

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2020

WOODLAND JOINT UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

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WOODLAND JOINT UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Woodland Joint Unified School District
Woodland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodland Joint Unified School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Woodland Joint 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.

(Continued)

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 4 to 15 and the General Fund Budgetary Comparison Schedule, the Cafeteria Fund Budgetary Comparison Schedule, the Schedule of Changes in District's Total OPEB Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 52 to 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodland Joint Unified School District's basic financial statements. The accompanying schedule of expenditure 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*, and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditure of Federal Awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Schedule of Financial Trends and Analysis, 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 Schedule of Expenditure of Federal Awards and other supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2021 on our consideration of Woodland Joint 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 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 Woodland Joint 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 Woodland Joint Unified School District's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
January 22, 2021

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This section of Woodland Joint Unified School District's (the "District") annual financial report presents District management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the Independent Auditors' Report presented on pages 1 through 3, and the District's financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, presented on page 17, provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 18 through 21, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements on pages 22 through 23 provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- The District's financial condition has changed during the 2019-20 fiscal year. Over the course of the year, total net position decreased by 43%.
- Total current year expenses exceeded the total current year revenues by \$1,503,631 in the General Fund.
- Total Governmental Funds fund balances increased by \$654,264.
- Capital assets increased due to a change in the Work in Progress and furniture and equipment.
- Total long-term liabilities decreased \$2.7M during the 2019-20 fiscal year due to the recognition of the net pension liability and net OPEB liability. During the 2019-20 fiscal year, the District made payments of \$1.9 million of general obligation bonds, and payments of \$395,000 on certificates of participation. The Schedule of Changes in Long-Term Liabilities on page 35 provides additions and deductions to the District's liabilities.
- The District's P-2 average daily attendance (ADA), excluding adult education, decreased from 9,206 ADA in fiscal year 2018-19 to 9,150 ADA in fiscal year 2019-20.
- The District maintains sufficient reserves for a district of its size. It meets the state required minimum reserve for economic uncertainty of 3% of general fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2019-20 General Fund expenditures and other financing uses totaled \$120.8M. At June 30, 2020, the District has available reserves of \$12.0M in the General Fund, which represents a reserve of 10%.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

THE FINANCIAL REPORT

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and Management's Discussion and Analysis. 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 and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements comprise the remaining statements.
 - ❖ Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
 - ❖ Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's fiscal year ending June 30, 2020 is included.

Reporting the District as a Whole

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health or position (net position) can be measured by the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

THE FINANCIAL REPORT (CONCLUDED)

Reporting the District as a Whole (Concluded)

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

Governmental Activities:

The basic services provided by the District, such as regular and special education, adult education, administration, and transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition and child development are also included here, but are financed by a combination of state and federal contracts and grants, and local revenues.

Business-type Activities:

The District does not provide any services that should be included in this category.

Reporting the District's Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

Governmental Funds

The major governmental funds of the Woodland Joint Unified School District are the General Fund the Cafeteria Fund and Capital Facilities Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business-type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore no reconciling entries are required. Internal service funds are reported with the Governmental Funds. The District has no funds of this type.

Fiduciary Funds

The District is the trustee, or fiduciary, for its foundation trust and student activity funds. All of the District's fiduciary activities are reported in separate fiduciary statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

GOVERNMENTAL ACTIVITIES

The District's net position decreased from \$10,854,953 at June 30, 2019 to \$6,193,734 at June 30, 2020, which equates to 43%.

	Governmental Activities	
	<u>2019</u>	<u>2020</u>
<u>Assets</u>		
Cash and Investments	\$42,483,703	\$41,081,130
Receivables	10,073,418	17,699,581
Stores Inventories	155,640	237,084
Prepaid Expenses and Other Assets	113,017	86,635
Non-Depreciable Assets	7,701,349	11,902,435
Capital Assets, net of depreciation	<u>92,556,408</u>	<u>89,424,919</u>
Total Assets	<u>153,083,535</u>	<u>160,431,784</u>
<u>Deferred Outflows of Resources</u>	<u>35,300,437</u>	<u>31,633,675</u>
<u>Liabilities</u>		
Current	10,260,252	15,696,910
Long-Term	<u>161,894,767</u>	<u>159,161,924</u>
Total Liabilities	<u>172,155,019</u>	<u>174,858,834</u>
<u>Deferred Inflows of Resources</u>	<u>5,374,000</u>	<u>11,012,891</u>
<u>Net Position</u>		
Net investment in capital assets	73,486,420	76,494,468
Restricted	22,766,397	24,271,327
Unrestricted	<u>(85,397,864)</u>	<u>(94,572,061)</u>
Total Net Position	<u>\$10,854,953</u>	<u>\$6,193,734</u>

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Comparative Statement of Activities

	<u>2019</u>	<u>2020</u>
<u>Program Revenues</u>		
Charges for Services	\$1,236,661	\$4,670,194
Operating Grants and Contributions	30,319,259	26,281,705
<u>General Revenues</u>		
Taxes Levied	33,650,738	34,900,749
Federal and State Aid	69,031,440	69,278,868
Interest and Investment Earnings	1,047,531	377,881
Miscellaneous	7,716,538	146,571
Total Revenues	<u>143,002,167</u>	<u>135,655,968</u>
<u>Expenses</u>		
Instruction	79,248,766	78,245,850
Instruction Related Services	14,637,594	14,639,656
Pupil Services	18,080,983	18,227,077
General Administration	7,469,814	8,281,476
Plant Services	16,626,543	16,740,369
Ancillary Services	864,019	793,520
Community Services	487,657	661,234
Interest on Long Term Debt	917,467	935,196
Other Outgo	1,958,025	1,792,809
Total Expenses	<u>140,290,868</u>	<u>140,317,187</u>
Change in Net Position	<u>\$2,711,299</u>	<u>\$(4,661,219)</u>

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

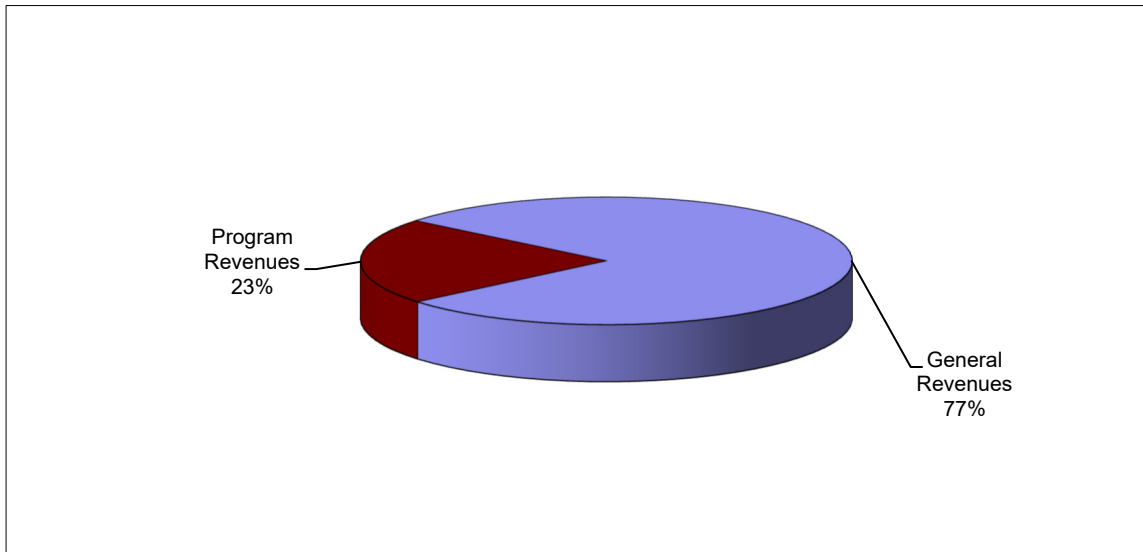
FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

The table below presents the cost of major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The \$109,365,288 net cost represents the financial burden that was placed on the District's general revenues for providing the services listed. Further detail is available on page 17 of the audit report.

	Comparative Schedule of Costs of Services			
	Total Cost of Services		Net Cost of Services	
	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>
Instruction	\$ 79,248,766	\$ 78,245,850	\$ 60,603,728	\$ 62,034,926
Instruction Related Services	14,637,594	14,639,656	11,222,561	11,759,209
Pupil Services	18,080,983	18,227,077	11,132,600	11,353,358
General Administration	7,469,814	8,281,476	6,575,063	7,680,527
Plant Services	16,626,543	16,740,369	16,175,167	13,286,334
Ancillary Services	864,019	793,520	832,166	767,640
Community Services	487,657	661,234	153,711	257,868
Interest on Long Term Debt	917,467	935,196	917,467	935,196
Other Outgo	1,958,025	1,792,809	1,122,485	1,290,230
Totals	\$ 140,290,868	\$ 140,317,187	\$ 108,734,948	\$ 109,365,288

As of June 30, 2020 program revenues financed 23% of the total cost of providing the services listed above while the remaining 77% was financed by the general revenues of the District.



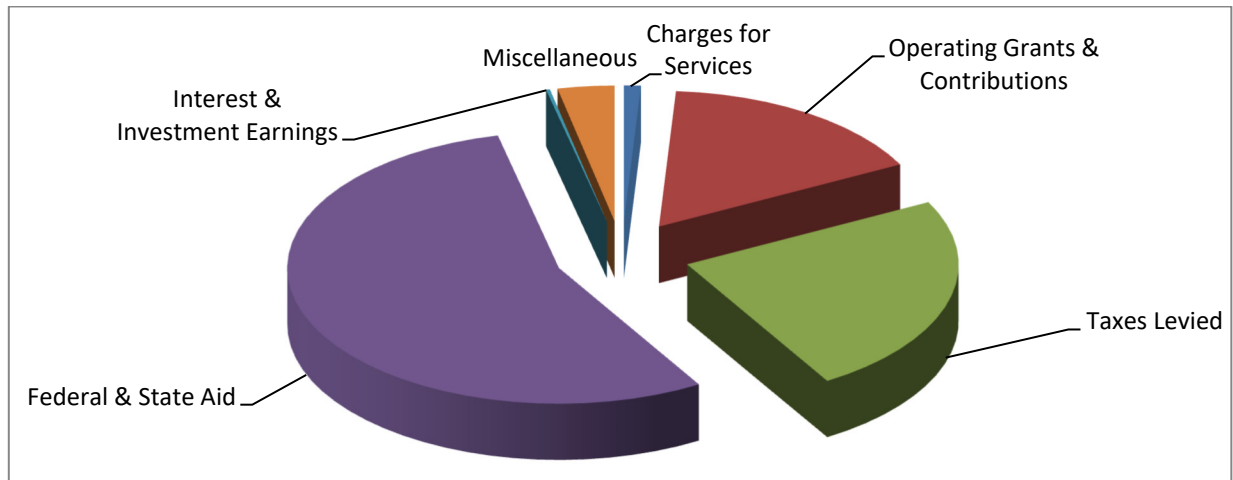
**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Summary of Revenues For Governmental Functions

	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>2020 Amount</u>	<u>Percent of Total</u>
<u>Program Revenues</u>				
Charges for Services	\$1,236,661	1%	\$4,670,194	3%
Operating Grants & Contributions	30,319,259	21%	26,281,705	19%
<u>General Revenues</u>				
Taxes Levied	33,650,738	24%	34,900,749	26%
Federal and State Aid	69,031,440	48%	69,278,868	51%
Interest and Investment Earnings	1,047,531	1%	377,881	1%
Miscellaneous	7,716,538	5%	146,571	0%
Total Revenues	143,002,167	100%	140,317,187	100%



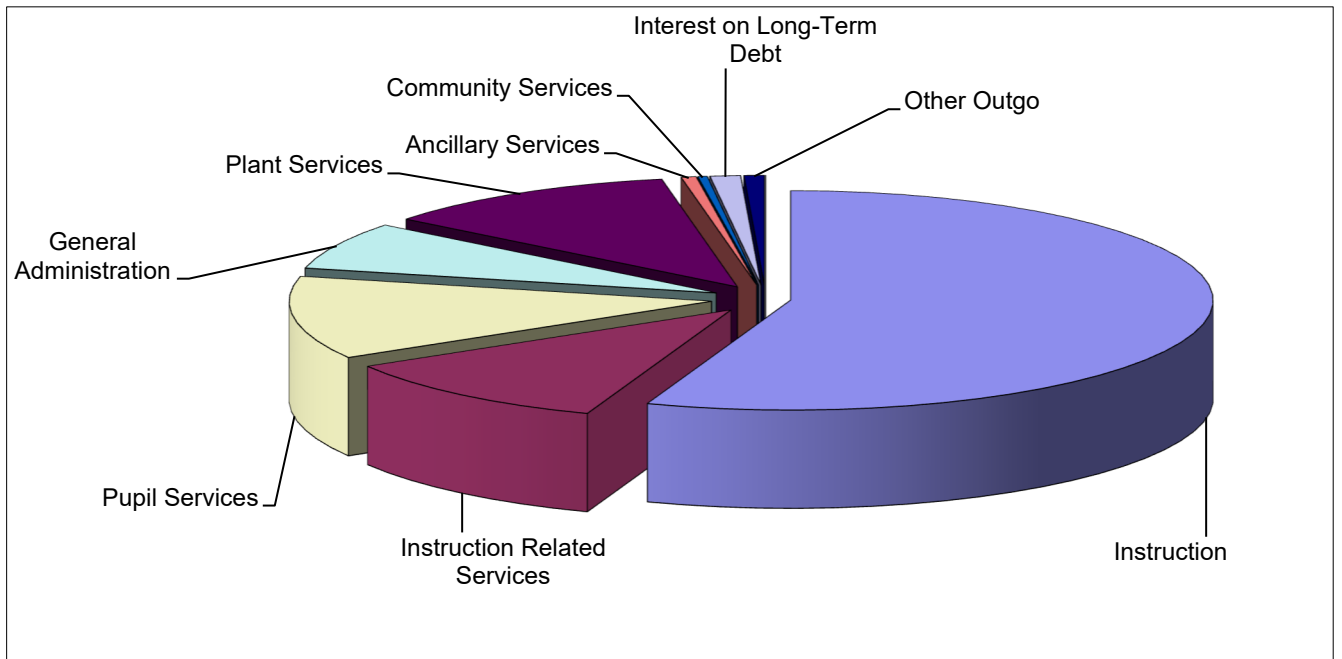
**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Summary of Expenses For Governmental Functions

	2019 <u>Amount</u>	Percent of <u>Total</u>	2020 <u>Amount</u>	Percent of <u>Total</u>
Instruction	\$79,248,766	56%	78,245,850	56%
Instruction Related Services	14,637,594	10%	14,639,656	10%
Pupil Services	18,080,983	13%	18,227,077	13%
General Administration	7,469,814	5%	8,281,476	6%
Plant Services	16,626,543	12%	16,740,369	12%
Ancillary Services	864,019	1%	793,520	1%
Community Services	487,657	0%	661,234	0%
Interest on Long Term Debt	917,467	1%	935,196	1%
Other Outgo	1,958,025	2%	1,792,809	1%
Totals	<u>140,290,868</u>	<u>100%</u>	<u>140,317,187</u>	<u>100%</u>



**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Comparative Schedule of Capital Assets

	Governmental Activities	
	<u>2019</u>	<u>2020</u>
Land	\$7,222,874	\$7,222,874
Sites and Improvements	5,941,881	5,941,881
Buildings and Improvements	146,180,229	146,185,965
Furniture and Equipment	14,066,601	15,672,740
Work-in-Progress	478,475	4,679,561
Subtotals	\$173,890,060	179,703,021
Less: Accumulated Depreciation	73,632,303	78,375,667
Capital Assets, net	\$100,257,757	\$101,327,354

Capital assets increased due to the change in the Work-in-Progress.

Comparative Schedule of Long-Term Liabilities

	Governmental Activities	
	<u>2019</u>	<u>2020</u>
Compensated Absences	\$714,068	\$819,597
General Obligation Bonds	15,690,000	13,805,000
Certificates of Participation	10,070,000	9,675,000
Capital Leases	731,101	1,109,189
Other Post-Employment Benefits	14,237,029	14,965,992
Net Pension Liability	120,038,000	118,427,000
Totals	\$161,480,198	\$159,161,924

The general obligation bonds are financed by the local taxpayers and represent 9% of the District's total long-term liabilities. The certificates of participation are financed by developer fees, General Fund and represent 6% of the District's total long-term liabilities. The remaining components of the District's total long-term liabilities account for 85% of the District's total long-term liabilities and are financed by various District funds.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONCLUDED)

GOVERNMENTAL ACTIVITIES (CONCLUDED)

The District has continued to meet the debt service requirements for their long-term liabilities, and they have no plans to fully retire any specific debt instrument prior to the current payment schedules.

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

FINANCIAL ANALYSIS OF DISTRICT'S FUNDS

	<u>Comparative Schedule of Fund Balances</u>		
	<u>FY 18/19</u>	<u>FY 19/20</u>	<u>Change</u>
General	\$23,124,295	\$21,620,664	(1,503,631)
Charter School Fund	637,533	616,185	(21,348)
Adult Education	1,968,529	2,261,304	292,775
Child Development	84,437	106,460	22,023
Cafeteria	0	0	0
Deferred Maintenance	144,895	369,697	224,802
Building	255,134	256,204	1,070
Capital Projects - Special Reserve	1,614,453	290,977	(1,323,476)
Capital Facilities	10,528,709	13,739,151	3,210,442
Bond Interest & Redemption	4,782,971	4,534,578	(248,393)
Totals	\$43,140,956	\$43,795,220	654,264

The combined fund balances of all the District's governmental funds increased by \$654,264 due primarily to an increase in revenue and decrease in expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May revised figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget throughout the year. The original budget is presented on page 70 of the audit report.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

The District currently provides health benefits to all employees who retire after attaining the age of 55 until age 65 provided the employee has met certain service requirements. The District's cost for health benefits is currently capped; however, concern for future costs to the District has resulted in a continued search for solutions to this issue.

Based on the most recent student enrollment information available, the District anticipates flat enrollment during fiscal year 2019-20 and decreased of 1% in 2020-21. Since student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California, no change indicates that the District's LCFF funding should also change as a result of any COLA provided by the state.

The State's economic situation and the COVID-19 pandemic are also major factors affecting the District's future. The financial well-being of the District is tied in large measure to the State's K-12 funding as prescribed by Proposition 98. Although Proposition 98 funding is generally referred to as a "guarantee", when the state applies a deficit factor to a district's funding or reduces the required payment, as happened in both the 2013-14 and the 2014-15 fiscal years respectively, the funding can no longer be considered a "guarantee".

The future predictions require management to plan carefully and prudently to provide the resources to meet student needs over the next several years. The District has an excellent track record in meeting this challenge in what has proven to be a cycle of lean years and prosperous years for education finances.

OTHER FACTORS AFFECTING THE DISTRICT'S FUTURE FINANCIAL POSITION

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world, with resulting business and social disruption. In response to the pandemic and in compliance with various state and local ordinances, the District's Board took action at an emergency meeting on 3/13/20 and closed physical campuses and transitioned to a distance-learning model.

On March 13, 2020, the Governor of California issued Executive Order N-26-20, guaranteeing state funding to support the continued payment of salaries and benefits to all employees through June 30, 2020.

The operations and business results of the District could be materially adversely affected in the future including a reduction in the level of funding and impact to the timing of cash flows. In addition, significant estimates may be materially adversely impacted by national, state, and local events designed to contain the coronavirus. Debt ratings for outstanding issuances may further be impacted. For the 2021 school year, the District is offering instruction in formats consistent with local health guidelines. Throughout the pandemic the District has put into practice a number of safety measures to protect students, employees, and the community and will continue to revise them as needed.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

On March 12, 2020, the District announced that beginning March 13, 2020, through April 30, 2020 all of the District's school sites and offices would be closed with minimal site staff. The Governor also signed Senate Bill 117 (SB 117) as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limits the average daily attendance (ADA) reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applies to school districts that comply with Executive Order N-26-20. SB 117 further states the intent of the State Legislature that a school district's employees and contractors be paid during the period of a school closure due to COVID-19. SB 117 also waived instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent, or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. While SB 117 provided some immediate relief to school districts, the short-term and long-term impacts of the COVID-19 outbreak are unknown as the situation continues to evolve.

On March 19, 2020, the Governor issued Executive Order N-33-20, a State-wide stay at home order to protect the health and well-being of all Californians and to establish consistency across the State in order to slow the spread of COVID-19. Such order went into effect immediately.

The District has monitored guidelines and regulations from state and local agencies regarding COVID-19 and will continue to do so.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 regarding this report or need additional financial information, contact the Business Office, Woodland Joint Unified School District, 435 Sixth Street, Woodland, California 95695.

BASIC FINANCIAL STATEMENTS

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2020

	Governmental <u>Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 41,081,130
Receivables	17,699,581
Prepaid expenses	86,635
Stores inventory	237,084
Non-depreciable capital assets (Note 4)	11,902,435
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>89,424,919</u>
Total assets	<u>160,431,784</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Note 7 and 8)	29,878,122
Deferred outflows of resources - OPEB (Note 9)	1,639,104
Deferred loss on refunding of debt	<u>116,449</u>
Total deferred outflows of resources	<u>31,633,675</u>
LIABILITIES	
Accounts payable	15,102,087
Unearned revenue	594,823
Long-term liabilities (Note 5):	
Due within one year	3,667,998
Due after one year	<u>155,493,926</u>
Total liabilities	<u>174,858,834</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	8,987,000
Deferred inflows of resources - OPEB (Notes 9)	<u>2,025,891</u>
Total deferred inflows of resources	<u>11,012,891</u>
NET POSITION	
Net investment in capital assets	76,494,468
Restricted:	
Legally restricted programs	5,450,417
Capital projects	14,286,332
Debt service	4,534,578
Unrestricted	<u>(94,572,061)</u>
Total net position	<u>\$ 6,193,734</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

		Program Revenues			Net (Expense) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 78,245,850	\$ 1,443,294	\$ 14,767,630	\$ -	\$ (62,034,926)
Instruction-related services:					
Supervision of instruction	5,653,702	34,537	1,725,316	-	(3,893,849)
Instructional library, media and technology	638,098	-	4,968	-	(633,130)
School site administration	8,347,856	43	1,115,583	-	(7,232,230)
Pupil services:					
Home-to-school transportation	3,714,203	64,613	477,317	-	(3,172,273)
Food services	4,788,153	382,852	3,466,781	-	(938,520)
All other pupil services	9,724,721	102,842	2,379,314	-	(7,242,565)
General administration:					
Data processing	2,903,458	-	16,091	-	(2,887,367)
All other general administration	5,378,018	13,214	571,644	-	(4,793,160)
Plant services	16,740,369	2,568,878	885,157	-	(13,286,334)
Ancillary services	793,520	-	25,880	-	(767,640)
Community services	661,234	-	403,366	-	(257,868)
Interest on long-term liabilities	935,196	-	-	-	(935,196)
Other outgo	1,792,809	59,921	442,658	-	(1,290,230)
Total governmental activities	<u>\$ 140,317,187</u>	<u>\$ 4,670,194</u>	<u>\$ 26,281,705</u>	<u>\$ -</u>	<u>(109,365,288)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					32,322,740
Taxes levied for debt service					2,205,773
Taxes levied for other specific purposes					372,236
Federal and state aid not restricted to specific purposes					69,278,868
Interest and investment earnings					377,881
Miscellaneous					146,571
Total general revenues					<u>104,704,069</u>
Change in net position					(4,661,219)
Net position, July 1, 2019					<u>10,854,953</u>
Net position, June 30, 2020					<u>\$ 6,193,734</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Cafeteria Fund	Capital Facilities Fund	All Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
Cash in County Treasury	\$ 18,262,913	\$ 167,364	\$ 13,972,502	\$ 8,551,643	\$ 40,954,422
Cash on hand and in banks	-	-	-	300	300
Cash in revolving fund	24,000	-	-	500	24,500
Cash with Fiscal Agent	-	-	-	101,908	101,908
Receivables	15,637,804	1,220,904	65,154	775,719	17,699,581
Prepaid expenditures	86,635	-	-	-	86,635
Due from other funds	2,653,825	511,364	-	73,903	3,239,092
Stores inventory	48,455	188,629	-	-	237,084
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 36,713,632</u>	<u>\$ 2,088,261</u>	<u>\$ 14,037,656</u>	<u>\$ 9,503,973</u>	<u>\$ 62,343,522</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 14,012,209	\$ 329,081	\$ 185,484	\$ 187,613	\$ 14,714,387
Due to other funds	633,880	1,682,679	113,021	809,512	3,239,092
Unearned revenue	446,879	76,501	-	71,443	594,823
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>15,092,968</u>	<u>2,088,261</u>	<u>298,505</u>	<u>1,068,568</u>	<u>18,548,302</u>
Fund balances:					
Nonspendable	159,090	188,629	-	500	348,219
Restricted	2,096,771	-	13,739,151	8,434,905	24,270,827
Assigned	7,348,619	-	-	-	7,348,619
Unassigned	12,016,184	(188,629)	-	-	11,827,555
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>21,620,664</u>	<u>-</u>	<u>13,739,151</u>	<u>8,435,405</u>	<u>43,795,220</u>
Total liabilities and fund balances	<u>\$ 36,713,632</u>	<u>\$ 2,088,261</u>	<u>\$ 14,037,656</u>	<u>\$ 9,503,973</u>	<u>\$ 62,343,522</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances - Governmental Funds	\$ 43,795,220
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in funds. The of the assets is \$179,703,021 and the accumulated depreciation is \$78,375,667 (Note 4).	101,327,354
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2020 consisted of (Note 5):

General Obligation Bonds	\$ (13,805,000)	
Unamortized discounts	171,708	
Unamortized premiums	(531,854)	
Certificates of Participation	(9,675,000)	
Capital leases	(1,109,189)	
Compensated absences	(819,597)	
Net pension liability (Notes 7 and 8)	(118,427,000)	
Total OPEB liability (Note 9)	(14,965,992)	(159,161,924)

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid.	(387,700)
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In government funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported (Notes 7 and 8).

Deferred outflows of resources relating to pensions	\$ 29,878,122	
Deferred outflows of resources relating to OPEB	1,639,104	
Deferred inflows of resources relating to pensions	(8,987,000)	
Deferred inflows of resources relating to OPEB	(2,025,891)	20,504,335

Losses on refunding of debt are categorized as deferred outflows and are amortized over the life of the related debt.	116,449
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Total net position - governmental activities	\$ 6,193,734
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See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	Cafeteria Fund	Capital Facilities Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula:					
State apportionment	\$ 64,246,525	\$ -	\$ -	\$ 1,331,433	\$ 65,577,958
Local sources	<u>31,105,432</u>	<u>-</u>	<u>-</u>	<u>1,244,343</u>	<u>32,349,775</u>
Total local control funding formula	<u>95,351,957</u>	<u>-</u>	<u>-</u>	<u>2,575,776</u>	<u>97,927,733</u>
Federal sources	5,232,739	3,442,185	-	313,670	8,988,594
Other state sources	12,526,496	266,832	-	3,462,240	16,255,568
Other local sources	<u>4,991,561</u>	<u>417,655</u>	<u>4,250,717</u>	<u>2,453,050</u>	<u>12,112,983</u>
Total revenues	<u>118,102,753</u>	<u>4,126,672</u>	<u>4,250,717</u>	<u>8,804,736</u>	<u>135,284,878</u>
Expenditures:					
Current:					
Certificated salaries	49,387,135	-	-	2,417,810	51,804,945
Classified salaries	19,137,501	1,657,348	-	821,644	21,616,493
Employee benefits	25,615,807	653,434	-	1,137,036	27,406,277
Books and supplies	6,084,678	1,525,801	-	159,039	7,769,518
Contract services and operating expenditures	12,821,824	160,186	554,280	1,055,734	14,592,024
Other outgo	1,526,686	-	-	266,123	1,792,809
Capital outlay	5,148,730	21,555	191,257	1,325,336	6,686,878
Debt service:					
Principal retirement	705,828	-	185,000	1,885,000	2,775,828
Interest	<u>309,708</u>	<u>-</u>	<u>109,738</u>	<u>640,312</u>	<u>1,059,758</u>
Total expenditures	<u>120,737,897</u>	<u>4,018,324</u>	<u>1,040,275</u>	<u>9,708,034</u>	<u>135,504,530</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(2,635,144)</u>	<u>108,348</u>	<u>3,210,442</u>	<u>(903,298)</u>	<u>(219,652)</u>
Other financing sources (uses):					
Transfers in	282,660	25,063	-	-	307,723
Transfers out	(25,063)	(133,411)	-	(149,249)	(307,723)
Proceeds from capital leases	<u>873,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>873,916</u>
Total other financing sources (uses)	<u>1,131,513</u>	<u>(108,348)</u>	<u>-</u>	<u>(149,249)</u>	<u>873,916</u>
Net change in fund balances	(1,503,631)	-	3,210,442	(1,052,547)	654,264
Fund balances, July 1, 2019	<u>23,124,295</u>	<u>-</u>	<u>10,528,709</u>	<u>9,487,952</u>	<u>43,140,956</u>
Fund balances, June 30, 2020	<u>\$ 21,620,664</u>	<u>\$ -</u>	<u>\$ 13,739,151</u>	<u>\$ 8,435,405</u>	<u>\$ 43,795,220</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Net change in fund balances - Total Governmental Funds	\$ 654,264
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	5,812,961
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(4,743,364)
In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities (Note 5).	(873,916)
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).	2,775,828
Amortization of debt premiums and discounts are an expense that is not recorded in the governmental funds (Note 5).	54,423
Losses on refunding of debt are categorized as deferred outflows and are amortized over the life of the related debt.	(17,885)
In the statement of activities, expenses related to OPEB and compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Notes 5 and 9).	(1,484,890)
In government funds, pension costs are recognized when employer are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was.	(7,026,370)
Interest on long-term liabilities is recognized in the period it is incurred. In governmental funds, it is only recognized when it is due.	<u>187,730</u>
Change in net position of governmental activities	<u>\$ (4,661,219)</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
June 30, 2020

	Foundation <u>Trust Fund</u>	Student <u>Body Fund</u>
ASSETS		
Cash and investments (Note 2):		
Cash in County Treasury	\$ 21,000	\$ -
Cash on hand and in banks	<u>-</u>	<u>491,745</u>
Total assets	<u>21,000</u>	<u>\$ 491,745</u>
LIABILITIES		
Due to student groups	<u>-</u>	<u>\$ 491,745</u>
Total liabilities	<u>-</u>	
NET POSITION		
Restricted for scholarships	<u>\$ 21,000</u>	

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUNDS
For the Year Ended June 30, 2020

	<u>Foundation Trust Fund</u>
Additions:	
Local sources	\$ <u>658</u>
Deductions:	
Contract services and operating expenditures	<u>1,800</u>
Change in net position	(1,142)
Net position, July 1, 2019	<u>22,142</u>
Net position, June 30, 2020	<u>\$ 21,000</u>

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Woodland Joint Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

Reporting Entity: The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District and Woodland Public Facilities Corporation (the "Corporation") have a financial and operational relationship which meets the reporting entity definition criteria of Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District.

The following are those aspects of the relationship between the District and the Corporation which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 criteria:

A - Accountability:

1. The Corporation's Board of Directors was appointed by the District's Board of Trustees.
2. The Corporation has no employees. The District's Superintendent function as agents of the Corporation. Neither individual receives additional compensation for work performed in this capacity.
3. The District exercises significant influence over operations of the Corporation as the District is the sole lessee of all facilities owned by the Corporation.
4. All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
5. Any deficits incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period.
6. The District's lease payments are the sole revenue source of the Corporation.
7. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

B - Scope of Public Service:

The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California. The Corporation was formed to provide financing assistance to the District for construction and acquisition of major capital facilities through the issuance of Certificates of Participation. The source of repayment for the Certificates of Participation is developer fees collected. When the Corporation's Certificates of Participation have been completely paid off, title to all Corporation property will pass to the District for no additional consideration.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C - Financial Presentation:

For financial presentation purposes, the Corporation's financial activity has been blended with the financial data of the District. The financial statements present the Corporation's financial activity as the Capital Facilities Fund. Certificates of Participation issued by the Corporation are included as liabilities in the Statement of Net Position.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position and the Statement of Change in Fiduciary Net Position at the fund financial statement level.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of indirect expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is separately identified by function and is included in the direct expense of the respective function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Governmental Fund Types

General Fund:

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Cafeteria Fund:

The Cafeteria Fund is a special revenue fund used to account for the food service operations of the District.

Capital Facilities Fund:

The Capital Facilities Fund is a capital projects fund used to account for the accumulation and expenditure of resources used for the acquisition of capital facilities by the District.

B - Other Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This classification includes the Charter School, Adult Education, Child Development and Deferred Maintenance Funds.

The Capital Projects Funds are used to account for resources used for the acquisition or construction of major capital facilities and equipment. This classification includes the Building and Capital Projects Funds.

The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for, and the repayment of, general long-term debt principal, interest, and related costs.

The Foundation Trust Fund is used to account for amounts held by the District as Trustee, to be used to provide scholarships to students of the District.

The Student Body Funds are Agency Funds used to account for the various funds for which the District has an agency relationship with the activity of the fund.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual: Governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting: By state law, the Board of Trustees must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The District's Governing Board complied with these requirements.

Receivables: Receivables are made up principally of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2020.

Stores Inventory: Inventory in the General and Cafeteria Funds consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$10,000 or more, are recorded at acquisition value for the contributed asset. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 3 - 30 years depending on asset types:

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Land	N/A
Land improvements	20
Buildings	15-30
Equipment, vehicles, equipment	3-20

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes 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(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding of debt, in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension liability and total OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position includes 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(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability and total OPEB liability reported in the Statement of Net Position.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value.

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 20,907,510	\$ 8,970,612	\$ 29,878,122
Deferred inflows of resources	\$ 7,974,000	\$ 1,013,000	\$ 8,987,000
Net pension liability	\$ 79,047,000	\$ 39,380,000	\$ 118,427,000
Pension expense	\$ 17,366,735	\$ 8,973,373	\$ 26,340,108

Compensated Absences: Compensated absences benefits in the amount of \$819,597 are recorded as a long-term liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave: Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken since 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.

Unearned Revenue: Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Yolo bills and collects taxes for the District. Tax revenues are recognized by the District when received.

Net Position: Net position is displayed in three components:

- 1 - Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2- Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted program revenues represents the portion of net position restricted to specific program expenditures. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for scholarships is represents the portion of net position restricted for scholarships. It is the District's policy to use restricted net position first when allowable expenditures are incurred.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3 - Unrestricted Net Position - All other net position that does not meet the definitions of "restricted" or "net investment in capital assets".

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - Restricted Fund Balance:

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. These are the same restrictions used to determine restricted net position as reported in the government-wide and fiduciary trust fund statements.

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Trustees. 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. Formal action by the Board of Trustees is required to remove any commitment from any fund balance. At June 30, 2020, the District had no committed fund balances.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Trustees has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances, however, as of June 30, 2020, no such designation has occurred.

E - Unassigned Fund Balance:

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.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. 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.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Trustees. At June 30, 2020, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash at June 30, 2020 consisted of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Pooled funds:		
Cash in County Treasury	\$ 40,954,422	\$ 21,000
Deposits:		
Cash on hand and in banks	300	491,745
Cash in revolving fund	24,500	-
Cash with Fiscal Agent	<u>101,908</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 41,081,130</u>	<u>\$ 512,745</u>

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest bearing Yolo County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's prorate 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.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2020, the carrying amount of the District's accounts was \$516,545, and the bank balances were \$491,653, of which \$25,424 was not covered by FDIC insurance.

Cash with Fiscal Agent: Cash with Fiscal Agent represents funds held by Fiscal Agents restricted for capital projects and repayment of General Obligation Bonds. The District holds their funds with the Yolo County Treasurer. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2020, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2020, the District had no concentration of credit risk.

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances as of June 30, 2020 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Activities</u>		
Major Funds:		
General	\$ 2,653,825	\$ 633,880
Cafeteria	511,364	1,682,679
Capital Facilities	-	113,021
Non-Major Funds:		
Charter School	73,903	336,980
Adult Education	-	53,507
Child Development	-	94,412
Capital Projects	-	324,613
Totals	\$ 3,239,092	\$ 3,239,092

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

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

Transfers for the 2019-2020 fiscal year were as follows:

Transfer from the Cafeteria Fund to the General Fund for indirect cost.	\$ 133,411
Transfer from Adult Education Fund to the General Fund for indirect cost.	53,507
Transfer from Child Development Fund to the General Fund for indirect cost.	94,412
Transfer from the General Fund to the Cafeteria Fund for program support.	25,063
Transfer from the Charter School Fund to the General Fund for indirect cost.	<u>1,330</u>
Totals	<u>\$ 307,723</u>

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2020 is shown below:

	Balance July 1, <u>2019</u>	Additions and <u>Transfers</u>	Deductions and <u>Transfers</u>	Balance June 30, <u>2020</u>
Non-depreciable:				
Land	\$ 7,222,874	\$ -	\$ -	\$ 7,222,874
Work-in-process	478,475	4,201,086	-	4,679,561
Depreciable:				
Improvement of sites	5,941,881	-	-	5,941,881
Buildings	146,180,229	5,736	-	146,185,965
Equipment	<u>14,066,601</u>	<u>1,606,139</u>	-	<u>15,672,740</u>
Totals, at cost	<u>173,890,060</u>	<u>5,812,961</u>	-	<u>179,703,021</u>
Less accumulated depreciation:				
Improvement of sites	(3,728,626)	(165,315)	-	(3,893,941)
Buildings	(60,791,078)	(3,981,061)	-	(64,772,139)
Equipment	<u>(9,112,599)</u>	<u>(596,988)</u>	-	<u>(9,709,587)</u>
Total accumulated depreciation	<u>(73,632,303)</u>	<u>(4,743,364)</u>	-	<u>(78,375,667)</u>
Capital assets, net	<u>\$ 100,257,757</u>	<u>\$ 1,069,597</u>	<u>\$ -</u>	<u>\$ 101,327,354</u>

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 292,147
School site administration	2,910
Home-to-school transportation	98,749
Food services	46,083
Ancillary services	1,124
Community services	5,326
Centralized data processing	15,345
Plant services	<u>4,281,680</u>
	<u><u>\$ 4,743,364</u></u>

NOTE 5 - LONG-TERM LIABILITIES

General Obligation Bonds: In February 2010, the District issued the 2010 General Obligation Refunding Bonds in the amount of \$16,540,000 with original interest rates ranging from 2.7% to 4.20%, maturing in August 2026. The bond proceeds were used to refund the outstanding principal and interest balance of 2002 General Obligation Bonds.

In May 2013, the District issued the 2013 General Obligation Refunding Bonds in the amount of \$1,900,000 with original interest rates ranging from 2.0% to 4.0%, maturing in August 2025. The bond proceeds were used to refund a portion of the outstanding principal and interest balance of 2005 General Obligation Refunding Bonds.

The General Obligation Refunding Bonds are scheduled to mature as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,950,000	\$ 565,650	\$ 2,515,650
2022	2,040,000	475,625	2,515,625
2023	2,130,000	386,975	2,516,975
2024	2,220,000	295,681	2,515,681
2025	2,315,000	196,188	2,511,188
2026-2027	<u>3,150,000</u>	<u>135,631</u>	<u>3,285,631</u>
	<u><u>\$ 13,805,000</u></u>	<u><u>\$ 2,055,750</u></u>	<u><u>\$ 15,860,750</u></u>

Certificates of Participation: In October 2010, the District issued Certificates of Participation, 2010 Financing Project, (COPs) in the amount of \$7,705,000 with original interest rates ranging from 4.40% to 4.78%, maturing in August 2038.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the 2010 Certificates of Participation:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 215,000	\$ 251,886	\$ 466,886
2022	220,000	244,786	464,786
2023	230,000	236,906	466,906
2024	240,000	228,416	468,416
2025	245,000	219,473	464,473
2026-2030	1,390,000	941,241	2,331,241
2031-2035	1,730,000	611,211	2,341,211
2036-2039	<u>1,725,000</u>	<u>169,444</u>	<u>1,894,444</u>
	<u>\$ 5,995,000</u>	<u>\$ 2,903,363</u>	<u>\$ 8,898,363</u>

In September 2015, the District issued Certificates of Participation, 2015 Refinancing Project, (COPs) in the amount of \$4,400,000 to refund the remaining 2005 Certificates of Participation. \$4,450,000 of the 2005 Certificates of Participation were refunded. The COPs mature during succeeding years through September 2035. The bonds accrue interest at rates ranging from 2.0% to 3.5%.

The following is a schedule of the future payments for the 2015 Refunding Certificates of Participation:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 190,000	\$ 105,988	\$ 295,988
2022	190,000	102,188	292,188
2023	195,000	98,338	293,338
2024	200,000	94,263	294,263
2025	205,000	89,703	294,703
2026-2030	1,110,000	359,622	1,469,622
2031-2035	1,305,000	166,438	1,471,438
2036	<u>285,000</u>	<u>4,988</u>	<u>289,988</u>
	<u>\$ 3,680,000</u>	<u>\$ 1,021,528</u>	<u>\$ 4,701,528</u>

Capital Leases: The District has entered into various leases for equipment that has been capitalized and recorded as long-term debt with cost and accumulated depreciation of \$4,123,841 and \$1,426,055, respectively, at June 30, 2020. Future minimum lease payments as of June 30, 2020, are as follows:

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Year Ending June 30,	Principal	Interest	Total
2021	\$ 419,688	\$ 44,598	\$ 464,286
2022	372,007	27,556	399,563
2023	166,795	11,977	178,772
2024	74,002	5,500	79,502
2025	<u>76,697</u>	<u>2,805</u>	<u>79,502</u>
	<u>\$ 1,109,189</u>	<u>\$ 92,436</u>	<u>\$ 1,201,625</u>

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2020 is shown below:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due Within One Year
Debt:					
General Obligation Bonds	\$ 15,690,000	\$ -	\$ 1,885,000	\$ 13,805,000	\$ 1,950,000
Unamortized discounts	(203,395)	-	(31,687)	(171,708)	(12,397)
Unamortized premiums	617,964	-	86,110	531,854	86,110
Certificates of participation	10,070,000	-	395,000	9,675,000	405,000
Capital leases	731,101	873,916	495,828	1,109,189	419,688
Other Long-Term Liabilities					
Compensated absences	714,068	105,529	-	819,597	819,597
Net pension liability (Notes 7 and 8)	120,038,000	-	1,611,000	118,427,000	-
Total OPEB liability (Note 9)	<u>14,237,029</u>	<u>728,963</u>	<u>-</u>	<u>14,965,992</u>	<u>-</u>
Totals	<u>\$161,894,767</u>	<u>\$ 1,708,408</u>	<u>\$ 4,441,251</u>	<u>\$159,161,924</u>	<u>\$ 3,667,998</u>

Payments on the General Obligation Bonds were made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation were made from the General Fund and Capital Facilities Fund. Payments on the Capital Leases were made from the General Fund. Payments on compensated absences, net pension liability and total OPEB liability are made from the fund for which the related employee worked.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2020 consisted of the following:

	<u>General Fund</u>	<u>Cafeteria Fund</u>	<u>Capital Facilities Fund</u>	<u>All Non- Major Funds</u>	<u>Total</u>
Nonspendable:					
Revolving cash fund	\$ 24,000	\$ -	\$ -	\$ 500	\$ 24,500
Stores inventory	48,455	188,629	-	-	237,084
Prepaid expenditures	86,635	-	-	-	86,635
Subtotal nonspendable	<u>159,090</u>	<u>188,629</u>	<u>-</u>	<u>500</u>	<u>348,219</u>
Restricted:					
Legally restricted programs	2,096,771	-	-	3,353,146	5,449,917
Capital projects	-	-	13,739,151	547,181	14,286,332
Debt service	-	-	-	4,534,578	4,534,578
Subtotal restricted	<u>2,096,771</u>	<u>-</u>	<u>13,739,151</u>	<u>8,434,905</u>	<u>24,270,827</u>
Assigned:					
One time grant	3,213,328	-	-	-	3,213,328
Donations and Grants	554,034	-	-	-	554,034
Text book adoption	3,296,617	-	-	-	3,296,617
Other assigned	284,640	-	-	-	284,640
Subtotal assigned	<u>7,348,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,348,619</u>
Unassigned:					
Designated for economic uncertainty	3,588,192	-	-	-	3,588,192
Unassigned	8,427,992	(188,629)	-	-	8,239,363
Subtotal unassigned	<u>12,016,184</u>	<u>(188,629)</u>	<u>-</u>	<u>-</u>	<u>11,827,555</u>
Total fund balances	<u>\$ 21,620,664</u>	<u>\$ -</u>	<u>\$ 13,739,151</u>	<u>\$ 8,435,405</u>	<u>\$ 43,795,220</u>

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at <http://www.calstrs.com/comprehensive-annual-financial-report>.

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- 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 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60

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.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

CalSTRS 2% at 62

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.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately \$2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill requires portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately \$1.6 billion, was allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law in June 2020 and revised certain provisions of Teachers' Retirement Law enacted by SB 90. Specifically, AB 84 repurposed the aforementioned \$1.6 billion contribution originally intended to reduce employers' long-term liabilities, to further supplant employer contributions through fiscal year 2021–22. Pursuant to AB 84, employers will remit contributions to CalSTRS based on a rate that is 2.95% less than the statutory rate for fiscal year 2020–21 and 2.18% less than the rate set by the board for fiscal year 2021–22. Any remaining amounts must be allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program. The rate reduction for fiscal year 2019-20 under SB 90 was not changed by AB 84. The employer contribution rates set in statute and the CalSTRS board's authority to adjust those rates starting in fiscal year 2021–22 under the CalSTRS Funding Plan were not changed by the passage of SB 90 or AB 84..

A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2019-20. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2019-20.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

Employers – 17.10 percent of applicable member earnings. This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

Pursuant to AB 1469, employer contributions will increase from a prior rate of 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation also gives the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS employer contribution rate increases effective for fiscal year 2019-20 through fiscal year 2045-46 are summarized in the table below:

<u>Effective Date</u>	<u>Prior Rate</u>	<u>Increase</u>	<u>Total</u>
July 01, 2019	8.25%	9.88%	18.13% ⁽¹⁾
July 01, 2020	8.25%	10.85%	19.10% ⁽²⁾
July 01, 2021 to			
June 30, 2046	8.25%	(3)	(3)
July 01, 2046	8.25%	Increase from prior rate ceases in 2046-47	

(1) This rate does not reflect the reduction of employer contributions to be paid by the employer for fiscal year 2019–20 by 1.03 percentage points pursuant to SB 90.

(2) This rate does not reflect the reduction of employer contributions to be paid by the employer for fiscal year 2020–21 by 2.95 percentage points pursuant to SB 90 and AB 84.

(3) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down 1% each year, but no higher than 20.25% total and no lower than 8.25%.

The District contributed \$8,313,510 to the plan for the fiscal year ended June 30, 2020.

State – 10.328 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year.

Also, as a result of AB1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046.

The state's base contribution of the Defined Benefit Program is calculated based on creditable compensation from two fiscal years prior. The state rate increased to 5.811% on July 1, 2019, to continue paying down the unfunded liabilities associated with the benefits structure that was in place in 1990 prior to certain enhancements in benefits reductions in contributions. Additionally, the enactment SB 90 will result in future supplemental contributions to be made by the state to pay down its portion of the unfunded actuarial obligation of the Defined benefit Program in fiscal years 2019-20 through 2022-23.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS state contribution rates effective for fiscal year 2019-2020 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>AB 1469 Increase For 1990 Benefit Structure</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total State Appropriation to DB Program</u>
July 01, 2019	2.017%	5.811%	2.50%	10.328% ⁽²⁾
July 01, 2020	2.017%	5.811% ⁽³⁾	2.50%	10.328% ⁽²⁾
July 01, 2021 to June 30, 2046	2.017%	(4)	2.50%	(4)
July 01, 2046 and thereafter	2.017%	(5)	2.50%	(5)

(1) This rate does not include the \$72 million reduction in accordance with Education Code Section 22954.

(2) This rate does not include the \$2.2 billion supplemental state contribution on behalf of employers pursuant to SB 90.

(3) In May 2020, the CalSTRS board exercised its limited authority to increase the state contribution rate by 0.5% of the creditable compensation effective July 1, 2020. However, pursuant to AB 84, the state suspended the board's rate-setting authority for state contributions for fiscal year 2020–21, thereby negating the board's rate increase of 0.5%.

(4) The CalSTRS board has limited authority to adjust state contribution rates annually through June 30, 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0 percent.

(5) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining 1990 unfunded actuarial obligation..

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

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

District's proportionate share of the net pension liability	\$ 79,047,000
State's proportionate share of the net pension liability associated with the District	<u>43,126,000</u>
Total	<u>\$ 122,173,000</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2019, the District's proportion was 0.088 percent, which decreased by 0.002 percent from its proportion measured as of June 30, 2018.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$17,366,735 and revenue of \$7,260,614 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 200,000	\$ 2,227,000
Changes of assumptions	9,998,000	-
Net differences between projected and actual earnings on investments	-	3,045,000
Changes in proportion and differences between District contributions and proportionate share of contributions	2,396,000	2,702,000
Contributions made subsequent to measurement date	<u>8,313,510</u>	<u>-</u>
Total	<u>\$ 20,907,510</u>	<u>\$ 7,974,000</u>

\$8,313,510 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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 Ending <u>June 30,</u>	
2021	\$ 1,780,817
2022	\$ (332,183)
2023	\$ 1,783,316
2024	\$ 2,249,650
2025	\$ (307,600)
2026	\$ (554,000)

Differences between expected and actual experience, changes in assumptions, changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2019 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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

Valuation Date	June 30, 2018
Experience Study	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB Not applicable for DBS/CBB

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

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Global Equity	47%	4.8%
Fixed Income	12	1.3
Real Estate	13	3.6
Private Equity	13	6.3
Absolute Return / Risk Mitigating Strategies	9	1.8
Inflation Sensitive	4	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase 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 STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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	\$ 117,708,000	\$ 79,047,000	\$ 46,990,000

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

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

<https://www.calpers.ca.gov/docs/forms-publications/cafr-2019.pdf>

Benefits Provided: The benefits for the defined benefit plans 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 (10 years for State Second Tier members) of credited service.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2020, were as follows:

Members - The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2019-20.

Employers - The employer contribution rate was 19.72 percent of applicable member earnings.

The District contributed \$3,739,612 to the plan for the fiscal year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$39,380,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts. At June 30, 2019 the District's proportion was 0.135 percent, which was a decrease of 0.004 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$8,973,373. At June 30, 2020, 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>
Difference between expected and actual experience	\$ 2,861,000	\$ -
Changes of assumptions	1,875,000	-
Net differences between projected and actual earnings on investments	-	365,000
Changes in proportion and differences between District contributions and proportionate share of contributions	495,000	648,000
Contributions made subsequent to measurement date	<u>3,739,612</u>	<u>-</u>
Total	<u>\$ 8,970,612</u>	<u>\$ 1,013,000</u>

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B

\$3,739,612 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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 Ending June 30,		
2021	\$	3,508,667
2022	\$	456,667
2023	\$	149,166
2024	\$	103,500

Differences between expected and actual experience, changes in assumptions, changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2019 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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

Valuation Date	June 30, 2018
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale BB90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B

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.

<u>Asset Class</u>	<u>Long-Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return Years (1-10)⁽¹⁾</u>	<u>Expected Real Rate of Return Years 11+⁽²⁾</u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average

(1) An expected inflation rate of 2.00% used for this period.

(2) An expected inflation rate of 2.92% used for this period.

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

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, CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plan. 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 Plan’s 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. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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:

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District’s proportionate share of the net pension liability	\$ 56,764,000	\$ 39,380,000	\$ 24,959,000

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 9 - OTHER POSTEMPLOYMENT BENEFITS

General Information Other Postemployment Benefits Plan (OPEB)

Plan Description: In addition to the pension benefits described in Notes 7 and 8, the District provides post-employment health care benefits under a single employer defined benefit OPEB plan to eligible retirees at age 65 and for certain groups of employees who retire from the District after attaining age 55 with at least 15 years of service. The plan does not issue separate financial statements.

The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under one of the District’s retirement plan to continue health coverage as a participant in the District’s plan. The District’s Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District’s Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2020 the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District’s Total OPEB Liability.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2020:

	Number of Participants
Inactive Plan members	69
Active employees	800
	<u>869</u>

Benefits Provided: The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage.

Contributions: California Government Code specifies that the District’s contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District’s premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were \$598,439 for the year ended June 30, 2020. Employees are not required to contribute to the OPEB plan.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

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

Actuarial Assumptions: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Valuation Date</u>	June 30, 2020
<u>Fiscal Year End</u>	June 30, 2020
<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	Certified: 2009 CalSTRS Mortality Classified: 2014 CalPERS active Mortality for Miscellaneous Employees
<u>Discount Rate</u>	2.2% Based on the Bond Buyer 20-Bond Index
<u>Retirement Rate</u>	Certificated – Hired before 2013: 2020 CalSTRS 2.0%@60 rates. Hired after 2012: 2020 CalSTRS 2.0%@62 rates Classified, Confidential and Management - Hired before 2013: 2017 CalPERS 2.0%@55 rates for school employees. Hired after 2012: 2017 CalPERS 2%@62 rates for school Employees.
<u>Inflation Rate</u>	2.75% per year
<u>Salary Increase</u>	2.75% per year
<u>Medical Coverage</u>	All current and future participating retirees will qualify for Medicare coverage and enroll in Parts A and B upon age 65.
<u>Health Care Inflation</u>	4.0%
<u>Termination Rate</u>	Termination rates match rates developed in the most recent experience studies for California PERS (2017) and California STRS (2020).
<u>Funding Method</u>	Entry Age Cost Method (Level Percentage of Pay).

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	\$ 14,237,029
Changes for the year:	
Service cost	1,488,908
Interest	513,879
Employer Contributions	(598,439)
Differences between actual and expected experience	(2,164,651)
Changes in assumptions	1,489,266
Benefit payments	-
Administrative expenses	-
Net change	728,963
Balance at June 30, 2020	\$ 14,965,992

There were no changes between the measurement date and the year ended June 30, 2020 which had a significant effect on the District's total OPEB liability.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate: The following presents the Total OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (1.2%)	Current Discount Rate (2.2%)	1% Increase (3.2%)
Total OPEB liability	\$ 16,034,917	\$ 14,965,992	\$ 13,944,054

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.0%)	Healthcare Cost Trend Rates Rate (4.0%)	1% Increase (5.0%)
Total OPEB liability	\$ 13,238,790	\$ 14,965,992	\$ 17,030,431

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,977,800. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ 2,025,891
Changes of assumptions	<u>1,639,104</u>	<u>-</u>
Total	<u>\$ 1,639,104</u>	<u>\$ 2,025,891</u>

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

Year Ending June 30,

2021	\$ (24,987)
2022	\$ (24,987)
2023	\$ (24,987)
2024	\$ (24,987)
2025	\$ (24,987)
Thereafter	\$ (261,852)

The effect of changes in assumptions are amortized over a closed period of 15.6 years as of the June 30, 2020 measurement date.

NOTE 10 - JOINT POWERS AGREEMENT

Woodland Joint Unified School District participates in one joint venture under joint powers agreement (JPA) with Schools Insurance Authority (SIA). The relationship between Woodland Joint Unified School District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

SIA arranges for and provides property, liability, workers' compensation, dental and vision insurance coverage for its members. The JPA's governing board consist of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district is obligated to pay an amount commensurate with the level of coverage requested and may be subject to assessments. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 10 - JOINT POWERS AGREEMENT (Continued)

Condensed financial information for the year ended June 30, 2019, is as follows:

Total assets	\$ 196,612,352
Deferred outflows of resources	\$ 1,899,536
Total liabilities	\$ 82,789,071
Deferred inflows of resources	\$ 782,679
Net position	\$ 114,940,138
Total revenues	\$ 78,904,293
Total expenditures	\$ 58,333,119
Change in net position	\$ 20,571,174

NOTE 11 - CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

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

NOTE 12 – COVID-19

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world, with resulting business and social disruption. In response to the pandemic and in compliance with various state and local ordinances, the District closed physical campuses and transitioned to a distance learning model. On March 13, 2020, the Governor of California issued Executive Order N-26 – 20, guaranteeing state funding to support the continued payment of salaries and benefits to all employees through June 30, 2020.

The operations and business results of the District could be adversely affected in the future including a reduction in the level of funding and impact to the timing of cash flows. In addition, significant estimates may be adversely impacted by national, state and local events designed to contain the coronavirus. Debt ratings for outstanding issuances may further be impacted. For the 2021 school year, the District is offering instruction in formats consistent with local health guidelines. Throughout the pandemic the District has put into practice a number of safety measures to protect students and employees and will continue to revise them as needed.

REQUIRED SUPPLEMENTARY INFORMATION

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2020

	<u>Budget</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 66,371,771	\$ 64,246,525	\$ 64,246,525	\$ -
Local sources	<u>29,326,543</u>	<u>30,717,905</u>	<u>31,105,432</u>	<u>387,527</u>
Total local control funding formula	<u>95,698,314</u>	<u>94,964,430</u>	<u>95,351,957</u>	<u>387,527</u>
Federal sources	4,950,110	6,309,552	5,232,739	(1,076,813)
Other state sources	8,075,129	16,817,567	12,526,496	(4,291,071)
Other local sources	<u>4,340,974</u>	<u>5,344,895</u>	<u>4,991,561</u>	<u>(353,334)</u>
Total revenues	<u>113,064,527</u>	<u>123,436,444</u>	<u>118,102,753</u>	<u>(5,333,691)</u>
Expenditures:				
Current:				
Certificated salaries	47,785,486	49,493,841	49,387,135	106,706
Classified salaries	17,785,341	19,505,282	19,137,501	367,781
Employee benefits	23,588,683	30,067,902	25,615,807	4,452,095
Books and supplies	9,039,434	15,088,479	6,084,678	9,003,801
Contract services and operating expenditures	13,086,282	14,793,325	12,821,824	1,971,501
Other outgo	1,790,355	1,781,596	1,526,686	254,910
Capital outlay	163,897	4,446,853	5,148,730	(701,877)
Debt service:				
Principal retirement	701,900	805,537	705,828	99,709
Interest	<u>316,346</u>	<u>309,709</u>	<u>309,708</u>	<u>1</u>
Total expenditures	<u>114,257,724</u>	<u>136,292,524</u>	<u>120,737,897</u>	<u>15,554,627</u>
Deficiency of revenues under expenditures	<u>(1,193,197)</u>	<u>(12,856,080)</u>	<u>(2,635,144)</u>	<u>10,220,936</u>
Other financing sources (uses):				
Transfers in	369,662	412,750	282,660	(130,090)
Transfers out	-	-	(25,063)	(25,063)
Proceeds from capital leases	<u>-</u>	<u>-</u>	<u>873,916</u>	<u>873,916</u>
Total other financing sources	<u>369,662</u>	<u>412,750</u>	<u>1,131,513</u>	<u>718,763</u>
Net change in fund balance	(823,535)	(12,443,330)	(1,503,631)	10,939,699
Fund balance, July 1, 2019	<u>23,124,295</u>	<u>23,124,295</u>	<u>23,124,295</u>	<u>-</u>
Fund balance, June 30, 2020	<u>\$ 22,300,760</u>	<u>\$ 10,680,965</u>	<u>\$ 21,620,664</u>	<u>\$ 10,939,699</u>

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
CAFETERIA FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2020

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 3,586,214	\$ 3,679,414	\$ 3,442,185	\$ (237,229)
Other state sources	250,665	359,100	266,832	(92,268)
Other local sources	<u>636,534</u>	<u>636,534</u>	<u>417,655</u>	<u>(218,879)</u>
Total revenues	<u>4,473,413</u>	<u>4,675,048</u>	<u>4,126,672</u>	<u>(548,376)</u>
Expenditures:				
Current:				
Classified salaries	1,812,870	1,784,886	1,657,348	127,538
Employee benefits	744,126	776,164	653,434	122,730
Books and supplies	1,560,059	1,870,358	1,525,801	344,557
Contract services and operating expenditures	138,475	160,188	160,186	2
Capital outlay	<u>-</u>	<u>107,376</u>	<u>21,555</u>	<u>85,821</u>
Total expenditures	<u>4,255,530</u>	<u>4,698,972</u>	<u>4,018,324</u>	<u>680,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>217,883</u>	<u>(23,924)</u>	<u>108,348</u>	<u>132,272</u>
Other financing sources (uses):				
Transfers in	-	-	25,063	25,063
Transfers out	<u>(217,883)</u>	<u>(217,883)</u>	<u>(133,411)</u>	<u>84,472</u>
Total other financing sources	<u>(217,883)</u>	<u>(217,883)</u>	<u>(108,348)</u>	<u>109,535</u>
Net change in fund balance	-	(241,807)	-	241,807
Fund balance, July 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2020	<u>\$ -</u>	<u>\$ (241,807)</u>	<u>\$ -</u>	<u>\$ 241,807</u>

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2020

	Last 10 Fiscal Years		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability			
Service cost	\$ 1,342,106	\$ 1,379,014	\$ 1,488,908
Interest	450,848	458,728	513,879
Change in assumptions	-	281,918	1,489,266
Differences between actual and expected experience	-	-	(2,164,651)
Benefit payments	<u>(576,231)</u>	<u>(599,280)</u>	<u>(598,439)</u>
Net change in total OPEB liability	1,216,723	1,520,380	728,963
Total OPEB liability, beginning of year	<u>11,499,926</u>	<u>12,716,649</u>	<u>14,237,029</u>
Total OPEB liability, end of year	<u>\$ 12,716,649</u>	<u>\$ 14,237,029</u>	<u>\$ 14,965,992</u>
Covered employee payroll	\$ 53,824,000	\$ 58,780,000	\$ 58,737,000
Total OPEB liability as a percentage of covered-employee payroll	26%	24%	24%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior. All years prior to 2018 are not available.

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2020

	State Teachers' Retirement Plan Last 10 Fiscal Years					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net pension liability	0.087%	0.086%	0.091%	0.088%	0.090%	0.088%
District's proportionate share of the net pension liability	\$ 50,865,000	\$ 57,707,000	\$ 73,855,000	\$ 81,371,000	\$ 82,966,000	\$ 79,047,000
State's proportionate share of the net pension liability associated with the District	<u>30,715,000</u>	<u>30,521,000</u>	<u>42,048,000</u>	<u>48,138,000</u>	<u>47,502,000</u>	<u>43,126,000</u>
Total net pension liability	<u>\$ 81,580,000</u>	<u>\$ 88,228,000</u>	<u>\$ 115,903,000</u>	<u>\$ 129,509,000</u>	<u>\$ 130,468,000</u>	<u>\$ 122,173,000</u>
District's covered payroll	\$ 38,769,000	\$ 39,785,000	\$ 45,508,000	\$ 46,633,000	\$ 47,399,000	\$ 48,219,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	174.49%	175.04%	163.93%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%

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

All years prior to 2015 are not available.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2020

	Public Employer's Retirement Fund B Last 10 Fiscal Years					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net pension liability	0.131%	0.127%	0.133%	0.136%	0.139%	0.135%
District's proportionate share of the net pension liability	\$ 14,870,000	\$ 18,679,000	\$ 26,181,000	\$ 32,498,000	\$ 37,072,000	\$ 39,380,000
District's covered payroll	\$ 13,750,000	\$ 14,029,000	\$ 15,903,000	\$ 17,357,000	\$ 18,376,000	\$ 18,893,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.15%	133.15%	164.63%	187.23%	201.74%	208.44%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%

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

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2020

	State Teachers' Retirement Plan Last 10 Fiscal Years					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 3,532,878	\$ 4,882,995	\$ 5,995,084	\$ 6,839,655	\$ 7,850,119	\$ 8,313,510
Contributions in relation to the contractually required contribution	<u>(3,532,878)</u>	<u>(4,882,995)</u>	<u>(5,995,084)</u>	<u>(6,839,655)</u>	<u>(7,850,119)</u>	<u>(8,313,510)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 39,785,000	\$ 45,508,000	\$ 46,633,000	\$ 47,399,000	\$ 48,219,000	\$ 45,855,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%*

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB90.

All years prior to 2015 are not available.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2020

	Public Employer's Retirement Fund B Last 10 Fiscal Years					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 11,799,345	\$ 1,884,054	\$ 2,425,593	\$ 2,854,019	\$ 3,412,374	\$ 3,739,612
Contributions in relation to the contractually required contribution	<u>(11,799,345)</u>	<u>(1,884,054)</u>	<u>(2,425,593)</u>	<u>(2,854,019)</u>	<u>(3,412,374)</u>	<u>(3,739,612)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's employee payroll	\$ 14,029,000	\$ 15,903,000	\$ 17,357,000	\$ 18,376,000	\$ 18,893,000	\$ 18,963,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

NOTE 1 - PURPOSE OF SCHEDULES

A - Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund and Cafeteria Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B - Schedule of Changes in Net OPEB Liability

The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

D - Schedule of the District's Contributions

The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

E - Changes of Benefit Terms

There are no changes in benefit terms reported in the Required Supplementary Information.

F - Changes of Assumptions

The discount rate for Public Employer's Retirement Fund B was 7.50, 7.65, 7.65, 7.15, 7.15 and 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017 and 2018 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

<u>Assumption</u>	<u>Measurement Period</u>				
	As of June 30, <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2020

	Charter School Fund	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund	Building Fund	Capital Projects Fund	Bond Interest and Redemption Fund	Total
ASSETS								
Cash and investments:								
Cash in County Treasury	\$ 731,394	\$ 2,041,104	\$ 95,934	\$ 378,747	\$ 154,296	\$ 615,590	\$ 4,534,578	\$ 8,551,643
Cash on hand and in banks	-	300	-	-	-	-	-	300
Cash in revolving fund	500	-	-	-	-	-	-	500
Cash with Fiscal Agent	-	-	-	-	101,908	-	-	101,908
Receivables	252,452	290,762	232,505	-	-	-	-	775,719
Due from other funds	73,903	-	-	-	-	-	-	73,903
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,058,249</u>	<u>\$ 2,332,166</u>	<u>\$ 328,439</u>	<u>\$ 378,747</u>	<u>\$ 256,204</u>	<u>\$ 615,590</u>	<u>\$ 4,534,578</u>	<u>\$ 9,503,973</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 103,509	\$ 17,355	\$ 57,699	\$ 9,050	\$ -	\$ -	\$ -	\$ 187,613
Due to other funds	336,980	53,507	94,412	-	-	324,613	-	809,512
Unearned revenue	1,575	-	69,868	-	-	-	-	71,443
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>442,064</u>	<u>70,862</u>	<u>221,979</u>	<u>9,050</u>	<u>-</u>	<u>324,613</u>	<u>-</u>	<u>1,068,568</u>
Fund balances:								
Nonspendable	500	-	-	-	-	-	-	500
Restricted	615,685	2,261,304	106,460	369,697	256,204	290,977	4,534,578	8,434,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances	<u>616,185</u>	<u>2,261,304</u>	<u>106,460</u>	<u>369,697</u>	<u>256,204</u>	<u>290,977</u>	<u>4,534,578</u>	<u>8,435,405</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,058,249</u>	<u>\$ 2,332,166</u>	<u>\$ 328,439</u>	<u>\$ 378,747</u>	<u>\$ 256,204</u>	<u>\$ 615,590</u>	<u>\$ 4,534,578</u>	<u>\$ 9,503,973</u>

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the Year Ended June 30, 2020

	Charter School Fund	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund	Building Fund	Capital Projects Fund	Bond Interest and Redemption Fund	Total
Revenues:								
Local Control Funding Formula:								
State sources	\$ 1,331,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,331,433
Local sources	777,410	92,675	-	374,258	-	-	-	1,244,343
Total Local Control Funding Formula	2,108,843	92,675	-	374,258	-	-	-	2,575,776
Federal sources	17,843	156,200	139,627	-	-	-	-	313,670
Other state sources	184,848	1,431,485	1,831,364	-	-	-	14,543	3,462,240
Other local sources	11,391	120,510	34,695	(1,177)	1,070	24,185	2,262,376	2,453,050
Total revenues	2,322,925	1,800,870	2,005,686	373,081	1,070	24,185	2,276,919	8,804,736
Expenditures:								
Current:								
Certificated salaries	1,091,564	646,168	680,078	-	-	-	-	2,417,810
Classified salaries	197,744	306,322	317,578	-	-	-	-	821,644
Employee benefits	469,021	318,405	349,610	-	-	-	-	1,137,036
Books and supplies	36,956	17,497	96,352	8,234	-	-	-	159,039
Contract services and operating expenditures	281,535	166,196	445,633	140,045	-	22,325	-	1,055,734
Other outgo	266,123	-	-	-	-	-	-	266,123
Capital outlay	-	-	-	-	-	1,325,336	-	1,325,336
Debt service:								-
Principal retirement	-	-	-	-	-	-	1,885,000	1,885,000
Interest	-	-	-	-	-	-	640,312	640,312
Total expenditures	2,342,943	1,454,588	1,889,251	148,279	-	1,347,661	2,525,312	9,708,034
(Deficiency) excess of revenues (under) over expenditures	(20,018)	346,282	116,435	224,802	1,070	(1,323,476)	(248,393)	(903,298)
Other financing uses:								
Transfers out	(1,330)	(53,507)	(94,412)	-	-	-	-	(149,249)
Net change in fund balances	(21,348)	292,775	22,023	224,802	1,070	(1,323,476)	(248,393)	(1,052,547)
Fund balance, July 1, 2019	637,533	1,968,529	84,437	144,895	255,134	1,614,453	4,782,971	9,487,952
Fund balance, June 30, 2020	\$ 616,185	\$ 2,261,304	\$ 106,460	\$ 369,697	\$ 256,204	\$ 290,977	\$ 4,534,578	\$ 8,435,405

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Student Body</u>				
<u>Douglass Middle School</u>				
Assets:				
Cash on hand and in banks	\$ 49,462	\$ 117,613	\$ 98,716	\$ 68,359
Liabilities:				
Due to student groups	\$ 49,462	\$ 117,613	\$ 98,716	\$ 68,359
<u>Lee Middle School</u>				
Assets:				
Cash on hand and in banks	\$ 32,058	\$ 38,816	\$ 33,190	\$ 37,684
Liabilities:				
Due to student groups	\$ 32,058	\$ 38,816	\$ 33,190	\$ 37,684
<u>Pioneer High School</u>				
Assets:				
Cash on hand and in banks	\$ 247,297	\$ 222,817	\$ 194,690	\$ 275,424
Liabilities:				
Due to student groups	\$ 247,297	\$ 222,817	\$ 194,690	\$ 275,424
<u>Woodland High School</u>				
Assets:				
Cash on hand and in banks	\$ 9,704	\$ 244,972	\$ 185,715	\$ 68,961
Liabilities:				
Due to student groups	\$ 9,704	\$ 244,972	\$ 185,715	\$ 68,961

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the Year Ended June 30, 2020

	Balance July 1, <u>2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2020</u>
<u>Student Body</u> (Continued)				
<u>Woodland High School - Scholarship Funds</u>				
Assets:				
Cash on hand and in banks	\$ 41,224	\$ 93	\$ -	\$ 41,317
	<u>41,224</u>	<u>93</u>	<u>-</u>	<u>41,317</u>
Liabilities:				
Due to student groups	\$ 41,224	\$ 93	\$ -	\$ 41,317
	<u>41,224</u>	<u>93</u>	<u>-</u>	<u>41,317</u>
<u>All Student Body Funds</u>				
Assets:				
Cash on hand and in banks	\$ 379,745	\$ 624,311	\$ 512,311	\$ 491,745
	<u>379,745</u>	<u>624,311</u>	<u>512,311</u>	<u>491,745</u>
Liabilities:				
Due to student groups	\$ 379,745	\$ 624,311	\$ 512,311	\$ 491,745
	<u>379,745</u>	<u>624,311</u>	<u>512,311</u>	<u>491,745</u>

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2020

Woodland Joint Unified School District was established in 1965 and comprises an area of approximately 282 square miles located in Solano and Yolo Counties. There were no changes in the boundaries of the District during the current year. The District currently operates 11 elementary, two intermediate, and two high schools. The District also maintains a continuation high school, an adult education school and an independent study program. There is one charter school, Science & Technology Academy, operating within the District during the year ended June 30, 2020.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Morgan Childers	President	December 2022
Jake Whitaker	Vice President	December 2020
Teresa Guerrero	Clerk	December 2020
Karen Rosenkilde-Bayne	Member	December 2020
Deborah Bautista Zavala	Member	December 2022
Rogelio Villagrana	Member	December 2022
Debbie Decker	Member	December 2020

ADMINISTRATION

Thomas Pritchard
Superintendent

Lewis Wiley, Jr.
Associate Superintendent, Business Services

Elodia Ortega-Lampkin
Associate Superintendent, Educational Services

Leannee Medina Estrada
Assistant Superintendent, Human Resource Services

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2020

	Second Period <u>Report</u>	Annual <u>Report</u>
DISTRICT		
Certificate Numbers:	85BAB17D	E54026A4
Elementary:		
Kindergarten through Third	2,772	2,776
Fourth through Sixth	2,068	2,070
Seventh through Eighth	<u>1,436</u>	<u>1,437</u>
Subtotal Elementary	<u>6,276</u>	<u>6,283</u>
Secondary:		
Ninth through Twelfth	<u>2,874</u>	<u>2,875</u>
District total	<u><u>9,150</u></u>	<u><u>9,158</u></u>
CHARTER SCHOOL - Science & Technology Academy at Knights Landing		
Certificate Numbers	3A442942	C64B70A4
Classroom-Based:		
Kindergarten through Third	144	144
Fourth through Sixth	<u>87</u>	<u>87</u>
Total classroom-based	<u><u>231</u></u>	<u><u>231</u></u>

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2020

<u>Grade Level</u>	<u>Statutory Minutes Requirements</u>	<u>2019-2020 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
District				
Kindergarten	36,000	48,140	180	In Compliance
Grade 1	50,400	50,840	180	In Compliance
Grade 2	50,400	50,840	180	In Compliance
Grade 3	50,400	50,840	180	In Compliance
Grade 4	54,000	55,020	180	In Compliance
Grade 5	54,000	55,020	180	In Compliance
Grade 6	54,000	55,020	180	In Compliance
Grade 7	54,000	54,000	180	In Compliance
Grade 8	54,000	54,000	180	In Compliance
Grade 9	64,800	64,800	180	In Compliance
Grade 10	64,800	64,800	180	In Compliance
Grade 11	64,800	64,800	180	In Compliance
Grade 12	64,800	64,880	180	In Compliance
Charter School				
Kindergarten	36,000	51,070	175	In Compliance
Grade 1	50,400	51,070	175	In Compliance
Grade 2	50,400	51,070	175	In Compliance
Grade 3	50,400	51,070	175	In Compliance
Grade 4	54,000	54,310	175	In Compliance
Grade 5	54,000	54,310	175	In Compliance
Grade 6	54,000	54,310	175	In Compliance

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2020

<u>Federal Catalog Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education - Passed through California Department of Education</u>			
	Special Education Cluster:		
84.027	IDEA Basic Local Entitlement, Part B, Sec 611	13379	\$ 1,782,146
84.027	IDEA Local Assistance, Part B, Sec 611	10115	20,024
84.173	IDEA Preschool Grants, Part B, Sec 619	13430	60,897
84.027A	IDEA Mental Health Plan	14468	<u>103,121</u>
	Subtotal Special Education Cluster		<u>1,966,188</u>
	Adult Education Programs:		
84.002A	Adult Basic Education and ESL	14508	64,350
84.002	Adult Secondary Education	13978	<u>91,850</u>
	Subtotal Adult Education Programs		<u>156,200</u>
	Title III Programs:		
84.365	Title III, English Learner Student Program	14346	265,377
84.365	Title III, Immigrant Education Program	15146	<u>23,368</u>
	Subtotal ESEA: Title III Programs		<u>288,745</u>
	Title I Programs		
84.010	Title I, Part A, Basic Grants Low Income and Neglected	14329	1,918,134
84.010	ESSA School Improvement (CSI) Funding for LEA's	15438	<u>102,709</u>
	Subtotal Title I Programs		<u>2,020,843</u>
84.424	Title IV, Part A, Student Support Academic Enrichment	15396	93,527
84.367	Title II, Part A, Improvement Teacher Quality	14341	307,663
84.048	Carl D. Perkins Career and Technical Education Secondary, Section 131	14894	<u>78,833</u>
	Total U.S. Department of Education		<u>4,911,999</u>

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2020

<u>Federal Catalog Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture - Passed through California Department of Education</u>			
10.555	Child Nutrition: School Programs - Child Nutrition Cluster	13391	\$ 3,434,806
10.579	Child Nutrition: NSLP Equipment Assistance Grants	14906	<u>7,379</u>
Total U.S. Department of Agriculture			<u>3,442,185</u>
<u>U.S. Department of Health and Human Services - Passed through California Department of Education</u>			
CCDF Cluster:			
93.596	Child Dev. Federal General and State Preschool	13609	139,620
96.575	Child Dev. Local Planning Councils	13946	<u>7</u>
Subtotal CCDF Cluster			<u>139,627</u>
Medicaid Cluster:			
93.778	Medi-Cal Billing Option - Medicaid Cluster	10013	204,735
93.778	Medi-Cal Administrative Activities (MAA)	10060	<u>342,880</u>
Subtotal Medicaid Cluster			<u>547,615</u>
Total U.S. Department of Health and Human Services			<u>687,242</u>
Total Federal Programs			<u>\$ 9,041,426</u>

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

There were no adjustments proposed to any funds of the District.

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2020
(UNAUDITED)

	(Budgeted) 2021	2020	2019	2018
<u>General Fund</u>				
Revenues and other financing sources	\$ 112,515,785	\$ 119,259,329	\$ 121,484,448	\$ 112,466,975
Expenditures	119,606,720	120,737,897	118,080,952	116,595,459
Other uses and transfers out	<u>-</u>	<u>25,063</u>	<u>72,070</u>	<u>61,234</u>
Total outgo	<u>119,606,720</u>	<u>120,762,960</u>	<u>118,153,022</u>	<u>116,656,693</u>
Change in fund balance	<u>\$ (7,090,935)</u>	<u>\$ (1,503,631)</u>	<u>\$ 3,331,426</u>	<u>\$ (4,189,718)</u>
Ending fund balance	<u>\$ 14,529,729</u>	<u>\$ 21,620,664</u>	<u>\$ 23,124,295</u>	<u>\$ 19,792,869</u>
Available reserves	<u>\$ 5,035,339</u>	<u>\$ 12,016,184</u>	<u>\$ 8,750,534</u>	<u>\$ 7,743,769</u>
Designated for economic uncertainties	<u>\$ 3,588,202</u>	<u>\$ 3,588,192</u>	<u>\$ 3,532,044</u>	<u>\$ 3,448,210</u>
Undesignated fund balance	<u>\$ 1,447,137</u>	<u>\$ 8,427,992</u>	<u>\$ 5,218,490</u>	<u>\$ 4,295,559</u>
Available reserves as percentages of total outgo	<u>4.2%</u>	<u>10.0%</u>	<u>7.4%</u>	<u>6.6%</u>
<u>All Funds</u>				
Total long-term liabilities	<u>\$ 155,493,926</u>	<u>\$ 159,161,924</u>	<u>\$ 161,894,767</u>	<u>\$ 157,022,472</u>
Average daily attendance at P-2, excluding Charter School	<u>9,150</u>	<u>9,150</u>	<u>9,206</u>	<u>9,145</u>

The General Fund fund balance has decreased by \$2,361,923 over the past three years. The District has incurred operating deficits in two of the past three years, and anticipates incurring an operating deficit during the fiscal year 2020-2021. The fiscal year 2020-2021 budget projects a decrease of \$7,090,935. For a district this size, the State of California recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out and other uses. For the year ended June 30, 2020, the District has met this requirement.

Total long-term liabilities have increased by \$2,139,452 over the past two years.

Average daily attendance has increased by 5 over the past two years. The District anticipates ADA to remain the same for fiscal year 2020-2021.

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2020

Charter Schools Chartered by District

Included in District
Financial Statements, or
Separate Report

1201 – Science & Technology Academy at Knights Landing

Included as the Charter School Fund

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2020

NOTE 1 - PURPOSE OF SCHEDULES

A - Schedule of Average Daily Attendance

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

B - Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District, and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

The District submitted a COVID-19 School Closure Certification with the State Superintendent of Public Instruction (SSPI) in connection with the effected school days impacted by COVID-19. The Certification was submitted to the SSPI on June 29, 2020.

C - Schedule of Expenditure of Federal Awards

The Schedule of Expenditure of Federal Awards includes the federal award activity of Woodland Joint Unified School District, and is presented on the 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)*. Expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Fund Balances and the related expenditures reported on the Schedule of Expenditure of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2020.

<u>Description</u>	<u>CFDA Number</u>	<u>Amount</u>
Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances		\$ 8,988,594
Medi-Cal Billing Option funds spent from prior year	93.778	<u>52,832</u>
Total Schedule of Expenditure of Federal Awards		<u>\$ 9,041,426</u>

D - Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2020

NOTE 1 - PURPOSE OF SCHEDULES (Continued)

E - Schedule of Financial Trends and Analysis - Unaudited

This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2020-2021 fiscal year, as required by the State Controller's Office.

F - Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2020, the District did not adopt this program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Education
Woodland Joint Unified School District
Woodland, California

Report on Compliance with State Laws and Regulations

We have audited Woodland Joint Unified School District's compliance with the types of compliance requirements described in the State of California's *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the "Audit Guide") applicable to the state laws and regulations listed below for the year ended June 30, 2020:

<u>Description</u>	<u>Procedures Performed</u>
Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	No, see below
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	No, see below
Attendance, for charter schools	Yes
Mode of Instruction, for charter schools	Yes
Nonclassroom-Based Instruction/Independent Study, for charter schools	No, see below

(Continued)

<u>Description</u>	<u>Procedures Performed</u>
Determination of Funding for Nonclassroom-Based Instruction, for charter schools	No, see below
Annual Instructional Minutes - Classroom-Based, for charter schools	Yes
Charter Schools - Charter School Facility Grant Program	No, see below
The District did not offer an Early Retirement Incentive Program in the current year; therefore, we did not perform any procedures related to this program.	
The District does not operate any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.	
The District does not have any Middle or Early College High Schools; therefore, we did not perform any procedures related to Middle or Early College High Schools.	
The District does not have a Transportation Maintenance of Effort program; therefore, we did not perform any procedures related to Transportation Maintenance of Effort.	
The District does not offer Apprenticeship: Related and Supplemental Instruction; therefore, we did not perform any procedures related to Apprenticeship: Related and Supplemental Instruction.	
The District did not elect to operate as a District of Choice; therefore, we did not perform any procedures related to District of Choice.	
The District did not offer an Independent Study-Course Based program; therefore, we did not perform any procedures related to this program.	
The District does not operate a Nonclassroom-based Charter School; therefore, we did not perform any testing related to Nonclassroom-Based Instruction/Independent Study or Determination of Funding for Nonclassroom-Based Instruction, for charter schools.	
We did not perform any procedures related to Charter School Facility Grant Program as the District does not have this program.	

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on Woodland Joint Unified School District's compliance with state laws and regulations, as listed above of 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 State of California's *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Those standards and the Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Woodland Joint Unified School District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Woodland Joint 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 qualified opinion on compliance with state laws and regulations. However, our audit does not provide a legal determination of Woodland Joint Unified School District's compliance.

(Continued)

Basis for Qualified Opinion on State Laws and Regulations

As described in Findings 2020-001 and 2020-002 in the accompanying Schedule of Audit Findings and Question Costs, Woodland Joint Unified School District did not comply with the requirements regarding Attendance Reporting and After School Education and Safety. Compliance with such requirements is necessary, in our opinion, for Woodland Joint Unified School District to comply with state laws and regulations applicable to Attendance Reporting and After School Education and Safety.

Qualified Opinion with State Laws and Regulations

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Woodland Joint Unified School District complied, in all material respects, with the state laws and regulations referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2020.

Other Matter

Woodland Joint Unified School District's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Audit Findings and Questioned Costs. Woodland Joint Unified School District's responses were not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the State of California's *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Sacramento, California
January 22, 2021

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

Board of Education
Woodland Joint Unified School District
Woodland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodland Joint Unified School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Woodland Joint Unified School District's financial statements, and have issued our report thereon dated January 22, 2021.

Internal Control Over Financial Reporting

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


Crowe LLP

Sacramento, California
January 22, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE

Board of Education
Woodland Joint Unified School District
Woodland, California

Report on Compliance for Each Major Federal Program

We have audited Woodland Joint 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 Woodland Joint Unified School District's major federal program for the year ended June 30, 2020. Woodland Joint 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 Woodland Joint 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; 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 Woodland Joint 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 Woodland Joint Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Woodland Joint 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 its major federal program for the year ended June 30, 2020.

(Continued)

Report on Internal Control Over Compliance

Management of Woodland Joint 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 Woodland Joint 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 Woodland Joint 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.


Crowe LLP

Sacramento, California
January 22, 2021

FINDINGS AND RECOMMENDATIONS

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	<u> X </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	<u> X </u> None reported

Noncompliance material to financial statements noted?

	_____ Yes	<u> X </u> No
--	-----------	-----------------

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	<u> X </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	<u> X </u> None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	_____ Yes	<u> X </u> No
--	-----------	-----------------

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.555

Child Nutrition: School
Programs - Child Nutrition
Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

STATE AWARDS

Type of auditors' report issued on compliance for state programs:

Qualified

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2020-001 STATE COMPLIANCE – ATTENDANCE REPORTING (10000)

Criteria or Specific Requirement

Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 – Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the State.

Condition

At Douglas Middle School, one student was improperly claimed for apportionment, resulting in an overstatement of one day of attendance or 0.01 ADA.

Context

We performed the audit procedures enumerated in the State of California 2019-20 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

The effect of this finding is an overstatement of 0.01 ADA.

Cause

The error was the result of a clerical error in accounting for attendance.

Fiscal Impact

The error is below 0.50 ADA, therefore there is no fiscal impact.

Recommendation

The District should enforce controls to ensure accurate accounting for attendance.

Views of Responsible Officials and Planned Corrective Actions

The District will work with site personnel to ensure proper controls over attendance accounting are being followed.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

2020-002 STATE COMPLIANCE – AFTER SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

Criteria

California Education Code Section 8483.8 – In any fiscal year, if a program participant receives state funds to operate a program pursuant to this article that are in an amount in excess of the amount warranted, due to the program serving fewer pupils than planned, to raising an inadequate amount of matching funds, or for any other reason, the State Department of Education shall reduce any subsequent allocations by an amount equal to that overpayment.

Condition

The District did not contribute cash or in-kind local funds, equal to not less than one-third of the total state grants.

Context

We performed the audit procedures enumerated in the State of California *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

The District's matching funds totaled \$303,661 which was \$136,427 less than the required one-third District match requirements.

Cause

The District operated the program for seven months of the school year before closing due to the Covid-19 pandemic. The District matched 70% of the 33% requirement related to the State Grant amount, as the program was operational for 70% of the year.

Fiscal Impact

There is no fiscal impact to this finding.

Recommendation

The District should ensure local matching contributions are in compliance with required minimums for the specific State program.

Views of Responsible Officials and Planned Corrective Actions

The District believes the proper amount was matched related to the State grant considering the District program was only operational for seven months due to the Covid-19 pandemic and related stay at home order.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2020

No matters were reported in the prior year audit.