion of this bond was defeased during 2015-16 (refer to comments on Refunding 2016), which accelerated the maturity date to August 1, 2036. At June 30, 2021, the principal balance outstanding was \$26,764,993, which includes accreted interest of \$13,924,358.

On December 27, 2012, the District issued 2011 Series C General Obligation Bonds in the amount of \$37,605,135. The issue consists of serial bonds with a stated interest rate ranging between 3.0% and 5.0% and fully maturing on August 1, 2038. At June 30, 2021, the principal balance outstanding was \$33,386,776, which includes accreted interest of \$3,021,641.

On December 20, 2013, the District issued 2013 Series D General Obligation Bonds in the amount of \$5,325,000. The issue consists of serial bonds with a stated interest rate ranging between 2.0% and 5.0% and fully maturing on August 1, 2033. At June 30, 2021, the principal balance outstanding was \$4,530,000.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 8 – LONG-TERM LIABILITIES (continued)

D. General Obligation Bonds (continued)

Refunding 2015A & B

On February 25, 2015, the District issued \$20,175,000 of 2015 Series A and Series B General Obligation Refunding Bonds with interest rates ranging from 2.0% to 5.0%. The bonds were issued to refund portions of the District's outstanding bonded debt previously issued from the Refunding 2005 Bonds and Election 2007A general obligation bonds. The 2015 Series A Refunding Bonds fully mature on August 1, 2026 and Series B Refunding Bonds fully mature on August 1, 2021. At June 30, 2021, the principal balance outstanding was \$6,580,000 with \$4,890,000 attributed to 2015A and \$1,690,000 attributed to 2015B. Also, at June 30, 2021, there was a deferred outflow of resources for \$335,156 associated with this refunding.

Refunding 2016

On May 31, 2016, the District issued \$37,280,000 of 2016 General Obligation Refunding Bonds with interest rates ranging from 2.0% to 5.0%. The bonds were issued to refund portions of the District's outstanding bonded debt previously issued from the 2008 Series A, 2010 Series A and 2011 Series B general obligation bonds. The 2016 Refunding Bonds fully mature on August 1, 2041. This refunding reduced total debt service payments by \$2,112,824 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,937,605. At June 30, 2021, the principal balance outstanding was \$34,645,000. Also at June 30, 2021, there was a deferred outflow of resources for \$5,403,119 associated with this refunding.

Future Payments on Bonded Debt

The annual requirements to amortize all general obligation bonds payable, outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 5,580,968	\$ 5,687,626	\$ 11,268,594
2023	4,237,279	5,725,427	9,962,706
2024	4,462,770	7,559,674	12,022,444
2025	4,567,307	8,450,587	13,017,894
2026	5,752,552	7,487,841	13,240,393
2027 - 2031	29,969,393	45,203,056	75,172,449
2032 - 2036	27,277,311	56,968,848	84,246,159
2037 - 2041	17,010,206	28,008,261	45,018,467
2042	16,910,000	253,650	17,163,650
Accretion	55,578,662	(55,578,662)	-
Total	\$ 171,346,448	\$ 109,766,308	\$ 281,112,756

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 9 – FUND BALANCES

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

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	\$ 7,500	\$ -	\$ -	\$ 7,500
Stores inventory	25,115	-	-	25,115
Total non-spendable	32,615	-	-	32,615
Restricted				
Educational programs	2,980,177	-	-	2,980,177
Food service	-	-	110,748	110,748
Associated student body	53,054	-	-	53,054
Capital projects	-	-	1,031,045	1,031,045
Debt service	-	10,626,221	-	10,626,221
Total restricted	3,033,231	10,626,221	1,141,793	14,801,245
Assigned				
Deferred maintenance	538,511	-	-	538,511
Postemployment benefits	2,620,423	-	-	2,620,423
Total assigned	3,158,934	-	-	3,158,934
Unassigned	3,472,449	-	-	3,472,449
Total Fund Balance	\$ 9,697,229	\$ 10,626,221	\$ 1,141,793	\$ 21,465,243

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

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Wiseburn Unified School District substantive plan (the "Plan") is a single employer defined benefit OPEB plan administered by the District. The Plan offers medical, dental, and life insurance as post-employment benefits to eligible employees who retire from the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

B. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below:

Certificated - Retirees aged 55 with at least 15 years of service who were designated as Certificated at retirement are offered a lifetime District contribution of \$4,052 per year for medical coverage. All retirees are eligible for \$50,000 of life insurance coverage before age 65. After age 65, the amount of life insurance provided for all retirees is \$3,000 to age 70.

Classified - Retirees age 50 with at least 15 years of service who were designated as Classified at retirement are offered a lifetime District contribution of \$4,052 per year for medical coverage. All retirees are eligible for \$50,000 of life insurance coverage before age 65. After age 65, the amount of life insurance provided for all retirees is \$3,000 to age 70. Part-time employee's subsidy is pro-rated based on scheduled hours worked.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

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

B. Benefits Provided (continued)

Certificated Management - Retirees age 55 with at least 15 years of service who were designated as Certificated Management at retirement are offered a lifetime District subsidy for employee plus one medical and dental coverage up to the highest rate. All retirees are eligible for \$50,000 of life insurance coverage before age 65. After age 65, the amount of life insurance provided for all retirees is \$3,000 to age 70.

Classified Management - Retirees age 50 with at least 15 years of service who were designated as Classified Management at retirement are offered a lifetime District subsidy for employee plus one medical and dental coverage up to the highest rate. All retirees are eligible for \$50,000 of life insurance coverage before age 65. After age 65, the amount of life insurance provided for all retirees is \$3,000 to age 70.

Confidential - Retirees age 50 with at least 15 years of service who were designated as Classified Management at retirement are offered a lifetime District subsidy for employee plus one medical and dental coverage up to the highest rate. All retirees are eligible for \$50,000 of life insurance coverage before age 65. After age 65, the amount of life insurance provided for all retirees is \$3,000 to age 70.

C. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	50
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	244
Total number of participants**	<u>294</u>

*Information not provided

**As of the July 1, 2020 valuation date

D. Contributions

For the measurement period, the District contributed \$378,547 to the Plan, all of which was used for current premiums.

E. Total OPEB Liability

The Wiseburn Unified School District's total OPEB liability of \$10,968,891 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

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

F. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of July 1, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement period:

Economic assumptions:

Inflation	2.75%
Salary increases	2.75%
Investment rate of return	2.18%
Healthcare cost trend rates	6.75%/Pre-65 and 4.50%/Post-65%

Non-economic assumptions:

Mortality, Retirement and Termination Rates:

Certificated	2020 CalSTRS Experience Study
Classified	2017 CalPERS Experience Study

Vesting rates:

Certificated	100% at 15 years of service at 55
Classified	100% at 15 years of service at 50

The actuarial assumptions used in the July 1, 2020 valuation were based on a review of plan experience.

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

G. Changes in Total OPEB Liability

	<u>June 30, 2021</u>
Total OPEB Liability	
Service cost	\$ 356,972
Interest on total OPEB liability	281,045
Changes of assumptions	312,756
Benefits payments	<u>(378,547)</u>
Net change in total OPEB liability	572,226
Total OPEB liability - beginning	<u>10,396,665</u>
Total OPEB liability - ending	<u>\$ 10,968,891</u>
 Covered-employee payroll	 \$ 17,517,446
 District's total OPEB liability as a percentage of covered-employee payroll	 62.6%

*The increase in covered-employee payroll as compared to prior periods is due to incorporation of active employees hired after September 1, 1990, who are potentially due a retiree medical benefit in the future.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

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

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

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

	1% Decrease	Valuation Discount Rate	1% Increase
	(1.18%)	(2.18%)	(3.18%)
Total OPEB liability	\$ 12,249,342	\$ 10,968,891	\$ 9,872,544

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

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

	1% Decrease	Valuation Trend Rate	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Total OPEB liability	\$ 10,009,172	\$ 10,968,891	\$ 12,136,616

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

For the fiscal year ended June 30, 2021, the Wiseburn Unified School District recognized OPEB expense of \$1,285,796. At June 30, 2021, the Wiseburn Unified School District did not have any deferred inflows of resources related to OPEB but did report deferred outflows of resources related to OPEB expense as follows:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 3,377,219
Changes in assumptions	805,805
Total	\$ 4,183,024

The amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2022	\$ 647,779
2023	647,779
2024	647,779
2025	647,779
2026	647,779
Thereafter	944,129
Total	\$ 4,183,024

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 11 – PENSION PLANS

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

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	\$ 25,332,346	\$ 5,614,405	\$ 1,084,877	\$ 3,835,390
PERS Pension	13,464,198	3,145,803	32,390	3,391,487
Total	\$ 38,796,544	\$ 8,760,208	\$ 1,117,267	\$ 7,226,877

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 11 – PENSION PLANS (continued)

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

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2021, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2021 was 19.10% of annual payroll reduced to 16.15% pursuant to California Senate Bill 90 (SB 90). The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$2,291,768 for the year ended June 30, 2021.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$1,477,872 to CalSTRS.

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

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

District's proportionate share of the net pension liability	\$ 25,332,346
State's proportionate share of the net pension liability associated with the District	11,156,910
Total	<u>\$ 36,489,256</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.026 percent, which remained unchanged from its proportion measured as of June 30, 2019.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2021, the District recognized pension expense of \$3,835,390. In addition, the District recognized pension expense and revenue of \$408,300 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>
Differences between projected and actual earnings on plan investments	\$ 601,751	\$ -
Differences between expected and actual experience	44,700	714,415
Changes in assumptions	2,470,263	-
Changes in proportion and differences between District contributions and proportionate share of contributions	205,923	370,462
District contributions subsequent to the measurement date	2,291,768	-
Total	<u>\$ 5,614,405</u>	<u>\$ 1,084,877</u>

The \$2,291,768 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2022	\$ 477,899	\$ 270,539
2023	1,050,369	220,349
2024	1,247,623	175,648
2025	431,783	162,320
2026	76,534	157,876
2027	38,429	98,145
Total	<u>\$ 3,322,637</u>	<u>\$ 1,084,877</u>

Actuarial Assumptions

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

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

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

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

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

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

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

*20-year geometric average

Discount Rate

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 11 – PENSION PLANS (continued)

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

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 38,273,646	\$ 25,332,346	\$ 14,647,480

Pension Plan Fiduciary Net Position

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

B. California Public Employees' Retirement System (CalPERS)

Plan Description

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

Benefits Provided

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

Contributions

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

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2021 was 22.68% of annual payroll reduced to 20.70% pursuant to California Senate Bill 90 (SB 90). Contributions to the plan from the District were \$735,601 for the year ended June 30, 2021.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 11 – PENSION PLANS (continued)

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

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

At June 30, 2021, the District reported a liability of \$13,464,198 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.044% percent, which was an increase of 0.010 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$3,391,487. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 280,282	\$ -
Differences between expected and actual experience	667,783	-
Changes in assumptions	49,374	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,412,763	32,390
District contributions subsequent to the measurement date	735,601	-
Total	\$ 3,145,803	\$ 32,390

The \$735,601 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	\$ 833,054	\$ 32,390
2023	778,852	-
2024	664,455	-
2025	133,841	-
Total	\$ 2,410,202	\$ 32,390

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

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

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

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

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

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

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

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

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

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 11 – PENSION PLANS (continued)

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

Discount Rate

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

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

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

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	\$ 19,357,240	\$ 13,464,198	\$ 8,573,269

Pension Plan Fiduciary Net Position

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

NOTE 12 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2021, the deferred amount on refunding was \$5,738,275.

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2021, total combined deferred outflows related to pensions was \$8,760,208 and total deferred inflows related to pensions was \$1,117,267. Deferred outflows for governmental activities related to pensions was \$8,402,248 and deferred inflows related to pensions was \$1,097,703. For business-type activities, deferred outflows related to pensions was \$357,960 and deferred inflows related to pensions was \$19,564 at June 30, 2021.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 12 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (continued)

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2021, total deferred outflows related to other postemployment benefits was \$4,183,024.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Construction Commitments

As of June 30, 2021, the District had no outstanding construction commitments.

NOTE 14 – PARTICIPATION IN JOINT POWERS AUTHORITIES

During the fiscal year ending June 30, 2021, the District participated in joint ventures with four joint powers authorities (JPAs). There were no significant reductions in coverage during the year. The JPAs and the services they provide to the District are as follows:

- Property and Liability Insurance – Alliance of Schools Cooperative Insurance Program (ASCIP), which arranges for and provides liability and property insurance for its member districts. The district pays premiums commensurate with the level of coverage requested through ASCIP.
- Workers' Compensation Insurance – Protected Insurance Program for Schools (PIPS), which investigates, defends and/or settles, and administrates Workers' Compensation claims. The district pays premiums based on their respective experience rating.
- Employee Benefits – Self-Insurance Risk Management Authority III (SIRMA III), which provides the capability of self-insuring for dental, vision benefits and other employee benefit protection plans.
- Parcel Tax Revenue – After the passage of Measure CL in the November 2012 election, the District joined with four other school districts in the impacted area to create a joint powers authority under the Local Classroom Funding Authority.

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE 15 – RESTATEMENT OF NET POSITION AND FUND BALANCE

The amounts previously reported at June 30, 2020 as the ending net position for Governmental Activities and the ending fund balance for the General Fund have been restated due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. Based on the clarifications provided by GASB Statement No. 84 and California Education Code regarding associated student body (ASB) accounts, it has been determined that the District's ASB accounts are not fiduciary because they do not meet the criteria established by GASB Statement No. 84, paragraph 11(c)(2) regarding administrative involvement. The June 30, 2020 ending balances have been restated as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	\$ 47,607,026
Restatement	39,047
Net Position - Beginning, as Restated	<u>\$ 47,646,073</u>
	General Fund
Fund Balance - Beginning, as Previously Reported	\$ 7,844,849
Restatement	39,047
Fund Balance - Beginning, as Restated	<u>\$ 7,883,896</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 21,535,000	\$ 21,465,000	\$ 21,340,100	\$ (124,900)
Federal sources	2,430,500	2,430,500	3,108,176	677,676
Other state sources	4,089,500	4,087,500	4,602,962	515,462
Other local sources	3,018,500	3,086,000	3,392,492	306,492
Total Revenues	31,073,500	31,069,000	32,443,730	1,374,730
EXPENDITURES				
Certificated salaries	14,149,000	14,018,500	14,487,922	(469,422)
Classified salaries	4,059,500	4,007,500	4,190,783	(183,283)
Employee benefits	7,308,000	7,289,500	6,967,119	322,381
Books and supplies	1,593,500	1,106,500	927,459	179,041
Services and other operating expenditures	2,664,500	3,016,000	3,403,861	(387,861)
Capital outlay	154,500	448,000	450,442	(2,442)
Other outgo				
Excluding transfers of indirect costs	330,000	330,000	139,766	190,234
Total Expenditures	30,259,000	30,216,000	30,567,352	(351,352)
Excess (Deficiency) of Revenues				
Over Expenditures	814,500	853,000	1,876,378	1,023,378
NET CHANGE IN FUND BALANCE				
	814,500	853,000	1,876,378	1,023,378
Fund Balance - Beginning	3,878,852	3,878,852	3,878,852	-
Fund Balance - Ending	\$ 4,693,352	\$ 4,731,852	\$ 5,755,230	\$ 1,023,378

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund, Special Revenue Fund for Other Than Capital Outlay Projects, and Special Revenue Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54. Additionally, the amounts on that schedule include the financial activity of the Associated Student Body (ASB), in accordance with GASB Statement No. 84.
- Revenues for Medi-Cal Billing Option and Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

See accompanying notes to required supplementary information.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability				
Service cost	\$ 356,972	\$ 29,641	\$ 18,808	\$ 45,801
Interest on total OPEB liability	281,045	146,546	110,025	117,196
Difference between expected and actual experience	-	4,432,599	-	-
Changes of assumptions	312,756	695,994	1,678,552	55,119
Benefits payments	(378,547)	(260,247)	(255,260)	(231,421)
Net change in total OPEB liability	572,226	5,044,533	1,552,125	(13,305)
Total OPEB liability - beginning	10,396,665	5,352,132	3,800,007	3,813,312
Total OPEB liability - ending	<u>\$ 10,968,891</u>	<u>\$ 10,396,665</u>	<u>\$ 5,352,132</u>	<u>\$ 3,800,007</u>
 Covered-employee payroll*	 \$ 17,517,446	 \$ 18,126,064	 \$ 1,135,402	 \$ 1,453,957
 District's total OPEB liability as a percentage of covered-employee payroll*	 62.6%	 57.4%	 471.4%	 261.4%

*The increase in covered-employee payroll for the year ended June 30, 2020 as compared to prior periods is due to incorporation of active employees hired after September 1, 1990, who are potentially due a retiree medical benefit in the future.

See accompanying notes to required supplementary information.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.026%	0.026%	0.026%	0.026%	0.026%	0.026%	0.023%
District's proportionate share of the net pension liability	\$ 25,332,346	\$ 24,012,050	\$ 23,806,368	\$ 24,250,060	\$ 21,264,742	\$ 17,735,055	\$ 13,667,116
State's proportionate share of the net pension liability associated with the District	11,156,910	13,100,282	13,630,326	14,346,248	12,107,421	9,380,393	8,252,795
Total	<u>\$ 36,489,256</u>	<u>\$ 37,112,332</u>	<u>\$ 37,436,694</u>	<u>\$ 38,596,308</u>	<u>\$ 33,372,163</u>	<u>\$ 27,115,448</u>	<u>\$ 21,919,911</u>
District's covered payroll	\$ 14,691,262	\$ 14,729,417	\$ 14,222,358	\$ 13,957,587	\$ 13,565,918	\$ 11,635,754	\$ 10,416,982
District's proportionate share of the net pension liability as a percentage of its covered payroll	172.4%	163.0%	167.4%	173.7%	156.8%	152.4%	131.2%
Plan fiduciary net position as a percentage of the total pension liability	72.6%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

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

See accompanying notes to required supplementary information.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.044%	0.034%	0.033%	0.033%	0.032%	0.031%	0.029%
District's proportionate share of the net pension liability	\$ 13,464,198	\$ 10,037,098	\$ 8,776,604	\$ 7,805,450	\$ 6,261,722	\$ 4,512,421	\$ 3,274,417
District's covered payroll	\$ 5,923,751	\$ 6,040,795	\$ 6,041,300	\$ 5,524,428	\$ 5,509,114	\$ 3,379,739	\$ 3,027,827
District's proportionate share of the net pension liability as a percentage of its covered payroll	227.3%	166.2%	145.3%	141.3%	113.7%	133.5%	108.1%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

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

See accompanying notes to required supplementary information.

**WISEBURN UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,291,768	\$ 2,401,220	\$ 2,324,712	\$ 1,977,160	\$ 1,698,417	\$ 1,494,563	\$ 1,033,255
Contributions in relation to the contractually required contribution*	(2,291,768)	(2,401,220)	(2,324,712)	(1,977,160)	(1,698,417)	(1,494,563)	(1,033,255)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 14,605,012	\$ 14,619,262	\$ 14,729,417	\$ 14,222,358	\$ 13,957,587	\$ 13,565,918	\$ 11,635,754
Contributions as a percentage of covered payroll	15.69%	16.43%	15.78%	13.90%	12.17%	11.02%	8.88%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

**WISEBURN UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2021**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 735,601	\$ 700,003	\$ 530,197	\$ 492,105	\$ 416,958	\$ 337,073	\$ 397,829
Contributions in relation to the contractually required contribution*	(735,601)	(700,003)	(530,197)	(492,105)	(416,958)	(337,073)	(397,829)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,598,104	\$ 5,923,751	\$ 6,040,795	\$ 6,041,300	\$ 5,524,428	\$ 5,509,114	\$ 3,379,739
Contributions as a percentage of covered payroll	16.00%	11.82%	8.78%	8.15%	7.55%	6.12%	11.77%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

**WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

Schedule of Changes in Total OPEB Liability and Related Ratios

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

Changes in Benefit Terms

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

Changes in Assumptions

The discount rate as of the end of the fiscal year changed from 2.66% to 2.18% based on the change in 20 year municipal bond yields.

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

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

Changes in Benefit Terms

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

Changes in Assumptions

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

Schedule of District Contributions

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

WISEBURN UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2021, the District incurred amounts in excess of expenditures over appropriations in the General Fund as presented in the Budgetary Comparison Schedule for the major object codes noted below:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 14,018,500	\$ 14,487,922	\$ 469,422
Classified salaries	\$ 4,007,500	\$ 4,190,783	\$ 183,283
Services and other operating expenditures	\$ 3,016,000	\$ 3,403,861	\$ 387,861
Capital outlay	\$ 448,000	\$ 450,442	\$ 2,442

SUPPLEMENTARY INFORMATION

**WISEBURN UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 236,758
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	29,170
Title III, English Learner Student Program	84.365	14346	34,974
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	22,314
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	515,990
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	1,580
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	50,227
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	206
Subtotal Special Education Cluster			<u>568,003</u>
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: [1]			
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	146,284
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	237,233
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	494,706
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	162,773
Subtotal Education Stabilization Fund Discretionary Grants			<u>1,040,996</u>
Total U. S. Department of Education			<u><u>1,932,215</u></u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
COVID-19 Emergency Acts Funding/Extending Summer Food Service Program and SSO:			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	252,562
National School Lunch Program	10.555	13391	408,700
USDA Commodities	10.555	*	42,240
Subtotal Child Nutrition Cluster			<u>703,502</u>
Total U. S. Department of Agriculture			<u><u>703,502</u></u>
U. S. DEPARTMENT OF THE TREASURY			
<i>Passed through California Department of Education:</i>			
COVID-19 Emergency Acts Funding:			
Coronavirus Relief Fund (CRF): Learning Loss Mitigation [1]	21.019	25516	1,100,745
Total U. S. Department of the Treasury			<u>1,100,745</u>
Total Federal Expenditures			<u><u>\$ 3,736,462</u></u>

[1] - Major Program

* - Pass-Through Entity Identifying Number not available or not applicable

See accompanying notes to supplementary information.

**WISEBURN UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2021**

Grade Level	2020-21 Number of Days	Status
Kindergarten	180	Complied
Grade 1	180	Complied
Grade 2	180	Complied
Grade 3	180	Complied
Grade 4	180	Complied
Grade 5	180	Complied
Grade 6	180	Complied
Grade 7	180	Complied
Grade 8	180	Complied

See accompanying notes to supplementary information.

**WISEBURN UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

	2022 (Budget)	2021	2020	2019
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 34,676,000	\$ 32,443,730	\$ 30,014,007	\$ 29,519,317
Expenditures And Other Financing Uses	32,579,000	30,567,352	29,945,231	29,243,373
Net change in Fund Balance	\$ 2,097,000	\$ 1,876,378	\$ 68,776	\$ 275,944
Ending Fund Balance	\$ 7,852,230	\$ 5,755,230	\$ 3,878,852	\$ 3,810,076
Available Reserves*	\$ 2,045,372	\$ 3,472,449	\$ 2,248,862	\$ 2,840,980
Available Reserves As A Percentage Of Outgo	6.28%	11.36%	7.51%	9.71%
Long-term Liabilities	\$ 217,739,112	\$ 224,020,903	\$ 220,249,632	\$ 216,061,042
Average Daily Attendance At P-2***	2,425	2,426	2,426	2,446

The General Fund balance has increased by \$1,945,154 over the past two years. The fiscal year 2021-22 budget projects an increase of \$2,097,000. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates an operating surplus during the 2021-22 fiscal year. Total long-term obligations have increased by \$7,959,862 over the past two years.

Average daily attendance has decreased by 20 ADA over the past two years. A further decrease of 1 ADA is anticipated during the 2021-22 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund and the Special Reserve Fund for Other than Capital Outlay Projects

**The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund, Special Reserve Fund for Other than Capital Outlay Projects, and Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54. Additionally, the amounts on that schedule include the financial activity of the Associated Student Body (ASB), in accordance with GASB Statement No. 84.

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

See accompanying notes to supplementary information.

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

	General Fund	Deferred Maintenance Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Postemployment Benefits	Wiseburn Child Development Center
June 30, 2021, annual financial and budget report fund balance	\$ 5,755,230	\$ 538,511	\$ 730,011	\$ 2,620,423	\$ (2,467,314)
Adjustments and reclassifications:					
Increase (decrease) in total fund balances:					
Fund balance transfer (GASB 54)	3,888,945	(538,511)	(730,011)	(2,620,423)	-
ASB activity adjustment	53,054	-	-	-	-
Pension related adjustments (GASB 68)	-	-	-	-	(8,310)
Net adjustments and reclassifications	3,941,999	(538,511)	(730,011)	(2,620,423)	(8,310)
June 30, 2021, audited financial statement fund balance	\$ 9,697,229	\$ -	\$ -	\$ -	\$ (2,475,624)

See accompanying notes to supplementary information.

**WISEBURN UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2021**

Charter #	Charter School	Status	Included in Audit Report
1689	Da Vinci Communications	Active	No
1081	Da Vinci Design	Active	No
1597	Da Vinci Connect	Active	No
1060	Da Vinci Science	Active	No

See accompanying notes to supplementary information.

**WISEBURN UNIFIED SCHOOL DISTRICT
SCHEDULE OF BOND EXPENDITURES – MEASURE A AND MEASURE AA
FOR THE YEAR ENDED JUNE 30, 2021**

Measure A Bond Projects	2020-21 Expenditures
Wiseburn High School	
Other contract services	\$ 3,894
Construction	3,165
Total Measure A Expenditures	\$ 7,059

There were no expenditures made from Measure AA during the fiscal year ended June 30, 2021.

See accompanying notes to supplementary information.

**WISEBURN UNIFIED SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2021**

Wiseburn School District was established in 1896 and became unified and is known as the Wiseburn Unified School District after it was approved for unification beginning July 1, 2014. The District is comprised of an area approximately 6½ square miles located in Los Angeles County, California. The boundaries are in the city limits of Hawthorne, El Segundo, and a portion of the unincorporated area of Los Angeles County. No boundary changes were made during the current year. The District currently operates three elementary schools and one middle school as well as served as the authorizing agency for five independent charter schools operated by Da Vinci Schools.

The Board of Education and the business office administrators for the fiscal year ended June 30, 2021 were as follows:

GOVERNING BOARD

Member	Office	Term Expires
Dr. Neil Goldman	President	December 2024
Mr. Nelson Martinez	Vice President/Clerk	December 2022
Ms. JoAnne Kaneda	Member	December 2024
Mr. Israel A. Mora	Member	December 2022
Mr. Roger Bañuelos	Member	December 2022

DISTRICT ADMINISTRATORS

Dr. Blake Silvers
Superintendent

Dr. Aileen Harbeck
Assistant Superintendent, Educational Services

Dr. Mary Ring
Assistant Superintendent, Student Services

Mr. David Wilson
Chief Business Official

See accompanying notes to supplementary information.

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

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

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

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2021 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2021.

	AL	
	Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 3,759,929
Coronavirus Relief Fund (CRF)	21.019	<u>(23,467)</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 3,736,462</u>

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

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

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

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of Charter Schools

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

Schedule of Bond Expenditures – Measure A and Measure AA

This schedule provides a summary of Measure A and Measure AA expenditures by project subjected to auditing procedures performed in relation to the financial statements taken as a whole.

Local Education Agency Organization Structure

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

OTHER INDEPENDENT AUDITORS' REPORTS

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

Governing Board
Wiseburn Unified School District
El Segundo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Wiseburn Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Wiseburn Unified School District's basic financial statements, and have issued our report thereon dated January 5, 2022.

Internal Control over Financial Reporting

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

Christy White, Inc.

San Diego, California
January 5, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board
Wiseburn Unified School District
El Segundo, California

Report on Compliance for Each Major Federal Program

We have audited Wiseburn 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 Wiseburn Unified School District's major federal programs for the year ended June 30, 2021. Wiseburn 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 Wiseburn 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 Wiseburn 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 Wiseburn Unified School District's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Wiseburn 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 Wiseburn 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 Wiseburn 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Christy White, Inc.

San Diego, California
January 5, 2022

REPORT ON STATE COMPLIANCEIndependent Auditors' Report

Governing Board
Wiseburn Unified School District
El Segundo, California

Report on State Compliance

We have audited Wiseburn Unified School District's compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Wiseburn Unified School District's state programs for the fiscal year ended June 30, 2021, as identified below.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wiseburn Unified School District's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Wiseburn 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 with the requirements referred to above. However, our audit does not provide a legal determination of Wiseburn Unified School District's compliance with those requirements.

Opinion on State Compliance

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

Procedures Performed

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

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

Christy White, Inc.

San Diego, California
January 5, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**WISEBURN UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>	
<u>21.019</u>	<u>Coronavirus Relief Fund (CRF): Learning Loss Mitigation</u>	
<u>84.425C, 84.425D, 84.425U</u>	<u>Education Stabilization Fund Discretionary Grants</u>	
Dollar threshold used to distinguish between Type A and Type B programs:	\$	<u>750,000</u>
Auditee qualified as low-risk auditee?		<u>Yes</u>

STATE AWARDS

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

**WISEBURN UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

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

**WISEBURN UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

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

**WISEBURN UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

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

**WISEBURN UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

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