

WESTERN PLACER UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2021

WESTERN PLACER UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES	15
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	16
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	17
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	19
STATEMENT OF FIDUCIARY NET POSITION - TRUST FUND	21
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION - TRUST FUND	22
NOTES TO FINANCIAL STATEMENTS	23
REQUIRED SUPPLEMENTARY INFORMATION:	
GENERAL FUND BUDGETARY COMPARISON SCHEDULE	54
SCHEDULE OF CHANGES IN NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY	44
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	56
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS	58
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	60

WESTERN PLACER UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021
(Continued)

CONTENTS

SUPPLEMENTARY INFORMATION:

COMBINING BALANCE SHEET - ALL NON-MAJOR FUNDS	61
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - ALL NON-MAJOR FUNDS	62
ORGANIZATION	63
SCHEDULE OF INSTRUCTIONAL TIME	64
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS	65
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	67
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS – UNAUDITED	68
SCHEDULE OF CHARTER SCHOOLS	69
NOTES TO SUPPLEMENTARY INFORMATION	70
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS	71
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	73
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY UNIFORM GUIDANCE	75
FINDINGS AND RECOMMENDATIONS:	
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS	77
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS	81

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Western Placer Unified School District Lincoln, 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 Western Placer Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Western Placer Unified School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Western Placer Unified School District, as of June 30, 2021, 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.

(Continued)

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This resulted in a restatement of the beginning governmental activities net position and the beginning aggregate remaining fund information fund balance totaling \$330,453. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 4 to 13 and other Required Supplementary Information, such as the General Fund Budgetary Comparison Schedule, Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of the District's Contributions on pages 54 to 59 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 Western Placer 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 25, 2022 on our consideration of Western Placer 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 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 Western Placer Unified School District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
January 25, 2022

**Western Placer Unified School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

The management's discussion and analysis of Western Placer Unified School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. The intent of this discussion and analysis is to look at the District's financial performance as a whole.

To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on pages 1 through 3, notes to the financial statements on pages 23 through 53, and the District's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- California K-12 education finance has fully implemented the new funding model "Local Control Funding Formula" (LCFF).
- In 2020-21, the District's Total Assets increased by \$7,587,397 which represents a 1.90% increase from the 2019-20 fiscal year. The increase was primarily due to increases in capital assets, specifically buildings, site improvements and work in progress (WIP) at Twelve Bridges High School of a net \$42.3 million. Correspondingly, cash and investments decreased \$45.2 million. Due to principal apportionment cash deferrals, accounts receivable increased nearly \$10.0 million from 2019-20.
- The District's Net Position increased by \$10.0 million from June 30, 2020. Total revenues were \$122,536,505, compared to \$112,808,060 in expenditures. Additionally, the cumulative effect of the implementation of GASB 84 (discussed in Note 1 of the financial statements) was an increase of \$330,453 to the District's net position.
- The fund balance of the General Fund increased overall by \$5,535,933 from the prior year, ending the year at \$21,163,000. The fund balance in the undesignated fund balance category decreased by \$759,116, having begun the year with a balance of \$13,633,495. This reserve also includes the 3% Reserve for Economic Uncertainty of \$2,555,211. The increase in fund balance from the prior year was projected in both the original and revised budgets adopted by the Board.
- District enrollment in 2020-21 was 7,034 at Second Period reporting, a decrease of 175 students, or 2.4%. Due to the COVID-19 pandemic, the District was not required to track or report average daily attendance (ADA) during the 2020-21 year. The District was funded on the 2019-20 ADA of 6,947. The District attendance rate is projected to decrease during 2021-22 due to continued COVID-19 illness and quarantines.
- Over the last few years the District has seen an uptick in construction growth. Developers have been pulling housing permits, and new homes continue to appear within District boundaries. Once we see steady growth in new housing, we anticipate we will begin to see a consistent increase in student enrollment.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are organized to provide the reader first with a look at the financial status of the entire Western Placer Unified School District. The statements then proceed to provide an increasingly detailed look at specific financial activities. This annual report consists of three parts:

- Management's Discussion and Analysis – this section, which provides an overall review of the financial activity for the past fiscal year as well as a look at the future years.
- Basic Financial Statements – a look at Western Placer Unified School District's financial statement as a whole for the entire operating entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.
- Required Supplementary Information – detailed information for specific financial activities including required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Reporting on the District as a Whole

Statement of Net Position and Statement of Activities

These two statements provide information about the District as a whole using the accrual accounting methods similar to those used by private-sector companies. They help answer the question, "How did we do financially during 2020-21?"

The change in net position is reported in the Statement of Net Position. This change in net position is important because it tells the reader whether the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some of them financial and some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating.

All current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. The relationship between revenues and expenses indicates the District's operating results. It is important to remember, the District's goal is to provide services to its students, not to generate profits as is necessary in commercial entities. One must consider many other non-financial factors, such as the quality of education provided and the safety of the schools in order to assess the overall health of the District.

In the District-wide financial statements, the District's activities are divided into two categories:

- Governmental Activities – All of the District's services are reported here, including regular and special education, general administration, transportation, food services, plant services, facilities acquisition and construction, interest, and long-term debt. State support from LCFF and categorical apportionments finance most of these activities.
- Business-type Activities – The District does not currently have any business type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required to be established by State law, bond covenants, or through grant or program restrictions.
- The District establishes other funds to control and manage money for specific purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

A District may have three kinds of funds:

- **Governmental Funds** – Most of the District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund and the Building Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
- **Proprietary Funds** – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds use the full accrual basis of accounting, the same as the District-wide statements. The District does not have programs classified in this category.
- **Fiduciary Funds** – The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets that are reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The District as a Whole

Statement of Net Position

The District's total assets increased by \$7,587,397 to \$407,665,332 during the 2020-21 fiscal year. Cash and cash equivalent accounts decreased \$45,205,815, mostly due to capital expenditures for Twelve Bridges High School, from FY 2019-20. Deferred outflows of resources for pensions decreased by \$504,368 due to the continued implementation of GASB 68.

Total liabilities decreased \$2,143,676 primarily due to the decrease of accounts payable by \$2,474,026. Deferred inflows of resources for pensions and OPEB decreased by \$832,103 due to the continued implementation of GASB 68.

The District's net position for FY 2020-21 was \$4,473,013 an increase of \$10,058,898 (180.08%) from FY 2019-20. Of this balance, \$3,458,588 was restricted while (\$50,199,014) was unrestricted. Net investment in capital assets accounted for \$22,708,091 of the total net position.

The Statement of Net Position is included in the table below and provides the detail information for 2019-20 and 2020-21, along with the variances between the years.

Table 1
Net Position
June 30, 2020 and 2021
Governmental Activities

	2019-20	2020-21	\$ Difference	% Difference
Assets:				
Cash and investments	\$ 97,429,778	\$ 52,223,963	\$ (45,205,815)	-46.40%
Receivables	5,712,646	15,661,788	9,949,142	100.00%
Prepaid expenses	25,370	83,744	58,374	100.00%
Stores inventory	11,705	21,336	9,631	82.28%
Other current assets	1,342	1,342	-	0.00%
Capital assets (net of accumulated depreciation)	296,897,094	339,673,159	42,776,065	14.41%
Total assets	400,077,935	407,665,332	7,587,397	1.90%
Deferred Outflows of Resources:				
Deferred outflows of resources-pensions and OPEB	21,426,698	21,168,019	(258,679)	-1.21%
Deferred outflow from advance refunding of debt	6,654,711	6,409,022	(245,689)	-3.69%
Total deferred outflows of resources - pensions	28,081,409	27,577,041	(504,368)	-1.80%
Liabilities:				
Accounts payable	13,367,476	10,893,450	(2,474,026)	-18.51%
Unearned revenue	288,473	467,788	179,315	62.16%
Long-term liabilities				
Due within one year	5,732,237	5,987,845	255,608	4.46%
Due after one year	409,898,147	409,793,574	(104,573)	-0.03%
Total liabilities	429,286,333	427,142,657	(2,143,676)	-0.50%
Deferred Inflows of Resources:				
Deferred inflows of resources-pensions and OPEB	4,458,806	3,626,703	(832,103)	-18.66%
Net Position				
Invested in capital assets, net of related debt	28,027,739	22,708,091	(5,319,648)	-18.98%
Restricted	28,505,348	31,963,936	3,458,588	12.13%
Unrestricted	(62,118,972)	(50,199,014)	11,919,958	-19.19%
Net Investment in Capital Assets	\$ (5,585,885)	\$ 4,473,013	\$ 10,058,898	-100.00%

Statement of Activities

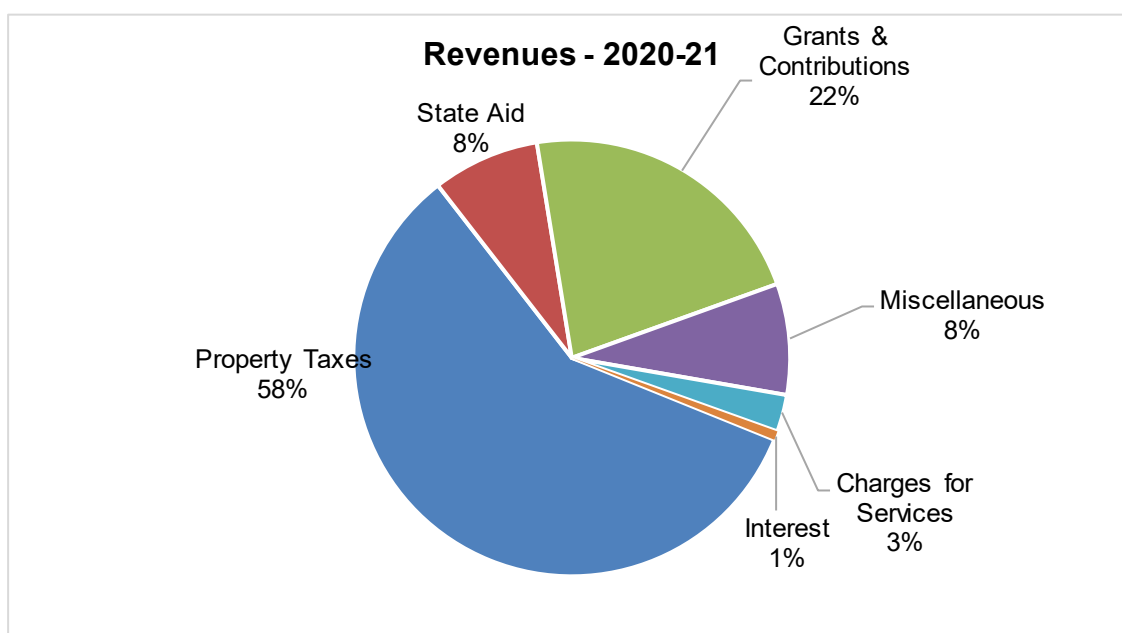
The District's total expenses were \$112,808,060; \$14,065,442 higher in 2020-21 than 2019-20. Program revenues were \$33,485,670; \$15,066,154 higher in 2020-21 than 2019-20. General revenues were \$89,050,835; \$4,060,221 higher than 2019-20.

Table 2
Statement of Activities
June 30, 2020 and 2021

	Governmental Activities			
	2019-20	2020-21	\$ Difference	% Difference
General Revenues				
Taxes Levied for General Purposes	\$ 54,697,844	\$ 57,486,982	\$ 2,789,138	5.10%
Taxes Levied for Debt Service	5,461,627	7,469,942	2,008,315	36.77%
Taxes Levied for Specific Purposes	6,104,942	6,596,586	491,644	8.05%
Unrestricted Federal and State Aid	12,854,546	9,726,395	(3,128,151)	-24.33%
Interest and Investment Earnings	522,800	792,735	269,935	51.63%
Interagency Revenues	255,651	301,744	46,093	18.03%
Miscellaneous	5,093,204	6,676,451	1,583,247	31.09%
Total General Revenues	84,990,614	89,050,835	4,060,221	4.78%
Program Revenues				
Charges for Services	1,288,183	3,353,693	2,065,510	100.00%
Operating Grants & Contributions	14,099,369	27,029,847	12,930,478	91.71%
Capital Grants & Contributions	3,031,964	3,102,130	70,166	2.31%
Total Program Revenues	18,419,516	33,485,670	15,066,154	81.79%
Total Revenues	103,410,130	122,536,505	19,126,375	18.50%
Expenses				
Instruction	56,665,019	59,624,710	2,959,691	5.22%
Supervision of Instruction	2,993,745	3,112,031	118,286	3.95%
Instructional Library, Media & Technology	885,438	2,689,095	1,803,657	100.00%
School Administration	5,356,770	5,742,146	385,376	7.19%
Pupil Support Services	3,638,665	4,065,210	426,545	11.72%
Home-to-School Transportation	1,547,569	1,614,346	66,777	4.31%
Food Service	2,049,422	2,388,967	339,545	16.57%
General Administration	5,036,083	7,965,455	2,929,372	58.17%
Plant Services	6,751,687	11,755,329	5,003,642	74.11%
Ancillary Services	1,114,672	999,736	(114,936)	-10.31%
Community Services	33,060	53,182	20,122	60.87%
Transfer Between Agencies	1,845,582	1,978,959	133,377	7.23%
Interest on Debt and Fiscal Charges	10,824,906	10,818,894	(6,012)	-0.06%
Total Expenses	98,742,618	112,808,060	14,065,442	14.24%
Change in Net Position	4,667,512	9,728,445	5,060,933	100.00%
Net Position - Beginning	(10,253,397)	(5,585,885)	4,667,512	-45.52%
Cumulative Effect of GASB 84 implementation		330,453		
Net Position - Ending	\$ (5,585,885)	\$ 4,473,013	\$ 9,728,445	-100.00%

The users of the District's programs paid \$3,353,693 of the cost, including a donation of \$1.9 million from the Western Placer Education Foundation, which made a donation to assist the District in the maintenance of the Outdoor Learning Environment (OLE) property. The federal and state governments subsidized certain programs with grants and contributions of \$27,029,847. This included over \$6.0 million in one-time COVID-related funds. Similar to 2019-20, the District received \$3.1 million in State facility match revenues for the Lincoln High School addition/modernization project. Most of the governmental activities were paid with \$71,553,510 in property taxes, \$9,726,395 of unrestricted state aid based on the statewide Local Control Funding Formula, and \$792,735 of investment earnings. Miscellaneous revenues of \$6,978,195 is comprised of a number of items, including interest revenue, facilities use fees, developer fees, Mello-Roos receipts, interagency revenues and site co-curricular revenues.

Sources of Western Placer USD's Revenue for the 2020-21 Fiscal Year
Figure 1

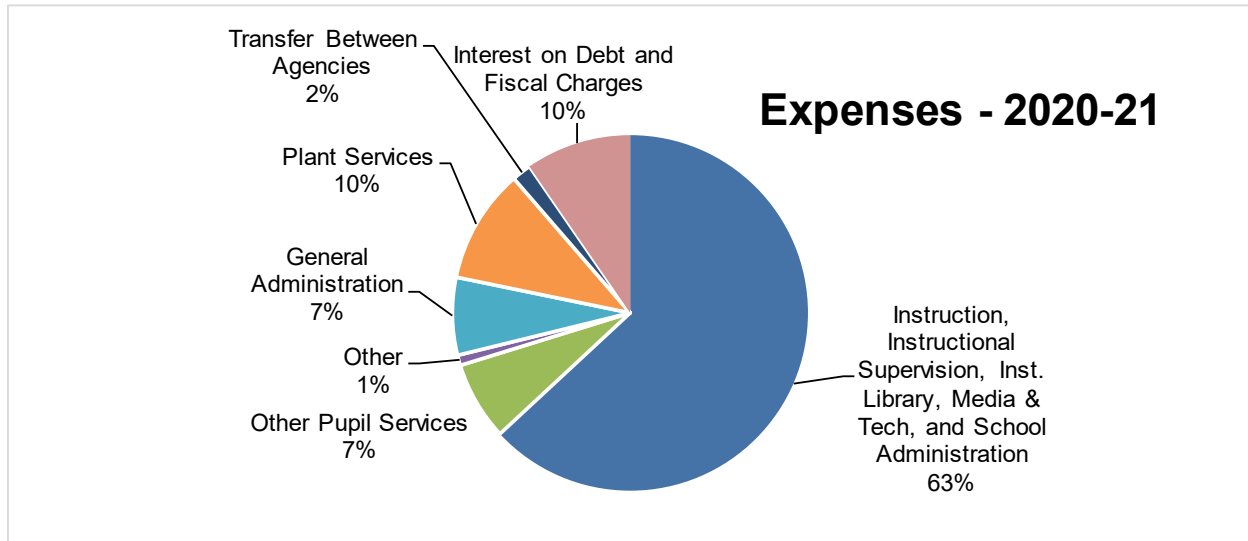


As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$112,808,060.

Instruction, supervision of instructional, instructional library, media & technology, and school administration expenses made up approximately 63% of total 2020-21 expenditures, a 4% decrease from 2019-20. General administration accounted for approximately 7% of the expenditure budget, a 2% increase from 2019-20. Interest on debt, fiscal charges and transfers between agencies represented 10% of all outgo, a 1% decrease from 2019-20, and pupil services accounted for 7% of expenditures, no change from 2019-20. Plant maintenance and operations accounted for 10% of the expenditure budget, a 3% increase from 2019-20. The increases in general administration and plant maintenance and operations are directly tied to COVID-19 funds received by the district, as much of those funds went towards technology and safety/cleaning/PPE items.

Figure 2 charts the District's expenditures for the 2020-21 school year.

Western Placer USD's Expenses for the Fiscal Year 2020-21 Figure 2



FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The individual fund statements provide information on inflows and outflows and balances of spendable resources.

The District's Governmental Funds reported a combined fund balance of \$60.7 million, a decrease of \$33.1 million from the previous fiscal year's combined ending balance of \$93.8 million. The funds with greatest change were:

- Building Fund decreasing by a net \$50 million due to the completion of Twelve Bridges High School, and final payments for the Scott Leaman Elementary School construction and Glen Edwards Middle School modernization,
- Capital Facilities Fund increasing by \$2,251,747 due to increased developer fee and interest revenues, in excess of facilities expenditures and transfers out to the Mello Roos Fund,
- Mello-Roos Fund increasing by \$6.1 million due to Mello Roos revenues and transfers from the Capital Facilities Fund in excess of debt payments,
- County School Facilities Fund increasing by \$3 million due to the receipt of State grant funding for the Lincoln High School addition and modernization project,
- Special Reserve Fund increasing by \$1.9 million from funds donated by the Western Placer Education Foundation for maintenance of the Outdoor Learning Environment (OLE) property
- Cafeteria fund increasing \$610,192 due to changes to the National School Lunch Program, which allowed for federal reimbursement for all meals provided to students regardless of free/reduced status, and
- General Fund increasing nearly \$5.5 million, primarily due to state and federal revenues received but not spent. These funds will carry over and be spent in 2021-22 or later.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. Significant budget adjustments fell into the following categories:

- Budget revisions acknowledging the inclusion of restricted ending balances, deferred revenue, and carryover from the prior year.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Budget revisions to reflect salary settlements.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net increase to the ending balance of approximately \$7.7 million. Actual audited activity reflected a net increase to the ending balance of \$5.5 million. The difference between the final budget and the actual ending balance is due primarily to unspent federal and state program fund carryovers, including one-time federal and state COVID-related funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2020-21 fiscal year, the District had invested \$339.7 million in a broad range of capital assets, including school sites, school buildings, site improvements, vehicles, equipment, and work in progress regarding the construction of the new Twelve Bridges High School. This amount represents an increase of \$42.8 million from the previous fiscal year, which consists of construction work in progress, building construction, site improvement and equipment additions totaling \$43.6 million, net of deletions and depreciation expense in the current fiscal year of \$800k.

Table 3
Capital Assets
(net of depreciation)

	2019-20	2020-21	\$ Difference	% Difference
Land	47,681,849	47,681,849	\$ -	0.00%
Site Improvements	10,267,603	16,147,764	5,880,161	57.27%
Buildings	133,800,571	135,584,556	1,783,985	1.33%
Equipment & Vehicles	1,909,108	1,607,744	(301,364)	-15.79%
Work in Progress (WIP)	103,237,963	138,651,246	35,413,283	34.30%
Total	\$ 296,897,094	\$ 339,673,159	\$ 42,776,065	14.41%

During 2020-21, the District also made substantial progress in the new construction of Twelve Bridges High School, opening in the fall of 2021. The Twelve Bridges High School project represents the June 30, 2021 WIP balance. Twelve Bridges High School will open for the 2021-22 school year.

Long-Term Debt

At June 30, 2021, the District had \$415,781,419 in long-term debt outstanding.

Table 4
Outstanding Liabilities

	2019-20	2020-21
General Obligation Bonds	\$ 114,725,000	\$ 112,035,000
Bond Anticipation Notes	53,525,000	53,525,000
Special Tax Bond	9,834,612	9,282,163
Unamortized Premiums	14,141,828	13,708,469
Other Post Employment Benefi	7,109,917	9,764,124
PARS	205,181	-
Compensated Absences	171,338	372,065
Certificates of Participation	143,637,598	141,957,598
Net Pension Liability	72,280,000	75,137,000
TOTAL	\$ 415,630,474	\$ 415,781,419

The General Obligation Bonds are financed by the local taxpayers and represent 26.95% of the District's long-term debt. Bond Anticipation Notes are financed through a lease financing paid by local taxpayers and represents 12.87% of the District's long-term debt. Certificates of Participation (COPs) are defeased through Mello-Roos special taxes and developer fees. COPs represent an additional 34.14% of the District long-term debt. The District's Net Pension Liability represents 18.07% of the District's long-term liability. The District's remaining debt is composed off other post-employment benefits, special tax bond, unamortized premiums and compensated absences.

FACTORS BEARING ON THE DISTRICT'S FUTURE

For several years, the District saw rapid growth as new housing developments were completed and new homeowners moved into the District. The housing crisis and the economic downturn of prior years had a significant impact on this development. Enrollment in 2013-14 increased 114 students (or 1.7%) over 2012-13. Over the last six years since 2014-15, the district has increased enrollment by 551 students (or 8.3%).

In 2020-21, the District experienced a decrease in enrollment of 175 students from 2019-20, mainly due to students moving out of the area, to another district or home schooling due to the COVID-19 pandemic.

For 2021-22, we are projecting that enrollment will increase to at least our 2020-21 enrollment of 7,209 and we will regain the 175 students we lost in 2021-22. Because we used 2019-20 ADA in 20-21 due to COVID-19, if our actual 2021-22 ADA does not exceed our 2019-20 ADA, we will be subject to the normal hold harmless provision and again be funded at 2019-20 ADA. For 2022-23, we are projecting flat enrollment with an increase in the ADA-to-enrollment rate, resulting in a projected ADA of 6,943, an increase of 73 ADA from the projected 2021-22 actual ADA but a decrease of 4 ADA from the projected 2021-22 funded ADA.

The District's greatest challenge continues to be maintaining a viable relationship between its revenues and expenditures while at the same time expanding its infrastructure and services to address the educational, technology and facility needs of its existing and future students. The

District is committed to a balanced budget and maintaining a minimum reserve of 3% of expenditures for economic uncertainties.

The 2021-22 State Budget was approved by June 30, 2021. The final budget for 2021-22 included a statutory COLA of 1.70%, plus recognition of the previous year's 2.31% suspended COLA, for a total funded COLA of 5.07%, on the Local Control Funding Formula (LCFF).

On the expenditure side, the State continues to project increases in STRS and PERS employer contribution rates over the next several years. The increases in employer contribution rates continue to outpace State funded cost of living adjustment (COLA) increases.

In 2021-22, due to the suspended COLA, increased STRS and PERS costs and on-going support expenditures, the District's First Interim Budget reporting shows the General Fund with a planned structural deficit of \$6.7 million, largely due to \$8.5 million in prior year unspent funds budgeted to be spent in 2021-22. Although the district projects this deficit, it still maintains the required 3% reserve for Economic Uncertainty plus an additional 6.8%, 4.8% and 2.9% of unassigned surplus for 2021-22, 2021-22 and 2022-23.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Western Placer Unified School District, 600 Sixth Street, Suite 400, Lincoln, CA 95648, (916) 645-6350.

BASIC FINANCIAL STATEMENTS

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 52,223,963
Receivables	15,662,098
Prepaid expenses	83,744
Stores inventory	21,336
Other current assets	1,342
Non-depreciable capital assets (Note 4)	186,333,095
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>153,340,064</u>
Total assets	<u>407,665,642</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 7 and 8)	17,014,645
Deferred outflows of resources - OPEB (Note 9)	4,153,374
Deferred outflow from advance refunding of debt	<u>6,409,022</u>
Total deferred outflows of resources	<u>27,577,041</u>
LIABILITIES	
Accounts payable	10,893,760
Unearned revenue	467,788
Long-term liabilities (Note 5):	
Due within one year	5,987,845
Due after one year	<u>409,793,574</u>
Total liabilities	<u>427,142,967</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	3,486,000
Deferred inflows of resources - OPEB (Note 9)	<u>140,703</u>
Total deferred inflows of resources	<u>3,626,703</u>
NET POSITION	
Net investment in capital assets	22,708,091
Restricted:	
Legally restricted programs	6,988,206
Capital projects	19,388,564
Debt service	5,587,166
Unrestricted	<u>(50,199,014)</u>
Total net position	<u>\$ 4,473,013</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenues and Change in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Instruction	\$ 59,624,710	\$ 1,945	\$ 10,979,336	\$ 3,102,130	\$(45,541,299)
Instruction-related services:					
Supervision of instruction	3,112,031	-	1,009,231	-	(2,102,800)
Instructional library, media and technology	2,689,095	-	1,812,985	-	(876,110)
School site administration	5,742,146	-	259,834	-	(5,482,312)
Pupil services:					
Home-to-school transportation	1,614,346	-	6,726	-	(1,607,620)
Food services	2,388,967	830	2,891,931	-	503,794
All other pupil services	4,065,210	378	1,101,908	-	(2,962,924)
General administration:					
Data processing	2,477,372	-	4,211,050	-	1,733,678
All other general administration	5,488,083	6,424	699,243	-	(4,782,416)
Plant services	11,755,329	1,568,935	735,713	-	(9,450,681)
Ancillary services	999,736	1,557	323,883	-	(674,296)
Community services	53,182	-	10,822	-	(42,360)
Other outgo	1,978,959	1,773,624	2,987,185	-	2,781,850
Interest on long-term liabilities	10,818,894	-	-	-	(10,818,894)
Total governmental activities	<u>\$ 112,808,060</u>	<u>\$ 3,353,693</u>	<u>\$ 27,029,847</u>	<u>\$ 3,102,130</u>	<u>\$(79,322,390)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					57,486,982
Taxes levied for debt service					7,469,942
Taxes levied for other specific purposes					6,596,586
Federal and state aid not restricted to specific purposes					9,726,395
Interest and investment earnings					792,735
Interagency transfers					301,744
Miscellaneous					6,676,451
Total general revenues					<u>89,050,835</u>
Change in net position					9,728,445
Net position, July 1, 2020					<u>(5,585,885)</u>
Cumulative effect of GASB 84 implementation					330,453
Net Position, July 1, 2020, as restated					<u>(5,255,432)</u>
Net position, June 30, 2021					<u>\$ 4,473,013</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Building Fund	County School Facilities Fund	Mello Roos Fund	All Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and investments:						
Cash in County Treasury	\$ 10,641,578	\$ 14,579,992	\$ -	\$ 14,789,838	\$ 10,644,631	\$ 50,656,039
Cash in banks	-	-	-	-	356,898	356,898
Cash in revolving cash account	5,000	-	-	-	-	5,000
Cash with fiscal agent	-	1,183,371	-	21,389	-	1,204,760
Collections awaiting deposit	1,266	-	-	-	-	1,266
Accounts receivable	15,475,589	2,349	-	2,160	182,000	15,662,098
Prepaid expenditures	83,744	-	-	-	-	83,744
Stores inventory	-	-	-	-	21,336	21,336
Other current assets	-	-	-	-	1,342	1,342
Due from other funds	1,975,065	78,557	2,002,165	-	44,898	4,100,685
Total assets	<u>\$ 28,182,242</u>	<u>\$ 15,844,269</u>	<u>\$ 2,002,165</u>	<u>\$ 14,813,387</u>	<u>\$ 11,251,105</u>	<u>\$ 72,093,168</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 6,425,834	\$ 301,107	\$ 310	\$ -	\$ 86,226	\$ 6,813,477
Unearned revenue	467,788	-	-	-	-	467,788
Due to other funds	125,620	2,000,000	1,971,206	-	3,859	4,100,685
Total liabilities	<u>7,019,242</u>	<u>2,301,107</u>	<u>1,971,516</u>	<u>-</u>	<u>90,085</u>	<u>11,381,950</u>
Fund balances:						
Nonspendable	88,744	-	-	-	21,336	110,080
Restricted	5,958,880	13,543,162	30,649	14,813,387	11,139,684	45,485,762
Assigned	722,765	-	-	-	-	722,765
Unassigned	14,392,611	-	-	-	-	14,392,611
Total fund balances	<u>21,163,000</u>	<u>13,543,162</u>	<u>30,649</u>	<u>14,813,387</u>	<u>11,161,020</u>	<u>60,711,218</u>
Total liabilities and fund balances	<u>\$ 28,182,242</u>	<u>\$ 15,844,269</u>	<u>\$ 2,002,165</u>	<u>\$ 14,813,387</u>	<u>\$ 11,251,105</u>	<u>\$ 72,093,168</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - Governmental Funds		\$ 60,711,218
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 governmental funds. The cost of the assets is \$403,782,113 and the accumulated depreciation is \$64,108,954 (Note 4).		339,673,159
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statements, it is recognized in the period that it is incurred.		(4,080,283)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds Long-term liabilities at June 30, 2021 consisted of (Note 5):		
Special Tax Bonds	\$ (9,282,163)	
General Obligation Bonds	(112,035,000)	
Bond Anticipation Notes	(53,525,000)	
Unamortized premiums	(13,708,469)	
Certificates of Participation	(141,957,598)	
Net OPEB liability (Note 9)	(9,764,124)	
Net pension liability (Notes 7 and 8)	(75,137,000)	
Compensated absences	<u>(372,065)</u>	
		(415,781,419)
In governmental funds, deferred inflows and deferred outflows of resources resulting from defeasance of debt are not recorded. In governmental activities, for advance refundings resulting in defeasance of debt reported in governmental activities, the difference between reacquisition price and the net carrying amount of the retired debt are reported as deferred inflows or deferred outflows of resources:		6,409,022
In governmental 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 net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 7, 8 and 9).		
Deferred outflows of resources relating to pensions	17,014,645	
Deferred outflows of resources relating to OPEB	4,153,374	
Deferred inflows of resources relating to pensions	(3,486,000)	
Deferred inflows of resources relating to OPEB	<u>(140,703)</u>	
		<u>17,541,316</u>
Total net position - governmental activities		<u>\$ 4,473,013</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Building Fund	County School Facilities Fund	Mello Roos Fund	All Non-Major Funds	Total Governmental Funds
Revenues:						
Local Control Funding Formula (LCFF):						
State apportionment	\$ 24,634,803	\$ -	\$ -	\$ -	\$ -	\$ 24,634,803
Local sources	41,039,563	-	-	-	-	41,039,563
Total LCFF	65,674,366	-	-	-	-	65,674,366
Federal sources	7,355,572	-	-	-	2,535,585	9,891,157
Other state sources	12,525,185	-	3,097,171	-	254,441	15,876,797
Other local sources	5,141,005	175,535	4,960	12,454,801	12,994,420	30,770,721
Total revenues	90,696,128	175,535	3,102,131	12,454,801	15,784,446	122,213,041
Expenditures:						
Current:						
Certificated salaries	35,613,982	-	-	-	-	35,613,982
Classified salaries	10,569,058	288,651	-	-	896,262	11,753,971
Employee benefits	20,181,432	124,438	-	-	420,180	20,726,050
Books and supplies	6,671,686	1,965,834	-	-	1,270,477	9,907,997
Services and other operating expenditures	9,277,777	554,340	80,733	21,463	174,583	10,108,896
Other outgo	1,978,959	-	-	-	-	1,978,959
Capital outlay	606,727	45,651,805	3,000,000	-	5,303	49,263,835
Debt service:						
Principal retirement	205,181	-	-	2,232,449	2,690,000	5,127,630
Interest	-	1,488,323	-	4,923,354	4,733,985	11,145,662
Total expenditures	85,104,802	50,073,391	3,080,733	7,177,266	10,190,790	155,626,982
Excess (deficiency) of revenues over (under) expenditures	5,591,326	(49,897,856)	21,398	5,277,535	5,593,656	(33,413,941)
Other financing sources (uses):						
Transfers in	17,340	3,101,046	2,165	800,000	66,693	3,987,244
Transfers out	(72,733)	-	(3,097,171)	-	(817,340)	(3,987,244)
Total other financing sources (uses)	(55,393)	3,101,046	(3,095,006)	800,000	(750,647)	-
Change in fund balances	5,535,933	(46,796,810)	(3,073,608)	6,077,535	4,843,009	(33,413,941)
Fund balances, July 1, 2020	15,627,067	60,339,972	3,104,257	8,735,852	5,987,558	93,794,706
Cumulative effect of GASB 84 implementat	-	-	-	-	330,453	330,453
Fund balance, July 1, 2020, as restated	15,627,067	60,339,972	3,104,257	8,735,852	6,318,011	94,125,159
Fund balances, June 30, 2021	\$ 21,163,000	\$ 13,543,162	\$ 30,649	\$ 14,813,387	\$ 11,161,020	\$ 60,711,218

See accompanying notes to financial statements.

WESTERN PLACER 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, 2021

Net change in fund balances - Total Governmental Funds	\$(33,413,941)
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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).	\$ 48,438,239
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Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(4,858,950)
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Loss from disposal of capital assets: In governmental funds, the disposal of capital assets are reported as revenue. In the statement of activities, only the resulting loss is reported (Note 4).	(803,224)
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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).	4,922,449
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In governmental funds, public agency retirement system incentives are recognized when employers contributions are made. In the governmental-wide statements, public agency retirement system incentives are measured on the accrual basis. (Note 5).	205,181
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Unmatured interest on long-term liabilities is not recorded in the governmental funds until it becomes due, but increases the liabilities in the statement of net position.	189,531
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In governmental funds, debt issued at a premium is recognized as an other financing source. In the is amortized as interest over the life of the debt (Note 5).	433,359
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In government-wide statements, any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Deferred gain or loss from debt refunding for the period is:	(245,689)
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(Continued)

WESTERN PLACER 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, 2021

In governmental funds, pension costs are recognized when employer contributions 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 (Notes 5, 7, and 8):

\$ (3,447,313)

In the statement of activities, expenses related to the net OPEB liability 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).

(1,691,197) 43,142,386

Change in net position of governmental activities

\$ 9,728,445

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST FUNDS
June 30, 2021

	<u>Trust Funds</u>	
	<u>Scholarship</u>	<u>Retiree Benefits</u>
ASSETS		
Cash and investments (Note 2):		
Cash in County Treasury	\$ 163,749	\$ 7,293
Accounts receivable	<u>26</u>	<u>1</u>
Total assets	<u>163,775</u>	<u>7,294</u>
NET POSITION		
Restricted for scholarships and retiree benefits	<u>\$ 163,775</u>	<u>\$ 7,294</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUNDS
For the Year Ended June 30, 2021

	<u>Trust Funds</u>	
	<u>Scholarship</u>	<u>Retiree Benefits</u>
Additions:		
Other local sources	\$ <u>695</u>	\$ <u>30</u>
Deductions:		
Services and other operating expenditures	<u>2,000</u>	<u>-</u>
Change in net position	(1,305)	30
Net position, July 1, 2020	<u>165,080</u>	<u>7,264</u>
Net position, June 30, 2021	<u>\$ 163,775</u>	<u>\$ 7,294</u>

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Western Placer 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.

Mello-Roos Community Facilities District: The District and the Mello-Roos Community Facilities District (the "CFD") have a financial and operational relationship that meets the reporting entity definition criteria of GASB Codification Section 2100, *The Financial Reporting Entity*, for inclusion of the CFD as a blended component unit of the District. Accordingly, the financial activities of the CFD have been included in the financial statements of the District within the Mello-Roos Fund, a debt service fund. Special tax bonds issued by the CFD are included in long-term liabilities on the government-wide financial statements.

Western Placer Unified School District Financing Corporation: The District and the Western Placer Unified School District Financing Corporation (the Corporation) have a financial and operational relationship that meets the reporting entity definition criteria of GASB Codification Section 2100, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of the District. Accordingly, the financial activities of the Corporation have been included in the general-purpose financial statements of the District within the Building Fund, a capital projects fund. The certificates of participation issued by the Corporation are included in long-term liabilities on the government-wide financial statements.

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

A - Accountability:

1. The CFD and Corporation's Board of Directors were appointed by the District's Board of Trustees.
2. The CFD and Corporation have no employees. The District's Assistant Superintendent, Business and Operations functions as the agent of the CFD and Corporation and does not receive additional compensation for work performed in this capacity.
3. The District's Board exercises significant influence over operations of the CFD and Corporation as the District is the sole lessee of all facilities owned by the CFD and Corporation.
4. All major financing arrangements, contracts, and other transactions of the CFD and Corporation must have the consent of the District.
5. Any deficits incurred by the CFD and Corporation will be reflected in the lease payments of the District. Any surpluses of the CFD and 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 CFD and Corporation.
7. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the CFD and Corporation.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B - Scope of Public Service - The CFD and Corporation were formed for the sole purpose of financially assisting the District. The CFD and Corporation were formed to provide financing assistance to the District for construction, rehabilitation and acquisition of major capital facilities to support the student population.

C - Financial Presentation - For financial presentation purposes, the CFD and Corporation's financial activity have been blended with the financial data of the District. The basic financial statements present the CFD and Corporation's financial activity within the Mello-Roos and Building Funds, respectively.

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 displays 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 Assets and Liabilities.

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 specifically identified by function and is included in the direct expense of each 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 or expenses, 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 - Major Funds

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. The activities of the Special Reserve for Other Than Capital Outlay Fund have been included in the General Fund for financial reporting purposes.

Building Fund - The Building Fund is a capital projects fund used to account for resources used for the acquisition of capital facilities by the District.

County School Facilities Fund - The County School Facilities Fund is a capital projects fund used to account for resources used for the acquisition of capital facilities by the District.

Mello-Roos Fund - The Mello-Roos Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, Mello-Roos debt principal, interest, and related costs.

B - Other Funds

Special Revenue 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 Student Activity, Adult Education, Child Development and Cafeteria Funds.

Capital Projects Funds - The Capital Projects Funds are used to account for resources used for the acquisition or construction of capital facilities by the District. This classification includes the Capital Facilities and Special Reserve Funds.

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

Trust Funds - The Trust Funds are used to account for assets held by the District as Trustee. The District maintains two expendable trust funds, the Scholarship Trust, which is to be used to provide financial assistance to students of the District, and the Retiree Benefits Fund, which is used by the District to reserve for funds to pay for retiree benefits.

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

Accrual: The 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.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Board of Trustees 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, 2021.

Stores Inventory: Inventory is stated at cost (average cost) which does not exceed replacement cost. Inventory consists of expendable supplies held for future use in the following period by the District's operating units, transportation supplies, and food held for consumption. Maintenance and other supplies held for physical plant repair are not included in inventory; rather, these amounts are recorded as expenditures when purchased.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. 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 5 - 50 years depending on asset types.

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 reported, which is 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. Also, the District has recognized a deferred outflow of resources relate to recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(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 net OPEB liability reported in the Statement of Net Position.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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. The following is a summary of pension amounts in the aggregate as of June 30, 2021:

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 13,403,596	\$ 3,611,049	\$ 17,014,645
Deferred inflows of resources	\$ 3,192,000	\$ 294,000	\$ 3,486,000
Net pension liability	\$ 54,439,000	\$ 20,698,000	\$ 75,137,000
Pension expense	\$ 11,164,403	\$ 3,550,766	\$ 14,715,169

Compensated Absences: Compensated absences totaling \$372,065 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave: Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense 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 for certain STRP and PERF B employees, 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.

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position:

2. *Restricted Net Position* - Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs 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 represents the portion of net position to be used to provide financial assistance to students of the District. The restriction for retiree benefits represents the portion of net position available for the former employees of the district. It is the District's policy to use restricted net position first when allowable expenditures are incurred.
3. *Unrestricted Net Position* – All other net position that do 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, 2021, 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, 2021, 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.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2018, the District has established a minimum General Fund fund balance policy of 5% of General Fund total outgo. As of June 30, 2021, the District has an unassigned balance of \$14,392,611.

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 Placer bills and collects taxes for the District. Tax revenues are recognized by the District when received.

Encumbrances: Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. All encumbrances are liquidated as of June 30.

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 basic 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.

New Accounting Pronouncements: In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The provisions in GASB Statement No. 84 are effective for reporting periods beginning after December 15, 2019. Based on the implementation of GASB Statement No. 84, the District restated its beginning net position of governmental activities as well as the aggregate remaining fund information beginning fund balance for a total of \$330,453.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2021 are reported at fair value and consisted of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Pooled Fund:		
Cash in County Treasury	\$ 50,656,039	\$ 171,042
Deposits:		
Cash on hand and in banks	356,898	-
Cash in revolving fund	5,000	-
Cash awaiting deposit	1,266	-
Investments:		
Cash with Fiscal Agent	<u>1,204,760</u>	<u>-</u>
Total cash and investments	<u>\$ 52,223,963</u>	<u>\$ 171,042</u>

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

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, 2021, the carrying amount of the District's accounts was \$363,164 and the bank balance was \$365,335, \$359,248 of which was insured by the FDIC .

Cash with Fiscal Agent: The Cash with Fiscal Agent of \$1,204,760 in the Mello-Roos Fund represents debt proceeds that have been set aside for capital projects and the repayment of long-term liabilities. These amounts are held by a third party custodian in the District's name.

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, 2021, 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, 2021, the District had no concentration of credit risk.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as 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 interfund receivable and payable balances at June 30, 2021 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 1,975,065	\$ 125,620
Building	78,557	2,000,000
County School Facilities	2,002,165	1,971,206
Non-Major Funds:		
Adult Education	3,061	3,859
Cafeteria	<u>41,837</u>	<u>-</u>
Totals	<u>\$ 4,100,685</u>	<u>\$ 4,100,685</u>

Transfers: Transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Transfers for the 2020-21 fiscal year were as follows:

Transfer from the General Fund to the Adult Education Fund for TPP.	\$ 28,421
Transfer from the General Fund to the Cafeteria Fund for operational support.	38,272
Transfer from the General Fund to the County School Facilities Fund to balance resources.	2,165
Transfer from the General Fund to the Building Fund to cover costs of a one-time payment.	3,875
Transfer from County School Facilities Fund to Building Fund for project expenditures.	3,097,171
Transfer from the Adult Education Fund to the General Fund for indirect costs	3,840
Transfer from the Special Reserve Fund to the General Fund for school site equipment and activities.	13,500
Transfer from the Capital Facilities Fund to the Mello Roos Fund for debt repayment.	<u>800,000</u>
	<u>\$ 3,987,244</u>

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2021 is shown below:

	Balance July 1, <u>2020</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance June 30, <u>2021</u>
<u>Governmental Activities</u>				
Non-depreciable:				
Land	\$ 47,681,849	\$ -	\$ -	\$ 47,681,849
Work-in-process	103,237,963	35,413,283	-	138,651,246
Depreciable:				
Buildings	186,869,306	6,517,802	1,373,048	192,014,060
Equipment	5,978,769	315,267	94,138	6,199,898
Site improvements	13,166,111	6,191,887	122,938	19,235,060
Totals, at cost	<u>356,933,998</u>	<u>48,438,239</u>	<u>1,590,124</u>	<u>403,782,113</u>
Less accumulated depreciation:				
Buildings	(53,068,735)	(3,967,278)	(606,509)	(56,429,504)
Equipment	(4,069,661)	(616,631)	(94,138)	(4,592,154)
Site improvements	(2,898,508)	(275,041)	(86,253)	(3,087,296)
Total accumulated depreciation	<u>(60,036,904)</u>	<u>(4,858,950)</u>	<u>(786,900)</u>	<u>(64,108,954)</u>
Capital assets, net	<u>\$ 296,897,094</u>	<u>\$ 43,579,289</u>	<u>\$ 803,224</u>	<u>\$ 339,673,159</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 3,885,027
Instructional supervision and administration	5,786
Instructional library, media and technology	2,218
School site administration	78,498
Home-to-School transportation	287,826
Food services	17,793
General administrative	1,443
Centralized data processing	45,791
Plant services	<u>534,568</u>
Total depreciation expense	<u>\$ 4,858,950</u>

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - LONG-TERM LIABILITIES

Special Tax Bonds: On March 10, 2015, the District issued Community Facilities District No. 1 Special Tax Bonds in the amount of \$12,376,387, to provide funds for refunding all of the Series 2005 Bonds. The Mello-Roos Bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from the proceeds of an annual Special Tax to be levied and collected on property within the District. The Special tax is to be levied according to the rate and method of apportionment determined by a formula approved by the Board, as the legislative body of the District, and by the registered voters within the District.

The bonds bear interest rates ranging from 2.44% to 3.5% and are scheduled to mature in September 2034.

Scheduled payments on Series 2015 Special Tax Bonds are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 568,064	\$ 314,935	\$ 882,999
2023	586,747	294,725	881,472
2024	604,595	273,877	878,472
2025	626,816	252,327	879,143
2026	648,467	230,010	878,477
2027-2031	3,606,760	786,311	4,393,071
2032-2036	2,640,714	158,848	2,799,562
	<u>\$ 9,282,163</u>	<u>\$ 2,311,033</u>	<u>\$ 11,593,196</u>

General Obligation Bonds and Bond Anticipation Notes: A summary of General Obligation Bonds and Bond Anticipation Notes payable as of June 30, 2021 follows:

<u>Series</u>	<u>Interest</u> <u>Rate</u>	<u>Date</u> <u>of</u> <u>Issue</u>	<u>Original</u> <u>Maturity</u>	<u>Amount of</u> <u>Original</u> <u>Issue</u>	<u>Balance</u> <u>July 1, 2020</u>	<u>Current Year</u> <u>Issuance</u>	<u>Current Year</u> <u>Refunded and</u> <u>Matured</u>	<u>Balance</u> <u>June 30, 2021</u>
2015 Series A 3.0%-5.0%		2015	2041	\$ 20,000,000	\$ 18,025,000	\$ -	\$ 545,000	\$ 17,480,000
2016 Series A 3.0%-5.0%		2016	2048	30,000,000	29,025,000	-	590,000	28,435,000
2014 Series B 3.0%-5.0%		2017	2048	25,000,000	24,210,000	-	475,000	23,735,000
2014 Series C 3.4%-5.0%		2019	2044	15,000,000	14,495,000	-	365,000	14,130,000
2016 Series B 3.5%-5.0%		2019	2044	30,000,000	28,970,000	-	715,000	28,255,000
2020 BAND1 2.0%		2020	2025	30,000,000	18,545,000	-	-	18,545,000
2020 BAND2 2.0%		2020	2025	30,000,000	34,980,000	-	-	34,980,000
Total					<u>\$ 168,250,000</u>	<u>\$ -</u>	<u>\$ 2,690,000</u>	<u>\$ 165,560,000</u>

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,800,000	\$ 5,701,176	\$ 8,501,176
2023	2,920,000	5,582,351	8,502,351
2024	3,035,000	5,458,451	8,493,451
2025	56,690,000	5,335,051	62,025,051
2026	3,280,000	4,135,926	7,415,926
2026-2030	18,610,000	18,455,523	37,065,523
2031-2035	22,900,000	14,120,732	37,020,732
2036-2040	27,895,000	9,013,894	36,908,894
2041-2045	21,360,000	3,261,275	24,621,275
2046-2048	6,070,000	245,200	6,315,200
	<u>\$ 165,560,000</u>	<u>\$ 71,309,579</u>	<u>\$ 236,869,579</u>

Certificates of Participation (COP): In September 2016, the District issued \$69,520,000 Refinancing Project COP, with interest rates ranging from 3.75% to 5.0%, maturing in 2048. Bond proceeds from the issuance were used to refund both the 2008 COP, and 2008B COP.

In September 2017, the District issued \$51,795,000 Refinancing Project COP, with interest rates ranging from 2.0% to 5.0%, maturing in 2050. Bond proceeds from the issuance were used to refund the 2009 refinancing COP.

On October 29, 2019, the District issued Certificates of Participation 2019 Refinancing Project in the amount of \$8,285,000 to advance refund the Certificates of Participation 2011 Refinancing Project. The 2019 Refinancing Certificates of Participation mature in varying amounts during the succeeding year through November 2037 with interest rates ranging from 2.0% to 3.7%. On June 30, 2021, \$7,445,000 of the 2011 COP outstanding are considered defeased.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - LONG-TERM LIABILITIES (Continued)

In December 2019, the District issued \$18,887,598 in Certificates of Participation, with interest rates ranging from 2.42% to 4.25%, maturing in 2035. Proceeds from the issuance were used to finance a portion of the costs to construct Twelve Bridges High School and to fund modernization projects at Lincoln High School and Glenn Edwards Middle School.

The Certificates of Participation are scheduled to mature as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,800,000	\$ 5,006,000	\$ 6,806,000
2023	1,915,000	4,948,028	6,863,028
2024	2,210,000	4,885,635	7,095,635
2025	3,025,000	4,819,815	7,844,815
2026	2,365,000	5,031,173	7,396,173
2026-2030	22,709,658	22,754,384	45,464,042
2031-2035	30,027,940	17,055,342	47,083,282
2036-2040	22,870,000	12,073,704	34,943,704
2041-2045	28,295,000	7,553,594	35,848,594
2046-2050	26,740,000	2,587,941	29,327,941
	<u>\$ 141,957,598</u>	<u>\$ 86,715,616</u>	<u>\$ 228,673,214</u>

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 30, 2021 is shown below:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
Debt:					
Special Tax Bonds	\$ 9,834,612	\$ -	\$ 552,449	\$ 9,282,163	\$ 568,064
Bond Anticipation Notes	53,525,000	-	-	53,525,000	-
General Obligation Bonds	114,725,000	-	2,690,000	112,035,000	2,800,000
Unamortized premiums	14,141,828	-	433,359	13,708,469	447,716
Certificates of Participation:					
Certificates of Participation	143,637,598	-	1,680,000	141,957,598	1,800,000
Other long-term liabilities:					
PARS	205,181	-	205,181	-	-
Net OPEB liability (Note 9)	7,109,917	2,654,207	-	9,764,124	-
Net pension liability (Notes 7 and 8)	72,280,000	2,857,000	-	75,137,000	-
Compensated absences	171,338	200,727	-	372,065	372,065
Total	<u>\$ 415,630,474</u>	<u>\$ 5,711,934</u>	<u>\$ 5,560,989</u>	<u>\$ 415,781,419</u>	<u>\$ 5,987,845</u>

Payments on the Special Tax Bonds and Bond Anticipation Notes are made from the Mello-Roos Fund. Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made from the Mello-Roos Fund. Payments for the PARS are made from the General Fund. Payments for the net OPEB liability, net pension liability and the compensated absences are made from the fund for which the related employee worked.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2021 consisted of the following:

	General Fund	Building Fund	County School Facilities Fund	Mello Roos Fund	All Non-Major Funds	Total
Nonspendable:						
Revolving cash fund	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Prepaid expenditures	83,744	-	-	-	-	83,744
Stores inventory	-	-	-	-	21,336	21,336
Subtotal non-spendable	<u>88,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,336</u>	<u>110,080</u>
Restricted:						
Legally restricted programs:						
Grant programs	5,958,880	-	-	-	-	5,958,880
Student Activities	-	-	-	-	356,898	356,898
Adult Education	-	-	-	-	22,908	22,908
Child Development	-	-	-	-	11,271	11,271
Cafeteria	-	-	-	-	616,913	616,913
Capital projects	-	13,543,162	30,649	14,813,387	4,544,528	32,931,726
Debt service	-	-	-	-	5,587,166	5,587,166
Subtotal restricted	<u>5,958,880</u>	<u>13,543,162</u>	<u>30,649</u>	<u>14,813,387</u>	<u>11,139,684</u>	<u>45,485,762</u>
Assigned:						
Special Reserve for Other Than Capital Outlay Fund	<u>722,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>722,765</u>
Unassigned:						
Reserve for economic uncertainty	2,555,211	-	-	-	-	2,555,211
Undesignated	<u>11,837,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,837,400</u>
Subtotal unassigned	<u>14,392,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,392,611</u>
Total fund balances	<u>\$ 21,163,000</u>	<u>\$ 13,543,162</u>	<u>\$ 30,649</u>	<u>\$ 14,813,387</u>	<u>\$ 11,161,020</u>	<u>\$ 60,711,218</u>

(Continued)

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>.

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, up to the 2.4 percent maximum.

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.

(Continued)

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

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.

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 required 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 percent less than the statutory rate for fiscal year 2020–21 and 2.18 percent 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 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.

In addition, the board's rate-setting authority for the state contribution rate was suspended for fiscal year 2020–21 by AB 84. Although the board exercised its authority in May 2020 to increase the state contribution rate by 0.50 percent effective July 1, 2020, the rate increase did not go into effect. Instead, the state rate remained at the 2019–20 level of 7.828 percent.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and SB84, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2020-2021.

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 2020-2021. According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1percent since the last timethe member contribution rate was set. Based on the June 30, 2019, valuation adopted by the board in May 2020, the increase in normal cost was less than 1percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2020.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

Employers – 16.15 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequently reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90 and AB 84.

The CalSTRS Funding Plan, which was enacted in June 2014 with the passage of California Assembly Bill (AB) 1469, required that employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation gave 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.

The CalSTRS employer contribution rates effective for fiscal year 2020-2021 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Rate Adjustment Per Special Legislation</u>	<u>Total</u>
July 1, 2020	8.250%	10.850%	(2.950%)	16.150%
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47		

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed \$5,458,596 to the plan for the fiscal year ended June 30, 2021.

State – 10.328 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state's base contribution to the DB Program is calculated based on creditable compensation from two fiscal years prior. As a result of the CalSTRS Funding Plan, the state is required to make additional contributions to pay down the unfunded liabilities associated with the benefit structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions. The additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specified in subdivision (b) of Education Code section 22955.1. The increased contributions end as of fiscal year 2045-46. Pursuant to AB 84, the state contribution rate remained at 5.811% for fiscal year 2020-21.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

The CalSTRS state contribution rates effective for fiscal year 2020-21 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2020	2.017%	5.811%	2.50%	10.328%
July 01, 2021	2.017%	6.311%	2.50%	10.828%
July 01, 2022 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

- (1) The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code section 22954.
- (2) The board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
- (3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

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

District's proportionate share of the net pension liability	\$ 54,439,000
State's proportionate share of the net pension liability associated with the District	<u>29,751,000</u>
Total	<u>\$ 84,190,000</u>

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020, the District's proportion was 0.056 percent, which was a decrease of 0.002 percent from its proportion measured as of June 30, 2019.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

For the year ended June 30, 2021, the District recognized pension expense of \$11,164,403 and revenue of \$3,747,210 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 96,000	\$ 1,535,000
Changes of assumptions	5,309,000	-
Net differences between projected and actual earnings on investments	1,293,000	-
Changes in proportion and differences between District's contributions and proportionate share of contributions	1,247,000	1,657,000
Contributions made subsequent to measurement date	5,458,596	-
Total	<u>\$ 13,403,596</u>	<u>\$ 3,192,000</u>

\$5,458,596 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2022	\$ 717,984
2023	\$ 1,843,983
2024	\$ 2,324,483
2025	\$ 525,150
2026	\$ (427,100)
2027	\$ (231,500)

Differences between expected and actual experience and changes in assumptions 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, 2020 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)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018
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, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. 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.

Mortality: 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 investment staff and investment consultants as inputs to the process.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and 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>
Public Equity	42%	4.8%
Real Estate Assets	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

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 7.1 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 (6.1 percent) or 1-percentage-point higher (8.1 percent) than the current rate:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
District's proportionate share of the net pension liability	<u>\$ 82,250,000</u>	<u>\$ 54,439,000</u>	<u>\$ 31,477,000</u>

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.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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-2020.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.

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, 2021, were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2020-21.

Employers - The employer contribution rate was 20.70 percent of applicable member earnings.

The District contributed \$2,062,049 to the plan for the fiscal year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$20,698,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020 the District’s proportion was 0.067 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2019.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

For the year ended June 30, 2021, the District recognized pension expense of \$3,550,766. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,027,000	\$ -
Changes of assumptions	76,000	-
Net differences between projected and actual earnings on investments	431,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	15,000	294,000
Contributions made subsequent to measurement date	2,062,049	-
Total	<u>\$ 3,611,049</u>	<u>\$ 294,000</u>

\$2,062,049 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2021	\$ 430,666
2022	\$ 324,667
2023	\$ 301,167
2024	\$ 198,500

Differences between expected and actual experience, changes in assumptions and 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, 2020 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)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
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 90% 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, 2019 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.

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.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds’ asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long- term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
District’s proportionate share of the net pension liability	\$ <u>29,758,000</u>	\$ <u>20,698,000</u>	\$ <u>13,180,000</u>

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

Plan Description: In addition to the pension benefits described in Notes 7 and 8, the District established an Other Postemployment Benefits Plan which is a single-employer defined benefit healthcare plan. The District participates in the California Employer’s Retiree Benefit Trust Program (CERBT) to pre-fund OPEB liabilities. The CERBT is an agent multiple employer plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions that are administered by PERS. A copy of the aggregated CERBT annual financial report may be obtained @www.calpers.ca.gov. CERBT serves as an irrevocable trust, to ensure that funds contributed into the Trust are dedicated to service the needs of member districts, and their employees and retirees.

The CERBT fund, which is an Internal Revenue Code (IRC) Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to prefund health and other post-employment benefits for retirees and their beneficiaries, (ii) invest contributed amounts and income therein, and (iii) disburse contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other post-employment benefits in accordance with the terms of the District’s OPEB plan.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2021:

	<u>Number of Participants</u>
Inactive employees receiving benefits	18
Inactive employees entitled to but not receiving benefits	-
Participating active employees	581
	<u>599</u>

Benefits Provided: The District pays the full cost of health care benefits to age 65 for employees who retired prior to June 30, 1990 and had reached age 60. The full cost of benefits is limited to the amount the District was paying as of June 30, 1990. After age 65, the District continues to pay 50% of the current certificate cap and the retiree pays the remainder. As of June 30, 2021, there were 6 retirees receiving benefits under this agreement.

The District's certificated retirees who had at least fifteen years of service and had reached a minimum age of 55 and retire after July 1, 2001 receive up to \$6,455 per year in health care benefits for a maximum of 10 years or until age 65, whichever comes first. As of June 30, 2021, there were 9 retired employees receiving benefits under this agreement.

The District pays up to \$2,775 per year in healthcare benefits for classified employees who had at least fifteen years of service and had reached age 55 and retired after July 1, 2003. These benefits cease after a maximum of five years or at age 65, whichever comes first. As of June 30, 2021, there were 3 retired employees receiving benefits under this agreement.

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 \$285,096 for the year ended June 30, 2021. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The plan discount rate of 7% was determined using the following asset allocation and assumed rate of return:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Rate of Return*</u>
US Large Cap	43%	7.675%
US Small Cap	23%	7.675%
Long-Term Corporate Bonds	12%	5.175%
Long-Term Government Bonds	6%	4.380%
Treasury Inflation Protected Securities (TIPS)	5%	7.675%
US Real Estate	8%	7.675%
All Commodities	3%	7.675%

* Geometric average

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Rolling periods of time for all asset classes were used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 30 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 30 years.

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

<u>Valuation Date</u>	June 30, 2019
<u>Measurement Date</u>	June 30, 2020
<u>Fiscal Year End</u>	June 30
<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	PERS - Non-work related rated developed in 2014 California PERS experience study. STRS - Match rates developed in 2010 experience study.
<u>Discount Rate as of June 30, 2020</u>	2.6% Based on the long-term expected rate of return.
<u>Assumed Investment Return</u>	2.6%
<u>Retirement Rate</u>	Retirement rates match rates developed in the most Recent experience studies for California PERS (2014) and California STRS (2010)
<u>Inflation Rate</u>	2.63% per year
<u>Dependent Coverage</u>	Female spouses are assumed to be three years younger than male spouses. 80% of retirees are assumed to be married. Current retirees are valued based on elected coverage.
<u>Funding Method</u>	Entry Age Cost Method (Level Percentage of Pay).
<u>Health Trend Rate</u>	4%
<u>Salary Increases</u>	2.75%
<u>Termination Rate</u>	Termination rates match rates developed in the most recent experience studies for California PERS (2014) and California STRS (2010).
<u>Funding Method</u>	Entry Age Cost Method (Level Percentage of Pay).

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 11,819,087	\$ 4,709,170	\$ 7,109,917
Changes for the year:			
Service cost	1,320,447	-	1,320,447
Interest	468,257	-	468,257
Expected investment income	-	329,561	(329,561)
Administrative expense	-	(2,300)	2,300
Employer contributions	-	285,096	(285,096)
Expected minus actual benefit payments	(28,413)	-	(28,413)
Changes in assumptions	1,343,055	-	1,343,055
Investments gains/losses	-	(163,218)	163,218
Benefit payments	(285,096)	(285,096)	-
Net change	2,818,250	164,043	2,654,207
Balance at June 30, 2021	\$ 14,637,337	\$ 4,873,213	\$ 9,764,124

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2021: 33%

There were no changes between the measurement date and the year ended June 30, 2021 which had a significant effect on the District's total OPEB liability. The change in assumed rate of return from 3.8% to 2.6% resulted in an increase to the liability of \$1,343,055.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate: 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 a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (1.60%)	Current Discount Rate (2.60%)	1% Increase (3.60%)
Net OPEB liability	\$ 10,751,893	\$ 9,764,124	\$ 8,616,587

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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%)	Healthcare Cost Trend Rates Rate (4%)	1% Increase (5%)
Net OPEB liability	\$ 8,941,965	\$ 9,764,124	\$ 10,559,002

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,775,566. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 699,485	\$ 26,339
Changes of assumptions	3,118,214	-
Net differences between projected and actual earnings on investments	130,574	114,364
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Benefits paid subsequent to measurement date	205,101	-
Total	\$ 4,153,374	\$ 140,703

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$205,181 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the net OPEB 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,	
2022	\$ 314,123
2023	\$ 314,123
2024	\$ 345,085
2025	\$ 362,563
2026	\$ 329,921
Thereafter	\$ 2,141,755

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 13.6 years as of the June 30, 2020 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.

NOTE 10 - JOINT POWERS AGREEMENT

Schools Insurance Group: The District is a member with other school districts of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program for property and liability coverage. 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.

Schools Excess Liability Fund: The District is also a member with other school districts of a Joint Powers Authority, Schools Excess Liability Fund (SELF), for the operation of a common risk management and insurance program for excess property and liability coverage. SELF is governed by a Governing Board consisting of representatives from member districts. The Board controls the operations of SELF, including selections of management and approval of operating budgets. 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 from coverage in the prior year.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 - JOINT POWERS AGREEMENT (Continued)

The following is a summary of financial information for SIG and SELF at June 30, 2020 (most recent):

	<u>SIG</u>	<u>SELF</u>
Total assets	\$ 111,774,531	\$ 174,621,313
Deferred outflows of resources	\$ 288,284	\$ 312,483
Total liabilities	\$ 41,450,340	\$ 141,193,559
Deferred inflows of resources	\$ 73,223	\$ 64,325
Total net position	\$ 70,539,252	\$ 33,675,912
Total revenues	\$ 98,672,583	\$ 77,945,029
Total expenditures	\$ 94,629,709	\$ 64,133,389
Change in net position	\$ 4,042,874	\$ 13,811,640

The relationship between the District and the Joint Powers Authority is such that the Joint Powers Authority is not component unit of the District for financial reporting purposes.

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.

The District has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements of future revenue offsets subsequently determined will not have a material effect on the District's financial position or results of operations. At June 30, 2021, the District had approximately \$1.5 million in outstanding construction contract commitments.

NOTE 12 – SUBSEQUENT EVENT

On July 1, 2021, the District issued the 2021 Tax and Revenue Anticipation Notes (TRANs) in the amount of \$8,600,000 with an interest rate of 0.08% scheduled to mature on June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERN PLACER UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2021

	Budget			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 20,042,542	\$ 23,900,125	\$ 24,634,803	\$ 734,678
Local sources	<u>40,362,111</u>	<u>41,661,321</u>	<u>41,039,563</u>	<u>(621,758)</u>
Total LCFF	<u>60,404,653</u>	<u>65,561,446</u>	<u>65,674,366</u>	<u>112,920</u>
Federal sources	3,034,583	14,184,992	7,355,572	(6,829,420)
Other state sources	6,135,443	11,694,874	12,525,185	830,311
Other local sources	<u>5,405,589</u>	<u>5,145,653</u>	<u>5,141,005</u>	<u>(4,648)</u>
Total revenues	<u>74,980,268</u>	<u>96,586,965</u>	<u>90,696,128</u>	<u>(5,890,837)</u>
Expenditures:				
Current:				
Certificated salaries	34,250,314	34,989,173	35,613,982	(624,809)
Classified salaries	10,137,164	10,107,208	10,569,058	(461,850)
Employee benefits	20,469,182	20,459,559	20,181,432	278,127
Books and supplies	4,470,412	10,624,440	6,671,686	3,952,754
Contract services and operating expenditures	7,739,265	10,043,042	9,277,777	765,265
Other outgo	1,853,806	1,984,673	1,978,959	5,714
Capital outlay	147,441	470,638	606,727	(136,089)
Debt service:				
Principal retirement	<u>205,181</u>	<u>205,181</u>	<u>205,181</u>	<u>-</u>
Total expenditures	<u>79,272,765</u>	<u>88,883,914</u>	<u>85,104,802</u>	<u>3,779,112</u>
Excess of revenues over expenditures	<u>(4,292,497)</u>	<u>7,703,051</u>	<u>5,591,326</u>	<u>(2,111,725)</u>
Other financing sources (uses):				
Transfers in	-	13,500	17,340	3,840
Transfers out	<u>(339,602)</u>	<u>(19,602)</u>	<u>(72,733)</u>	<u>(53,131)</u>
Total other financing sources (uses)	<u>(339,602)</u>	<u>(6,102)</u>	<u>(55,393)</u>	<u>(49,291)</u>
Change in fund balance	(4,632,099)	7,696,949	5,535,933	(2,161,016)
Fund balance, July 1, 2020	<u>15,627,067</u>	<u>15,627,067</u>	<u>15,627,067</u>	<u>-</u>
Fund balance, June 30, 2021	<u>\$ 10,994,968</u>	<u>\$ 23,324,016</u>	<u>\$ 21,163,000</u>	<u>\$ (2,161,016)</u>

See accompanying note to required supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OTHER POSTEMPLOYMENT
BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2021

	Last 10 Fiscal Years			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 595,188	\$ 611,556	\$ 628,374	\$ 1,320,447
Interest	445,026	304,091	419,364	468,257
Changes in assumptions	-	2,035,583	335,636	1,343,055
Experience gains/losses	-	-	881,913	-
Expected minus actual benefit payments	-	-	-	(28,413)
Actual Benefit payments	<u>(151,318)</u>	<u>(196,373)</u>	<u>(233,717)</u>	<u>(285,096)</u>
Net change in total OPEB liability	888,896	2,754,857	2,031,570	2,818,250
Total OPEB liability, beginning of year	<u>6,143,764</u>	<u>7,032,660</u>	<u>9,787,517</u>	<u>11,819,087</u>
Total OPEB liability, end of year (a)	<u><u>\$ 7,032,660</u></u>	<u><u>\$ 9,787,517</u></u>	<u><u>\$ 11,819,087</u></u>	<u><u>\$ 14,637,337</u></u>
Plan fiduciary net position				
Employer contributions	\$ 151,318	\$ 196,373	\$ 170,861	\$ 285,096
Investment gains/losses	-	154,790	87,416	(163,218)
Net investment income	393,328	172,733	186,309	329,561
Administrative expense	(1,996)	(7,637)	(950)	(2,300)
Benefits payment	<u>(151,318)</u>	<u>(196,373)</u>	<u>(170,861)</u>	<u>(285,096)</u>
Change in plan fiduciary net position	391,332	319,886	272,775	164,043
Fiduciary trust net position, beginning of year	<u>3,725,177</u>	<u>4,116,509</u>	<u>4,436,395</u>	<u>4,709,170</u>
Fiduciary trust net position, end of year (b)	<u><u>\$ 4,116,509</u></u>	<u><u>\$ 4,436,395</u></u>	<u><u>\$ 4,709,170</u></u>	<u><u>\$ 4,873,213</u></u>
Net OPEB liability, ending (a) - (b)	<u><u>\$ 2,916,151</u></u>	<u><u>\$ 5,351,122</u></u>	<u><u>\$ 7,109,917</u></u>	<u><u>\$ 9,764,124</u></u>
Covered payroll	\$ 38,720,231	\$ 39,795,256	\$ 42,124,259	\$ 45,315,078
Plan fiduciary net position as a percentage of the total OPEB liability	59%	45%	40%	33%
Net OPEB liability as a percentage of covered payroll	8%	13%	17%	22%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See accompanying note to required supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2021

	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>	<u>2021</u>
District's proportion of the net pension liability	0.055%	0.056%	0.057%	0.057%	0.059%	0.058%	0.056%
District's proportionate share of the pension liability	\$ 32,101,000	\$ 37,482,000	\$ 45,850,000	\$ 52,519,000	\$ 53,798,000	\$ 52,504,000	\$ 54,439,000
State's proportionate share of the net pension liability associated with the District	<u>19,384,000</u>	<u>19,824,000</u>	<u>26,104,000</u>	<u>31,070,000</u>	<u>30,802,000</u>	<u>28,645,000</u>	<u>29,751,000</u>
Total net pension liability	<u>\$ 51,485,000</u>	<u>\$ 57,306,000</u>	<u>\$ 71,954,000</u>	<u>\$ 83,589,000</u>	<u>\$ 84,600,000</u>	<u>\$ 81,149,000</u>	<u>\$ 84,190,000</u>
District's covered payroll	\$ 24,468,000	\$ 25,841,000	\$ 28,252,000	\$ 30,309,000	\$ 30,944,000	\$ 31,461,000	\$ 32,124,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	173.28%	173.86%	166.89%	169.47%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%

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)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2021

	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>	<u>2021</u>
District's proportion of the net pension	0.063%	0.065%	0.068%	0.069%	0.070%	0.068%	0.067%
District's proportionate share of the net pension liability	\$ 7,110,000	\$ 9,545,000	\$ 13,361,000	\$ 16,589,000	\$ 18,622,000	\$ 19,776,000	\$ 20,698,000
District's covered payroll	\$ 6,575,000	\$ 7,169,000	\$ 8,116,000	\$ 8,855,000	\$ 9,219,000	\$ 9,405,000	\$ 9,724,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.14%	133.14%	164.63%	187.34%	202.00%	210.27%	212.85%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%

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.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2021

	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>	<u>2021</u>
Contractually required contribution	\$ 2,294,702	\$ 3,031,452	\$ 3,812,851	\$ 4,465,253	\$ 5,121,861	\$ 5,493,192	\$ 5,458,596
Contributions in relation to the contractually required contribution	<u>(2,294,702)</u>	<u>(3,031,452)</u>	<u>(3,812,851)</u>	<u>(4,465,253)</u>	<u>(5,121,861)</u>	<u>(5,493,192)</u>	<u>(5,458,596)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 25,841,000	\$ 28,252,000	\$ 30,309,000	\$ 30,944,000	\$ 31,461,000	\$ 32,124,000	\$ 28,579,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**

All years prior to 2015 are not available.

* 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.

** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2021

	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>	<u>2021</u>
Contractually required contribution	\$ 843,887	\$ 961,530	\$ 1,229,817	\$ 1,431,741	\$ 1,698,812	\$ 1,917,766	\$ 2,062,049
Contributions in relation to the contractually required contribution	<u>(843,887)</u>	<u>(961,530)</u>	<u>(1,229,817)</u>	<u>(1,431,741)</u>	<u>(1,698,812)</u>	<u>(1,917,766)</u>	<u>(2,062,049)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,169,000	\$ 8,116,000	\$ 8,855,000	\$ 9,219,000	\$ 9,405,000	\$ 9,724,000	\$ 9,962,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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 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 OPEB was 7.0%, 4.2%, 3.8% and 2.6% in the June 30, 2017, June 30, 2018, June 30, 2019 and June 30, 2020 actuarial reports, respectively.

The discount rates used for the Public Employer's Retirement Fund B (PERF B) was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, and 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, and 2019 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>2020</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%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2021

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund	Bond Interest Redemption Fund	Total
ASSETS								
Cash in County Treasury	\$ -	\$ 13,468	\$ 20,080	\$ 464,017	\$ 2,623,936	\$ 1,936,783	\$ 5,586,347	\$ 10,644,631
Cash in banks	356,898	-	-	-	-	-	-	356,898
Accounts receivable	-	13,211	3	167,469	483	15	819	182,000
Stores inventory	-	-	-	21,336	-	-	-	21,336
Due from other funds	-	3,061	-	41,837	-	-	-	44,898
All other current assets	-	-	-	1,342	-	-	-	1,342
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,342</u>
Total assets	<u>\$ 356,898</u>	<u>\$ 29,740</u>	<u>\$ 20,083</u>	<u>\$ 696,001</u>	<u>\$ 2,624,419</u>	<u>\$ 1,936,798</u>	<u>\$ 5,587,166</u>	<u>\$ 11,251,105</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 2,973	\$ 8,812	\$ 57,752	\$ 14,283	\$ 2,406	\$ -	\$ 86,226
Due to other funds	-	3,859	-	-	-	-	-	3,859
	<u>-</u>	<u>3,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,859</u>
Total liabilities	<u>-</u>	<u>6,832</u>	<u>8,812</u>	<u>57,752</u>	<u>14,283</u>	<u>2,406</u>	<u>-</u>	<u>90,085</u>
Fund balances:								
Nonspendable	-	-	-	21,336	-	-	-	21,336
Restricted	356,898	22,908	11,271	616,913	2,610,136	1,934,392	5,587,166	11,139,684
	<u>356,898</u>	<u>22,908</u>	<u>11,271</u>	<u>616,913</u>	<u>2,610,136</u>	<u>1,934,392</u>	<u>5,587,166</u>	<u>11,139,684</u>
Total fund balance	<u>356,898</u>	<u>22,908</u>	<u>11,271</u>	<u>638,249</u>	<u>2,610,136</u>	<u>1,934,392</u>	<u>5,587,166</u>	<u>11,161,020</u>
Total liabilities and fund balances	<u>\$ 356,898</u>	<u>\$ 29,740</u>	<u>\$ 20,083</u>	<u>\$ 696,001</u>	<u>\$ 2,624,419</u>	<u>\$ 1,936,798</u>	<u>\$ 5,587,166</u>	<u>\$ 11,251,105</u>

WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
June 30, 2021

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund	Bond Interest Redemption Fund	Total
Revenues:								
Federal sources	\$ -	\$ 48,759	\$ -	\$ 2,486,826	\$ -	\$ -	\$ -	\$ 2,535,585
Other state sources	-	-	-	254,441	-	-	-	254,441
Other local sources	281,980	(91)	85	2,945	3,328,908	1,900,211	7,480,382	12,994,420
Total revenues	281,980	48,668	85	2,744,212	3,328,908	1,900,211	7,480,382	15,784,446
Expenditures:								
Current:								
Classified salaries	-	46,794	-	747,525	101,943	-	-	896,262
Employee benefits	-	26,235	-	353,087	40,858	-	-	420,180
Books and supplies	255,535	172	-	1,013,637	1,133	-	-	1,270,477
Services and other operating expenditures	-	48	-	38,902	133,227	2,406	-	174,583
Capital outlay	-	-	-	5,303	-	-	-	5,303
Debt service:								
Principal retirement	-	-	-	-	-	-	2,690,000	2,690,000
Interest	-	-	-	-	-	-	4,733,985	4,733,985
Total expenditures	255,535	73,249	-	2,158,454	277,161	2,406	7,423,985	10,190,790
Excess (deficiency) of revenues over (under) expenditures	26,445	(24,581)	85	585,758	3,051,747	1,897,805	56,397	5,593,656
Other financing sources (uses):								
Transfers in	-	28,421	-	38,272	-	-	-	66,693
Transfers out	-	(3,840)	-	-	(800,000)	(13,500)	-	(817,340)
Total other financing sources (uses)	-	24,581	-	38,272	(800,000)	(13,500)	-	(750,647)
Net change in fund ballances	26,445	-	85	624,030	2,251,747	1,884,305	56,397	4,843,009
Fund balance, July 1, 2020	-	22,908	11,186	14,219	358,389	50,087	5,530,769	5,987,558
Cumulative effect of GASB 84 implementation	330,453	-	-	-	-	-	-	330,453
Fund balance, July 1, as restated	330,453	22,908	11,186	14,219	358,389	50,087	5,530,769	6,318,011
Fund balance, June 30, 2021	\$ 356,898	\$ 22,908	\$ 11,271	\$ 638,249	\$ 2,610,136	\$ 1,934,392	\$ 5,587,166	\$ 11,161,020

WESTERN PLACER UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2021

Western Placer Unified School District, a political subdivision of the State of California, was established in 1966 and is comprised of an area of approximately 170 square miles located in Placer County. There were no changes in the boundaries of the District during the year. The District currently operates seven elementary schools, two middle schools, one comprehensive high school, one continuation high school and one independent study academy.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Kris Wyatt	President	November 2022
Damian Armitage	Vice President	November 2022
Brian Haley	Clerk	November 2022
Criste Freymond	Member	November 2024
Jason Price	Member	November 2024

ADMINISTRATION

Scott Leaman
Superintendent

Kerry Callahan
Deputy Superintendent, Educational Services

Audrey Kilpatrick
Assistant Superintendent, Business and Operations

Gabe Simon
Assistant Superintendent of Personnel Services

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2021

<u>Grade Level</u>	<u>Number of Days</u>	<u>Status</u>
Kindergarten	180	In Compliance
Grade 1	180	In Compliance
Grade 2	180	In Compliance
Grade 3	180	In Compliance
Grade 4	180	In Compliance
Grade 5	180	In Compliance
Grade 6	180	In Compliance
Grade 7	180	In Compliance
Grade 8	180	In Compliance
Grade 9	180	In Compliance
Grade 10	180	In Compliance
Grade 11	180	In Compliance
Grade 12	180	In Compliance

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Assistance Listing 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	Special Ed: IDEA Basic and Local Assistance Entitlement, Part B, Sec 611 (Formerly 94-142)	13379	\$ 1,212,468
84.173	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	15197	79,177
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec. 619	13430	36,289
	Subtotal Special Education Cluster		1,327,934
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	579,635
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	161,877
	Subtotal ESEA: Title I		741,512
	ESEA Title III:		
84.365	ESEA: Title III, English Learner Student Program	14346	51,959
	Subtotal ESEA: Title III		51,959
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425	COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund 1	15536	569,013
84.425D	COVID-19: ESSER II	15547	766,515
84.425C	COVID-19: Governor's Emergency Education Relief Fund (GEER): Learning Loss Mitigation	15517	425,050
84.425	COVID-19: Child Nutrition: COVID CARES Act Supplemental Meal Reimbursement	15535	111,521
	Subtotal COVID-19: ESF Programs		1,872,099
84.367	ESEA: Title II, Part A, Improving Teacher Quality Local Grants	14341	175,158
84.424	ESEA: Title IV, Part A, Student Support	15396	7,456
84.048	Vocational Programs: Voc & Applied Single Parent II E	14894	35,225
84.126	Department of Rehabilitation: Workability II, Transitions Partnership	10006	48,759
	Total U.S. Department of Education		4,260,102

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Agriculture - Passed through California</u>			
<u>Department of Education</u>			
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs	13523	<u>1,963,394</u>
10.558	Child Nutrition: Child Care Food Program (CCFP)		
	Claims-Centers and Family Day Care Homes		
	(Meal Reimbursements)	13665	<u>1,047</u>
	Total U.S. Department of Agriculture		<u>1,964,441</u>
<u>U.S. Department of Health and Human Services - Passed through California</u>			
<u>Department of Education</u>			
	Medicaid Cluster:		
93.778	Department of Health Care Services (DHCS):		
	Medi-Cal Billing Option - Medicaid Cluster	10013	121,802
93.778	Unrestricted: Medi-Cal Administrative Activities		
	(MAA)	10060	<u>65,803</u>
	Subtotal Medicaid Cluster		<u>187,605</u>
<u>U.S. Department of Treasury - Passed through California</u>			
<u>Department of Education</u>			
21.019	COVID-19: Coronavirus Relief Fund (CRF) :Learning		
	Loss Mitigation	25516	<u>2,903,060</u>
	Total U.S. Department of Treasury		<u>2,903,060</u>
	Total Federal Awards		<u>\$ 9,315,208</u>

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2021
(UNAUDITED)

	(Adopted Budget) <u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 82,536,186	\$ 90,713,468	\$ 80,918,554	\$ 80,293,500
Expenditures	86,728,110	85,104,802	77,239,923	77,071,868
Other uses and transfers out	<u>256,881</u>	<u>72,733</u>	<u>78,358</u>	<u>57,840</u>
Total outgo	<u>86,984,991</u>	<u>85,177,535</u>	<u>77,318,281</u>	<u>77,129,708</u>
Change in fund balance	\$ (4,448,805)	\$ 5,535,933	\$ 3,600,273	\$ 3,163,792
Ending fund balance	<u>\$ 16,714,195</u>	<u>\$ 21,163,000</u>	<u>\$ 15,627,067</u>	<u>\$ 12,026,794</u>
Available reserves	<u>\$ 12,068,987</u>	<u>\$ 14,392,611</u>	<u>\$ 12,913,439</u>	<u>\$ 9,496,222</u>
Designated for economic uncertainties	<u>\$ 2,609,550</u>	<u>\$ 2,555,211</u>	<u>\$ 2,325,046</u>	<u>\$ 2,313,776</u>
Undesignated fund balance	<u>\$ 9,459,437</u>	<u>\$ 11,837,400</u>	<u>\$ 10,588,393</u>	<u>\$ 7,182,446</u>
Available reserves as percentages of total outgo	<u>13.87%</u>	<u>16.90%</u>	<u>16.70%</u>	<u>12.31%</u>
<u>All Funds</u>				
Total long-term liabilities	<u>\$ 409,793,574</u>	<u>\$ 415,781,419</u>	<u>\$ 415,630,474</u>	<u>\$ 345,781,187</u>
Average daily attendance at P-2	<u>6,923</u>	<u>6,947</u>	<u>6,947</u>	<u>6,779</u>

The General Fund fund balance has increased by \$12,299,998 over the past three years. The fiscal year 2021-2022 budget projects a decrease of \$4,448,805. For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses. For the year ended June 30, 2021, the District met this requirement.

The District has incurred operating surpluses in each of the past three years and anticipates an operating deficit in fiscal year 2022.

Total long-term liabilities have increased by \$70,000,232 over the past two years.

Average daily attendance has increased by 168 over the past two years. A decrease of 24 of ADA is projected for the 2021-2022 fiscal year.

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2021

Charter Schools Chartered by District

0015 - Horizon Charter School
1715 - John Adams Academy

Included in District
Financial Statements, or
Separate Report

Separate report
Separate report

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

NOTE 1 - PURPOSE OF SCHEDULES

A - 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.

B - Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of Western Placer 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.

C - 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.

D - 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 2021-2022 fiscal year, as required by the State Controller's Office.

E - 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, 2021, the District did not adopt this program.

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

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on Compliance with State Laws and Regulations

We have audited Western Placer Unified School District's compliance with the types of compliance requirements described in the State of California's *2020-21 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, 2021.

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

We did not perform any procedures related to the Early Retirement Incentive Program because the District did not offer this program in the current year.

(Continued)

The District does not operate an Apprenticeship Program and Transportation Maintenance of Effort; therefore, we did not perform any testing of these programs.

The District did not elect to operate as a District of Choice; therefore, we did not perform any procedures related to District of Choice.

We did not perform procedures related to California Clean Energy Jobs Act because the District did not spend any California Clean Energy Jobs Act funds in the current fiscal year.

We did not perform procedures for the charter school section because the charter schools sponsored by the District have separate reports.

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 Western Placer 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 *2020-21 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 Western Placer Unified School District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Western Placer Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations. However, our audit does not provide a legal determination of Western Placer Unified School District's compliance.

Opinion on Compliance with State Laws and Regulations

In our opinion, Western Placer Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2021.

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 *2020-21 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 25, 2022

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 Trustees
Western Placer Unified School District
Lincoln, 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 Western Placer Unified School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Western Placer Unified School District's financial statements, and have issued our report thereon dated January 25, 2022.

Internal Control Over Financial Reporting

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

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Placer 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 over financial reporting 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

Crowe LLP

Sacramento, California
January 25, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY UNIFORM GUIDANCE

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Western Placer 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, 2021.

(Continued)

Report on Internal Control Over Compliance

Management of Western Placer 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 Western Placer 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 Western Placer 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 25, 2022

FINDINGS AND RECOMMENDATIONS

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u> </u> 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 X No

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425,84.425C,84.425D	COVID-19: ESF Programs
21.019	COVID-19: Coronavirus Relief Fund (CRF): Learning Loss Mitigation

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X Yes No

STATE AWARDS

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

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2021

No matters were reported.